

**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 July 15, 2014)**

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(JULY-3-14)**

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AND TO:	<p>HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE Legal Services Branch 33 King Street West, 6th Floor Oshawa, ON L1H 8H5</p> <p>Kevin J. O'Hara Tel: (905) 433-6934 Fax: (905) 436-4510 Email: kevin.ohara@fin.gov.on.ca</p>
AND TO:	<p>RCAP LEASING INC. 5575 North Service Road, Suite 300 Burlington, ON L7L 6M1</p> <p>Email: rcap.collections@rcapleasing.com</p>

AND TO:	<p>XEROX CANADA LTD. 33 Bloor Street East Toronto, ON M4W 3H1</p> <p>Stephanie Grace, Legal Counsel Tel: (416) 413-2805 Fax: (416) 972-5530 E-mail: Stephanie.Grace@xerox.com</p>
AND TO:	<p>AIRD & BERLIS LLP Brookfield Place, Suite 1800 181 Bay St., Box 754 Toronto, ON M5J 2T9</p> <p>Steven Graff Tel: (416) 865-7726 Fax: (416) 863-1515 Email: sgraff@airdberlis.com</p> <p><i>Lawyers for Royal Bank of Canada</i></p>
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COURIER SERVICE LIST
(July-3-14)

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AND TO:	REISER (CANADA) CO. 1549 Yorkton Court, Unit #4 Burlington, ON L7P 5B7
AND TO:	TOYOTA CREDIT CANADA INC. 80 Micro Court, Suite 200 Markham, ON L3R 9Z5
AND TO:	FINANCIALINX CORPORATION 2001 Sheppard Avenue East, 6 th Floor Toronto, ON M2J 4Z8
AND TO:	TRANSPORTACTION LEASE SYSTEMS INC. 4 Robert Speck Parkway Suite 900 Mississauga, ON L42 1S1

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**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**

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TAB 1

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

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- and -

**QUALITY MEAT PACKERS LIMITED 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 the Court-appointed receiver (the “**Receiver**”) of all 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 Wednesday, July 15, 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", including, *inter alia*:
 - (a) if necessary, declaring that the time for service of the Notice of Motion and Motion Record is hereby abridged so that this motion is properly returnable on the hearing date;
 - (b) approving the Second Report of the Receiver dated July 3, 2014 (the "**Second Report**") and the activities of the Receiver set out therein;
 - (c) approving the proposed distribution by the Receiver to TD Asset Finance ("**TD**") in the amount of \$7,893.82 in respect of amounts owing to TD under the security granted to it by the Debtors and authorizing and directing the Receiver to make the distribution;
 - (d) approving the proposed distribution by the Receiver to Quality Meat Packers Holdings Limited ("**QMPH**") in the amount of \$7,500,000.00 in respect of amounts owing to QMPH under the security granted to it by the Debtors and authorizing and directing the Receiver to make the distribution;
 - (e) approving the fees and disbursements of the Receiver and its counsel for the periods outlined in the Second Report; and
 - (f) such further and other relief as this Court may see just.

THE GROUNDS FOR THE MOTION ARE:

1. On May 6, 2014, pursuant to the Appointment Order of the Ontario Superior Court of Justice (Commercial List), 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 made realizations upon the assets of the Debtors, including through the collection of accounts receivable, the sale of remaining inventory and the pending liquidation of the equipment of the Debtors, and the Receiver is in receipt of substantial monies arising therefrom;
4. The Receiver has had the security of the secured creditor, TD, vetted by independent counsel, which has found the security to be properly executed and perfected. Prior to the receivership, TD had repaid itself from monies on deposit in the Debtors' accounts at TD. The amount of the proposed distribution relates to an account of TD's counsel, which was not paid at that time.
5. The Receiver has had the security of the secured creditor, QMPH, vetted by independent counsel, which has found the security to be properly executed and perfected. The Receiver has confirmed that there is in excess of \$20 million outstanding under the security which is in excess of the monies on hand with the Receiver and in excess of the monies likely to be realized by the Receiver in these receivership proceedings. The Receiver therefore believes it is appropriate to make a distribution of a portion of the monies on hand with the Receiver to QMPH;
6. The proposed distributions will leave the Receiver with sufficient monies to complete the receivership and to meet any currently undetermined priority claims such as outstanding source deductions, if any;
7. The facts as further set out in the Second Report of the Receiver; and
8. Such further and other grounds as counsel may advise and this Court may permit.

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

1. The Second Report of the Receiver dated July 3, 2014 and the exhibits attached thereto;

2. The Fee Affidavit of John Hendriks sworn on July 3, 2014;
3. The Fee Affidavit of Ian Aversa sworn on July 3, 2014; and
4. Such further and other material as counsel may advise and this Court may permit.

July 3, 2014

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, Ontario M5J 2T9

D. Robb English (LSUC # 19862F)

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Fax: 416.863.1515
Email: renglish@airdberlis.com

Lawyers for A. Farber & Partners Inc.

TO: SERVICE LIST

18624409.3

SCHEDULE "A"

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

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

THE HONOURABLE) WEDNESDAY, THE 15TH DAY
)
JUSTICE) OF JULY, 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
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COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**ORDER
(Fee Approval and Interim Distribution)**

THIS MOTION, made by A. Farber & Partners Inc., in its capacity as the Court-appointed receiver (the "**Receiver**") of all of the undertaking, property and assets of Quality Meat Packers Limited ("**QMP**") and Toronto Abattoirs Limited ("**TAL**") (collectively, the "**Debtors**"), for an Order, *inter alia*: (a) approving the Second Report of the Receiver dated July 3, 2014 (the "**Second Report**") and the activities of the Receiver set out therein; (b) approving the distribution by the Receiver to TD Asset Finance ("**TD**") in the amount of \$7,893.82 in

respect of amounts owing to TD under the security granted to it by the Debtors; (c) approving the distribution by the Receiver to Quality Meat Packers Holdings Limited (“**QMPH**”) in the amount of \$7,500,000.00 in respect of amounts owing to QMPH under the security granted to it by the Debtors; and (d) approving the fees and disbursements of the Receiver and its counsel, Aird & Berlis LLP, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report, the Fee Affidavit of John Hendriks sworn on July 3, 2014 and the Fee Affidavit of Ian Aversa sworn on July 3, 2014 (collectively, the “**Fee Affidavits**”), and on hearing the submissions of counsel for the Receiver, counsel for QMPH and those other parties as appearing on the Counsel Slip, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Paula Hoosain sworn July 3, 2014.

1. **THIS COURT ORDERS** that the Second Report and the activities of the Receiver as set out therein be and the same are hereby approved.
2. **THIS COURT ORDERS** that the fees and disbursements of the Receiver in the sum of \$200,172.55 for the period May 5, 2014 to June 13, 2014 and the fees and disbursements of Aird & Berlis LLP, in its capacity as counsel to the Receiver, in the sum of \$55,161.60 for the period May 5, 2014 to June 26, 2014, as set out in the Fee Affidavits, be and are hereby approved.
3. **THIS COURT ORDERS** the Receiver be and the same is hereby authorized and directed to distribute from the monies on hand with the Receiver the sum of \$7,893.82 to the secured creditor, TD, in respect of amounts owing to TD under the security granted to it by the Debtors.

4. **THIS COURT ORDERS** the Receiver be and the same is hereby authorized and directed to distribute from the monies on hand with the Receiver the sum of \$7,500,000.00 to the secured creditor, QMPH, in respect of amounts owing to QMPH under the security granted to it by the Debtors.

5. **THIS COURT ORDERS AND DECLARES** that, notwithstanding:

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

the distributions and payments to be made to TD and QMPH by the Receiver pursuant to this Order are final and irreversible and shall be binding upon 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 any such distributions or payments constitute or be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial law, nor shall they constitute conduct which is oppressive, unfairly prejudicial to or which unfairly disregards the interest of any person pursuant to any applicable federal or provision legislation.

QUALITY MEAT PACKERS HOLDINGS LIMITED

and

QUALITY MEAT PACKERS LIMITED et al.

Applicant

Respondents

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

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

Proceedings commenced at Toronto

**ORDER
(Fee Approval and Interim Distribution)**

AIRD & BERLIS LLP

Barristers and Solicitors

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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

NOTICE OF MOTION

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Fax: 416.863.1515

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

TAB 2

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

THE HONOURABLE) WEDNESDAY, THE 15TH DAY
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QUALITY MEAT PACKERS HOLDINGS LIMITED

Applicant

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THIS MOTION, made by A. Farber & Partners Inc., in its capacity as the Court-appointed receiver (the “**Receiver**”) of all of the undertaking, property and assets of Quality Meat Packers Limited (“**QMP**”) and Toronto Abattoirs Limited (“**TAL**”) (collectively, the “**Debtors**”), for an Order, *inter alia*: (a) approving the Second Report of the Receiver dated July 3, 2014 (the “**Second Report**”) and the activities of the Receiver set out therein; (b) approving the distribution by the Receiver to TD Asset Finance (“**TD**”) in the amount of \$7,893.82 in respect of amounts owing to TD under the security granted to it by the Debtors; (c) approving the

distribution by the Receiver to Quality Meat Packers Holdings Limited (“QMPH”) in the amount of \$7,500,000.00 in respect of amounts owing to QMPH under the security granted to it by the Debtors; and (d) approving the fees and disbursements of the Receiver and its counsel, Aird & Berlis LLP, was heard this day at 330 University Avenue, Toronto, Ontario.

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the distributions and payments to be made to TD and QMPH by the Receiver pursuant to this Order are final and irreversible and shall be binding upon 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 any such distributions or payments constitute or be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial law, nor shall they constitute conduct which is oppressive, unfairly prejudicial to or which unfairly disregards the interest of any person pursuant to any applicable federal or provision legislation.

QUALITY MEAT PACKERS HOLDINGS LIMITED

and

QUALITY MEAT PACKERS LIMITED et al.

Applicant

Respondents

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
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Proceedings commenced at Toronto

**ORDER
(Fee Approval and Interim Distribution)**

AIRD & BERLIS LLP

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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
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SECOND REPORT OF THE RECEIVER

JULY 3, 2014

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Court File #CV-14-10537-00CL

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SECOND REPORT OF THE RECEIVER

July 2, 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 at 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 did 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 \$20,789,000 respectively. During the NOI period, TD repaid itself in full from amounts in the Companies' deposit accounts with TD, other than an outstanding account of its legal counsel received recently by the Receiver and discussed below.

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 D. M. Brown (the "**Appointment Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). A copy of the Appointment Order and Justice D. M. Brown's Endorsement of the same date is attached as **Appendix "A"**.

PURPOSE OF THIS REPORT

7. The Receiver has been realizing on the assets of the Companies and currently has funds on hand in excess of the estimated costs to continue its administration of the receiverships; accordingly, the Receiver has prepared this report to: (i) report on its activities and realizations since the date of its appointment; (ii) report on the estimated priority payments and costs anticipated by the Receiver; (iii) request this Honourable Court's approval of a distribution to be paid to the secured creditor, TD Asset Finance ("**TD**"); (iv) request this Honourable Court's approval of a distribution to be paid to

the secured creditor, Holdings, and (iv) request this Honourable Court's approval of the Receiver's activities and the statements of account of the Receiver and its counsel, Aird & Berlis LLP ("**Aird & Berlis**") as set out in this Second Report.

LIMITATION OF REVIEW

8. 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 Second Report for the sole use of the Court and of the other stakeholders in these proceedings.

ASSETS

Taking Possession

9. The Receiver attended and took possession of the premises after receiving the Appointment Order. The Receiver also contacted the utility companies to obtain meter readings as at the date of the receivership.

10. The Receiver met with management to review the financial records and the assets subject to the receivership appointment. The assets and their estimated realizable value are set out in the Trustee's Preliminary Report for QMP and TAL dated June 3, 2014, a copy of which is attached as **Appendix "B"**.

11. The Receiver has arranged for the ongoing insurance of the premises and assets with the Companies' previous insurer. The Receiver notes that the insurance coverage was on an umbrella basis for QMP, TAL and a number of related parties that are not part of the receivership. Most of the other parties continue to operate and one, Great Lakes Specialty Meats of Canada Inc. ("**Great Lakes**") has recently had PricewaterhouseCoopers Inc. ("**PwC**") appointed as Court-appointed receiver. The Receiver has requested adjustments to the property coverage on the QMP and TAL assets and will be coordinating with the other insured parties and PwC regarding possible adjustments to the umbrella liability policies.

12. The Receiver arranged for Canada Revenue Agency (“CRA”) to conduct its payroll audit on the 5 accounts operated by QMP and TAL, the results of which is discussed below. The Receiver also requested an HST audit, which CRA has scheduled for July 3 and 4, 2014.

13. A number of parties claimed ownership of assets at QMP and TAL. The Receiver has investigated these claims based on the Companies’ books and records and with the former management of QMP and TAL. The Receiver has agreed to release those assets that the Receiver has confirmed are valid third-party assets.

Employees

14. Hog production had not re-commenced during the NOI period, so the production employees were on lay-off as at the date of the receivership/bankruptcy. All employees were notified that their employment terminated as a result of the bankruptcy. The Receiver arranged for the issuance of the ROE’s and T4’s to all terminated employees.

15. The employees were paid their outstanding wages and vacation pay prior to the receivership, such that employees were only owed their outstanding termination and severance. The Receiver calculated the employees’ entitlement to termination and severance pursuant to the *Employment Standards Act* (Ontario) (“ESA”) as no employees had written employment contracts and the unionized employees’ collective agreement did not provide for termination or severance other than pursuant to the ESA.

16. The Receiver spent considerable time with management, former HR employees, the union and the Wage Earners Protection Plan (“WEPP”) to calculate the termination and severance claims for WEPP purposes for the approximately 750 former employees. Further, the Receiver also spent significant additional time complying with WEPP including: (i) submitting the detailed information to WEPP on an employee-by-employee basis; (ii) individually notifying the employees of the calculations remitted to WEPP by the Receiver on their behalf; (iii) following up on numerous queries from the former employees, WEPP and the union on the calculations of the termination and severance claims; and (iv) following up on numerous queries from the former employees, WEPP and the union on the process for submitting claims to the Receiver and WEPP in order for the employees to be eligible to file their claims with WEPP, etc.

17. The Receiver also arranged for certain of the former employees to be retained as consultants (the “**Retained Consultants**”) to assist the Receiver in the realization of the assets and the administration of the estates.

Cash on Hand

18. The cash on hand of \$6,100,487 at TD was received by the Receiver on May 9, 2014. The disbursement accounts at TD were closed. The receipts account at TD remains open to accommodate receipt of funds wired by customers. The Receiver monitors the TD account and has the funds transferred to the Receiver’s estate account daily.

19. The Companies also maintained disbursement accounts at Bank of Nova Scotia (“**BNS**”) which showed \$420,642 owing to QMP as at May 6, 2014. BNS was holding these funds pending resolution of certain cheques, primarily for water bills, which they returned around the date of the NOI. The Receiver and Aird & Berlis corresponded with BNS and, on June 25, 2014, BNS remitted \$424,381 to QMP as well as \$62,238 to TAL.

Securities at Royal Bank of Canada Dominion Securities (“**RBCDS**”)

20. QMP maintained a futures account with RBCDS that traded hog futures and some \$US exchange futures with a future settlement value of \$479,066 as at May 6, 2014. QMP had ceased operating so was no longer purchasing hogs and was therefore unable to settle the futures on a going concern basis as the futures matured; accordingly, the futures had an estimated realizable value of approximately \$47,000 as at the date of the receivership. There was also the possibility of additional cash calls that could eliminate the estimated realizable value depending on the movement of hog prices and the \$US if the futures account was left open. As a result, the Receiver instructed RBCDS to collapse the futures account and received \$51,722 from RBCDS.

Trade Receivables

21. The trade receivables were estimated to produce \$2,261,000. The Receiver has worked with the Retained Consultants to collect the outstanding receivables and oversee the application of credits claimed by the customers for the various programs offered by QMP prior to the receivership. To date, the Receiver has collected \$2,106,737 from the receivables. The Receiver continues to follow

up on the outstanding trade receivables of approximately \$500,000 and to review the program credit claims made by the customers.

22. In addition, QMP's computer systems and trade receivables subledger included the receivables of the related party, Tasty Chip (2008) Inc. ("**Tasty**"), as many of Tasty's customers historically insisted that their purchases of Tasty product be processed through QMP's EDI system (electronic data interchange). The customers would also wire funds directly into QMP's bank accounts directly for product purchased from Tasty. The Receiver has been monitoring the combined accounts receivable subledger and cash receipts to segregate the QMP and Tasty transactions. The reporting of accounts receivable and cash collections in this Second Report is net of the Tasty transactions, so this Second Report just reflects QMP's position.

Inventory - Pork

23. QMP had ceased operating approximately a month prior to the Appointment Order; accordingly, the inventory with a book value of \$911,260 was made up of frozen pork that was stored at off-site frozen goods warehouses.

24. Most of the inventory was at International Cold Storage ("**ICS**"). ICS was owed a significant amount for unpaid storage fees prior to the receivership and refused to ship any inventory until their account was settled in full. ICS initially claimed a storer's lien of over \$300,000 on the inventory. The Receiver reviewed the claim and determined that only approximately \$40,000 related to the inventory still on hand. The Receiver and Aird & Berlis corresponded with ICS and their legal counsel. ICS agreed to accept \$40,203 + HST to release the lien on the goods still on hand and to commence shipping to fill QMP's customers' orders.

25. QMP estimated that the inventory would likely realize approximately \$450,000 if the inventory were liquidated. The Receiver, with the consent of Holdings and the assistance of the Retained Consultants, continued to sell the inventory through normal sales channels and on normal terms. As a result, to date the Receiver has received \$946,410 from inventory sales and expects to receive an estimated additional \$68,000 shortly. Inventory with a book value of approximately \$48,000 remains to be sold.

Inventory – Spices and Packaging

26. QMP's books showed approximately \$40,000 of spices and \$766,000 of packaging on hand as at May 6, 2014. Management initially estimated that these would generate realizations of \$75,000 primarily based on the re-usability of the packaging. Upon further investigation, most of the packaging was marked with a Canada Food Inspection Agency ("CFIA") establishment number that was unique to the QMP operations at 2 Tecumseth, Toronto, Ontario. CFIA advised that the packaging had to be destroyed, rather than re-used; accordingly, the packaging was sent for recycling at a modest net cost of the estate.

27. The Receiver still has the spices to realize upon, which does not form part of the LSA (defined below).

Equipment

28. For purposes of the statement of affairs in the bankruptcy of QMP, QMP's owned equipment and capital leases were estimated to realize approximately 30 cents on the dollar of their book value for a total of approximately \$1,314,000.

29. The \$1,314,000 estimated value as at May 6, 2014 included \$273,680 attributable to the equipment subject to capital leases with the Royal Bank of Canada ("RBC"). The Trustee has subsequently obtained an independent legal opinion confirming the validity of the security as against the Trustee. Further, Holdings does not dispute the priority of RBC's interest in the equipment subject to capital leases with RBC. As a result, the estimated recoveries to the receivership are reduced accordingly.

30. Similarly, for purposes of the statement of affairs in the bankruptcy of TAL, TAL's owned equipment and capital leases were estimated to realize approximately 30 cents on the dollar of their book value for a total of approximately \$158,232.

31. As permitted by the Appointment Order, the Receiver sought offers for the QMP and TAL equipment on a going concern and liquidation basis. The details and results of the sales process are set out in the Receiver's First Report dated June 12, 2014, a copy of which is attached, without appendices, as **Appendix "C"** to this Second Report.

32. Pursuant to the Order of the Honourable Mr. Justice McEwen dated June 18, 2014, a copy of which is attached as **Appendix "D"**, the Receiver has entered into a liquidation services agreement (the "**LSA**") with Hilco Asset Sales Canada Corp. ("**Hilco**"). The equipment is anticipated to be sold by auction in early September. Hilco has paid a deposit of \$518,750 to the Receiver pursuant to the LSA.

33. The Receiver also negotiated a proceeds sharing and occupation costs sharing understanding with RBC; accordingly, the RBC assets form part of the LSA.

34. The Receiver will report to the Court on the outcome of the auction in a later report.

35. To date, the Receiver has sold two old high-mileage vehicles owned by TAL that were not part of equipment subject to the auction proposals. The sales were for \$1,000 each which is within the pre-approved authority granted to the Receiver pursuant to paragraph 4(l) of the Appointment Order.

Investment in Great Lakes and Due from Great Lakes

36. Great Lakes is a related party in Mitchell, Ontario which also processed hogs. As at the date of the receivership, Great Lakes owed QMP approximately \$12,867,500. Great Lakes continued to operate independently after the QMP receivership, although no further inter-company transfers were made.

37. TD lending facility provided working capital lending to QMP, TAL and a number of related parties on a consolidated co-borrower basis including Great Lakes. In addition, Holdings provided advances to QMP as necessary. QMP, in turn, advanced funds to related parties, including Great Lakes. As noted above, TD was paid in full during the NOI period and so no TD longer provided working capital to Great Lakes.

38. After TD was repaid, Great Lakes' continued to operate. On or about June 3, 2014, Farm Credit Canada applied for the appointment of a receiver over Great Lakes and another related company and on June 10, 2014 PwC was appointed receiver. At this time, it is not expected that there will be any funds available to Great Lake's unsecured creditors, which would include QMP,

however, the Receiver will continue to monitor the disposition of Great Lakes' assets to determine if any recovery can be made.

Due from BNJ Storage

39. BNJ Storage is a related party whose principal business was the cold storage of QMP product that was not otherwise stored at ICS. BNJ's business was dramatically reduced when QMP stopped operating. The Receiver does not expect any realization on the \$20,670 owed from BNJ to QMP.

Due from QMP

40. TAL's books showed \$1,057,775 owing from QMP to TAL. There is no expected realization on this intercompany receivable as a result of QMP's bankruptcy and receivership.

Vehicle Lease Deposit and Other Leases

41. The PPSA showed various miscellaneous equipment and vehicles were leased from secured creditors. This does not include the significant capital leases funded by RBC which is discussed in more detail below. Aird & Berlis provided independent legal opinions that these miscellaneous leases were valid and enforceable against the Trustee. Also, Holdings does not dispute the priority of these miscellaneous lessors' interest in the various miscellaneous equipment and vehicles. The miscellaneous leased assets have been released by the Receiver and the lessors have either picked up or are scheduled to pick up their assets.

42. QMP's books and records indicated that there was a last-month's lease payment deposit of \$45,788 with a vehicle lessor. The vehicles have been released to the lessor and the Receiver is awaiting a final accounting to determine the amount, if any, of the deposit that may be recoverable after the vehicles are sold.

Deposit re Enbridge

43. TAL had a deposit of \$248,348 on account with Enbridge for gas supplied for pork processing which is approximately the same amount as the accounts payable showing in TAL's

statement of affairs. The Receiver is awaiting a final accounting from Enbridge to determine if any of the deposit is recoverable.

Deposit re Equitable Life

44. Equitable Life provided an Administrative Services Only employee benefits policy on a consolidated basis for the employees of the QMP, TAL and the related parties. QMP was required to fund the claims made by the employees as they arose and to fund a \$137,614 deposit to Equitable Life. The Receiver has requested that Equitable Life close the accounts for QMP and TAL only and provide an accounting to determine the amount, if any, of the deposit that may be recoverable by QMP.

HST Receivable

45. The Companies' sale of meat is zero-rated for HST purposes, so the Companies were not required to charge or collect HST. The Companies are entitled to refunds of HST input tax credits.

46. The Receiver has received the TAL HST receivable of \$56,434.

47. The Receiver has also arranged for CRA to attend the premises on July 3 and 4, 2014 to conduct the HST audit.

48. The Receiver will advise the Court on the expected extent and timing of the QMP HST receivable after CRA has completed their audit.

Litigation/Insurance Contingent Claims

49. QMP had filed a claim against its insurer ("Lloyds") and a counter-claim against its former cold storage warehouse, Imperial Cold Storage & Distributions Inc. ("Imperial"), for a loss incurred in December 2011. The Receiver has reviewed the claim and has retained QMP's corporate counsel, Cassels Brock & Blackwell LLP ("Cassels"), to continue handling the actions.

50. The Receiver has met with Cassels and Lloyds' counsel to discuss settlement opportunities. The discussions and an exchange of documents are ongoing.

51. The pleadings in the Imperial proceeding have closed but the discovery plan has not yet been set.

52. These litigation matters are ongoing and the Receiver will report to the Court in a future report.

53. QMP had also been in discussions with its insurance broker regarding a potential additional claim of \$144,837 relating to the loss of hogs as a result of power failures in Toronto, Ontario in July 2013. The insurance claim documents were sent to the broker on June 27, 2014 and the Receiver is awaiting a response from the insurer.

Goodwill and Intellectual Property

54. No value is attributed to the goodwill of QMP or TAL as the entities have ceased operations and no parties expressed an interest in purchasing the business as a going concern as set out in the Receiver's First Report.

55. During the sales process, the Receiver also offered for sale the 17 trademarks/designs (the "IP") in which QMP has an interest. The Receiver notes that many of these are licensed from a competitor, Sofina Foods Inc. and/or are contested by other competitors. No interest was generated as a result of the sales process. As a result, no significant recoveries are expected on the IP but the Receiver will undertake a more targeted approach to realizing on the IP to try to recover a positive recovery for the estates.

Securities - \$13,775 State of Israel Bonds

56. Management advised the Receiver that the bonds had been lost years ago and that TAL was not able to realize on this asset. The auditors confirmed that the intent was to write this nominal asset off the books of TAL during the next audit. The Receiver does not expect any recovery for the benefit of the estate on these bonds.

PRIORITY CLAIMS

Deemed Trust – Source Deductions

57. CRA has completed its payroll audit. CRA has written to the Receiver claiming a deemed trust of \$7,409 based on CRA's audit of two of TAL payroll accounts. The Receiver is reviewing the letters and expects to pay the \$7,409 shortly.

58. CRA has also verbally advised that, based on their payroll audit, there is no deemed trust owing on TAL's third payroll account or QMP's two payroll accounts.

59. CRA Insolvency Collections further advised that it is not currently in a position to issue a clearance certificate as the final year end and stub period corporate and HST returns are outstanding and CRA has not yet conducted its HST audit. In a bankruptcy, HST and corporate tax are not priorities ahead of the secured creditors and CRA has advised that the only deemed trust is the \$7,409. Accordingly, the Receiver expects the total deemed trust claim to be \$7,409, which will be paid by the Receiver.

BIA Deemed Trusts

60. No valid claims of unpaid suppliers to repossess goods under section 81.1(1) of the BIA were received by the Receiver.

61. There were no valid claims of farmers, fisherman and aquaculturists under section 81.2(1) of the BIA in the bankruptcy/receivership as the 15-day delivery period prescribed in the BIA expired during the NOI. During the NOI proceedings, a motion was brought by certain hog producers 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 section 81.2 of the BIA. The motion was dismissed. The motion materials and decision of Justice D.M. Brown can be found on the Receiver's website.

62. Prior to the bankruptcy, the employees were paid their wages and vacation pay up to the date of bankruptcy. In addition, union dues and pension contributions were also paid. Since the date of the receivership, only \$1,246 has been claimed and paid for employee payments not made

prior to the bankruptcy. As a result, the Receiver does not expect any further amounts payable under sections 81.3 to 81.6 of the BIA.

Secured Creditors

63. Aird & Berlis has provided independent legal opinions confirming the validity and enforceability of the security of the general security agreement creditors, TD and Holdings, as against the Trustee/Receiver.

64. The secured debt of TD was paid in full during the NOI except for the final account of their counsel, Baker & McKenzie LLP, in the amount of \$7,893.82. The Receiver proposes to distribute these funds to TD.

65. The Receiver has confirmed that the secured debt of Holdings is a minimum of \$20,788,915.99 and remains outstanding. The Receiver proposes to make a distribution to Holdings as discussed below.

66. Aird & Berlis also provided independent legal opinions on the validity and enforceability of the various leased assets (excluding the RBC leases) as against the Trustee as noted above. As set out above, the Receiver has released its interest in these leases and the lessors are dealing with their assets directly.

67. Due to a potential perceived conflict, Aird & Berlis did not opine on the RBC security. The Receiver retained the services of Kronis Rotsztain Margles Cappel LLP who provided an independent legal opinion confirming the validity and enforceability of the RBC security as against the Trustee. As set out above, the assets subject to the RBC leases are being included in the equipment auction.

INTERIM DISTRIBUTION

68. The Receiver's statement of receipts and disbursements to June 29, 2014 is attached as **Appendix "E"**.

69. To date, a net of \$9,762,274 has been realized in the QMP estate. Included in this amount is the Hilco deposit of \$518,750 which is being held by the Receiver pending the conclusion of the equipment auction.

70. The receivership is ongoing with future anticipated receipts and disbursements. The Receiver will need to retain sufficient funds to complete the administration of the estates. At this time, the Receiver is recommending an interim distribution of \$7,500,000 to Holdings from the QMP estate. Such an interim distribution would leave over \$2,250,000 in the estate for the CRA deemed trust (\$7,409), ongoing costs of the receivership and the Hilco deposit (to be released upon completion of the equipment auction).

71. As noted in the Priority Claims section above, TD has been paid in full (subject to the small distribution to be made as discussed above). Holdings outstanding secured debt is a minimum of \$20,788,915.99 and accordingly the proposed interim distribution of \$7,500,000 is to be paid to Holdings.

72. To date, a net of \$99,532 has been realized in the TAL estate. No interim distribution from the TAL estate is being recommended at this time.

PROFESSIONAL FEES

73. The Receiver's statement of account for the period May 6, 2014 to June 13, 2014 totalling \$200,172.55 including expenses and HST is attached to the Fee Affidavit of John Hendriks sworn on July 3, 2014 which is attached as **Appendix "F"**. The receiverships of QMP and TAL are not substantively consolidated; however, the business and operations were highly intertwined. Tracking the Receiver's time separately for these two estates with the many common issues and processes was not practical. The Receiver reasonably allocates 90% of this first statement of account to QMP and 10% to TAL based on the efforts expended by the QMP Receiver on issues unique to just QMP such as: inventory, accounts receivable, dealing with trade creditors and hog producers, all the equipment leases being in QMP's name, intercompany transactions and contracts for the related group of companies that were in QMP's name (such as employee benefits, insurance, etc.). Consideration was also given to the fact that QMP had about 500 employees on its payroll compared to approximately 250 in TAL.

74. Aird & Berlis' statement of account for the period May 5, 2014 to June 26, 2014 totalling \$55,161.60 including expenses and HST is attached to the Fee Affidavit of Ian Aversa sworn on July 3, 2014 which is attached as **Appendix "G"**. This account is proposed to be allocated as between QMP and TAL in the same proportion as the Receiver's account.

75. The Receiver is seeking this Honourable Court's approval of the Receiver's and Aird & Berlis' fees and disbursements as set out in the Fee Affidavits to be paid from the funds available in the respective estates, net of the recommended QMP interim distribution.

ORDER SOUGHT

76. The Receiver will be seeking an Order for the following relief:

- (a) approving this Second Report including the actions of the Receiver and Aird & Berlis and their respective fees as set out herein;
- (b) approving the distribution by the Receiver of \$7,893.82 to TD on account of its secured debt; and
- (c) approving the distribution by the Receiver of \$7,500,000 to Holdings on account of its secured debt.

All of which is respectfully submitted this 3rd day of July, 2014.

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

A. Farber & Partners Inc.

Tab A

APPENDIX "A"

**APPOINTMENT ORDER AND ENDORSEMENT DATED MAY 6, 2014 OF
MR. JUSTICE D. M. BROWN**

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

THE HONOURABLE MR.

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TUESDAY, THE 6TH DAY

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JUSTICE D. M. BROWN

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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) 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.

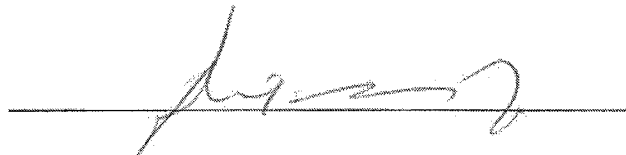
27. **THIS COURT ORDERS** that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver 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 / INSERTE A TORONTO
ON / DOUVE
LE / DANS LE REGISTRE NO. 1



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

QUALITY MEAT PACKERS HOLDINGS LIMITED

and

QUALITY MEAT PACKERS LIMITED
AND TORONTO ABATTOIRS LIMITED

Applicant

Respondents

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

May 6-14

ONTARIO

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

APPLICATION RECORD
(RETURNABLE ON 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

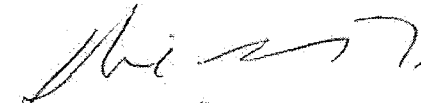
Lawyers for the Applicant

May 6/14

Proposal review has been made. No
proposal opposes.

The debtors were unable to secure adequate
supplies during the proposal period which
resulted in a shut down of their businesses.
The appointment of a receiver will permit the
orderly realisation of assets and dealing
with claims and priority issues. An independent
opinion as to the validity of the App's account
was given and there is no dispute about the
indebtedness and default. It is appropriate
to appoint a receiver.

Order to go in accordance with draft
filed which I have signed.


D. H. BROWN J.

NB

Tab B

APPENDIX “B”

TRUSTEE’S PRELIMINARY REPORT DATED JUNE 3, 2014

IN THE MATTER OF THE BANKRUPTCIES 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

TRUSTEE'S PRELIMINARY REPORT

GENERAL

On April 3, 2014, Quality Meat Packers Limited ("QMP") and Toronto Abattoirs Limited ("TAL") (collectively, the "Companies") each filed a Notice of Intention to Make a Proposal ("NOI") pursuant to the Bankruptcy and Insolvency Act (Canada) (the "BIA"), and named Farber as proposal trustee ("Proposal Trustee"). The Companies did not obtain a Court-approved extension of the initial 30-day stay period nor did they file proposals by the end of the initial 30-day stay period; accordingly, they were deemed bankrupt effective May 6, 2014. As a result, the Proposal Trustee automatically became the bankruptcy trustee (the "Trustee").

Pursuant to the Order of the Honourable Justice Brown dated May 6, 2014 (the "Receivership Order"), Farber was also appointed receiver (the "Receiver") of the Companies.

The Companies operated a pork processing business located at 2 Tecumseth Street, Toronto, Ontario which is leased from a related party. Prior to the bankruptcy, QMP was receiving 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.

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 producers, transfers the hogs to TAL for slaughter and then transfers the products back to QMP for processing. TAL does not have a direct relationship with the hog producers or the customers. As such, TAL's operations are completely dependent on the operations at QMP. Collectively, the Companies employed approximately 750 people.

ASSETS

All of the assets are encumbered in favour of the secured creditors and, as a result, are being administered through the Court-appointed receivership. There are no assets

presently known to be available to the Trustee. The Trustee notes that the following assets were listed on the Companies' statements of affairs:

Quality Meat Packers Limited:

Assets	Book Value	Estimated to Produce
Stock-in-Trade	\$ 911,260.00	\$ 450,000.00
Cash on Hand	\$ 6,100,486.00	\$ 6,100,486.00
Equipment, Machinery & Furniture	\$ 3,304,965.00	\$ 991,489.00
Equipment Under Capital Lease	\$ 912,276.00	\$ 273,680.00
Computers	\$ 316,690.00	\$ 50,000.00
Trade Receivables	\$ 3,048,392.00	\$ 2,261,000.00
Securities – RBCDS Futures	\$ 479,066.00	\$ 47,000.00
Securities – Cash in BNS	\$ 420,642.00	\$ 197,642.00
Investment in Great Lakes Specialty Meats	\$ 350,973.00	\$ 0.00
Vehicle Lease Deposits	\$ 45,788.00	\$ 0.00
Litigation/Insurance Contingent Claims	\$ 362,891.00	\$ 0.00
HST Receivable	\$ 282,512.00	\$ 25,000.00
Packaging and Spices	\$ 806,615.00	\$ 75,000.00
Group Insurance Deposit	\$ 137,614.00	\$ 0.00
Goodwill	\$ 40,000.00	\$ 0.00
Due from BNJ Cold Storage	\$ 20,670.00	\$ 1.00
Due from Great Lakes Specialty Meats	\$ 12,867,500.00	\$ 1.00
	<u>\$ 30,408,340.00</u>	<u>\$ 10,471,299.00</u>

Toronto Abattoirs Limited:

Assets	Book Value	Estimated to Produce
Machinery and Equipment	\$ 527,443.00	\$ 158,232.00
Securities – State of Israel Bonds	\$ 13,775.00	\$ 0.00
Deposit re Enbridge	\$ 248,348.00	\$ 0.00
HST Receivable	\$ 56,432.00	\$ 50,000.00
Due from Quality Meat Packers Limited	\$ 1,057,775.00	\$ 1.00
	<u>\$ 1,903,773.00</u>	<u>\$ 208,233.00</u>

BOOKS AND RECORDS

The Trustee took possession of the Company's books and records, which are being written up to date and appear to have been adequately maintained.

CONSERVATORY AND PROTECTIVE MEASURES

Upon the Trustee's appointment, the Trustee ensured that the premises were secured. As noted above, the assets are subject to the Receivership Order and do not form part of the bankruptcy estate.

LEGAL MATTERS

No legal proceedings have been initiated by or against the Trustee as of the date of this report. The Trustee has retained Aird & Berlis LLP as legal counsel to provide an opinion as to the validity and enforceability of the security of the secured creditors. Aird & Berlis has confirmed that the security of the secured creditor that sought the Receivership Order, Quality Meat Packers Holdings Limited, is valid and enforceable against the bankruptcy estate subject to the ordinary and usual qualifications. The Trustee has also been reconciling the advances and amount outstanding under that security and, although the reconciliation is not complete, the Trustee has confirmed at least \$20,788,915.99 of the claimed indebtedness.

The Trustee also obtained independent legal opinions which confirmed the validity and perfection of the security claims of The Toronto-Dominion Bank (which was paid out prior to the bankruptcy) and Royal Bank of Canada which holds a number of significant equipment leases.

PROVABLE CLAIMS

The following claims have been filed with the Trustee as of June 3, 2014:

Quality Meat Packers Limited:

Nature of Claim	Per Statement of Affairs	Filed with Trustee
Preferred	0.00	204,932.43
Secured	20,695,505.00	541,356.98
Unsecured	13,802,786.51	8,910,039.53
Contingent	0.00	0.00
Total	34,498,291.51	9,656,328.94

Toronto Abattoirs Limited:

Nature of Claim	Per Statement of Affairs	Filed with Trustee
Preferred	0.00	0.00
Secured	19,300,002.00	0.00
Unsecured	1,705,384.93	3,059,879.16
Contingent	0.00	0.00
Total	21,005,386.93	3,059,879.16

ANTICIPATED REALIZATION AND PROJECTED DISTRIBUTION

The assets are encumbered in favour of the secured creditors. It is anticipated that the secured creditors will suffer a shortfall. Accordingly, no surplus funds are expected to be available for distribution to preferred or unsecured creditors.

TRANSACTIONS AT UNDERVALUE

Our preliminary review of the books and records has not revealed any Transactions at Undervalue (as defined in the BIA) or preference payments. In this regard, the Trustee notes the following:

1. Hog producers were on 3-day terms and no producers appear to have been preferred ahead of other producers. QMP appeared to order hogs in the ordinary course, and to make payment for hogs in the ordinary course, up until the date of the NOI filing (no payment was processed on the day of the NOI filing). The quantity of orders did not appear to differ from past practice nor did payments, except a payment for one day which, although initiated by QMP, did not appear to get processed by the clearing institute.
2. Employees were paid their wages including payment of their outstanding vacation pay up to the date of bankruptcy
3. Trade creditor balances varied in the period from December 29, 2013 to the May 6, 2014 date of bankruptcy. The Trustee reviewed the trade creditors with balances owing to them of over \$50,000 as at December 29, 2013 and compared these to the balances owing at May 6, 2014.
4. Intercompany transactions appear to have been posted on a basis consistent with past practices and as described in the December 2012 audited financial statements.
5. The premises lease payments made to the related party owner of the premises did not appear to be in excess of market, and may well have been below market.

The Trustee notes that it was approached by and met with certain of the unsecured creditors to discuss the possibility of further investigations. The Trustee will follow up with these creditors and the Inspectors to discuss the extent and funding of any further investigations by the Trustee.

DEPOSIT FOR FEES

In consideration for the Trustee's acceptance to act in this Estate, the Trustee received deposits of \$24,985 and \$25,000 from QMP and TAL, respectively in respect of the costs of administration of their respective Estates.

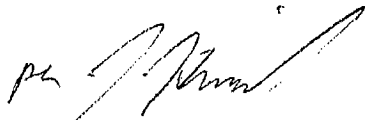
OTHER MATTERS

There are no other matters at this time.

DATED AT TORONTO this 3rd day of June, 2014.

A. FARBER & PARTNERS INC.

Trustee of the Estates of
Quality Meat Packers Limited and
Toronto Abattoirs Limited, bankrupts

A handwritten signature in black ink, appearing to read 'John Hendriks', with a stylized flourish at the end.

Per: John Hendriks, CPA, CA, CIRP

Tab C

APPENDIX “C”

**RECEIVER’S FIRST REPORT DATED JUNE 12, 2014,
(WITHOUT APPENDICES)**

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

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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 12th 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

APPENDIX “B”

SCHEDULE OF AUCTION AND LIQUIDATION PROPOSALS RECEIVED

APPENDIX “C”

HILCO LIQUIDATION PROPOSAL

APPENDIX “D”

PROPOSED FORM OF LIQUIDATION SERVICES AGREEMENT

Tab D

APPENDIX “D”

ORDER OF THE HONOURABLE MR. JUSTICE MCEWEN

DATED JUNE 18, 2014



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

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

THE HONOURABLE Mr.) WEDNESDAY, THE 18TH DAY
)
JUSTICE McEwen) 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(s) (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, counsel for the Applicant and counsel for Alex Abreu and Debbie Abreu, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Paula Hoosain sworn June 13, 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 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 an "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.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JUN 19 2014



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

D. Robb English (LSUC # 19862F1B)

Tel: (416) 865-4748

Fax: (416) 863-1515

E-mail: renglish@airdberlis.com

Lawyers for A. Farber & Partners Inc.

Tab E

APPENDIX "E"

RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS TO JUNE 29, 2014

**A. FARBER & PARTNERS INC., COURT-APPOINTED RECEIVER OF
QUALITY MEAT PACKERS LIMITED AND TORONTO ABATTOIRS LIMITED**

**Appndix E
Page 1 of 1**

**STATEMENT OF RECEIPTS AND DISBURSEMENTS
as at June 29, 2014**

	QMP \$	TAL \$
RECEIPTS		
Cash on Hand	6,524,869	62,238
Securities at RBCDS	51,722	0
Trade Receivables	2,106,737	0
Non-trade Accounts Receivable	10,945	0
Sale of Inventory	946,410	0
Miscellaneous Asset Sales	0	2,000
Pre-Filing HST Refund	0	56,434
Other	0	4
Deposit re Sale of Equipment (Note 1)	518,750	0
Total Receipts	<u>10,159,434</u>	<u>120,676</u>
DISBURSEMENTS		
Filing Fee	70	70
HST	20,306	2,422
Ad re Sale of Equipment	2,575	0
Insurance	65,819	0
Outside Consulting	143,127	0
Storage Lien	40,203	0
Freight and Shipping	14,479	0
Premises Expenses: Rent, Property Tax, Security, Utilities, etc	105,507	18,634
Employee Priority Payments	1,246	0
Other	3,829	18
Total Disbursements	<u>397,160</u>	<u>21,144</u>
RECEIPTS NET OF DISBURSEMENTS	<u><u>9,762,274</u></u>	<u><u>99,532</u></u>

Notes

- 1 The Deposit re Sale of Equipment has been deposited to the QMP account and is currently on hold. The deposit will be allocated amongst QMP, TAL and Royal Bank of Canada (equipment lessor) after the Court-approved auction is complete and the final proceeds accounting is received from the acutioneer.

Tab F

APPENDIX "F"

FEE AFFIDAVIT OF JOHN HENDRIKS SWORN ON JULY 3, 2014

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

**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

AFFIDAVIT OF JOHN HENDRIKS
(Sworn July 3, 2014)

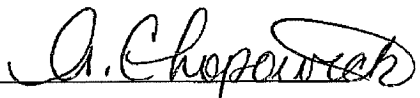
I, John Hendriks, of the City of Toronto, in the Province of Ontario, MAKE OATH AND
SAY AS FOLLOWS:

1. I am a Vice-President with A. Farber & Partners Inc. and, as such, I have knowledge of the matters to which I hereinafter depose.
2. A. Farber & Partners Inc. was appointed receiver 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") pursuant to an Order of this Court made on the 6th day of May, 2014 ("Appointment Order").

3. The Receiver has prepared a Statement of Account in connection with its appointment as Receiver detailing its services rendered and disbursements incurred for the period from May 5, 2014 to June 13, 2014. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a copy of the Statement of Account. The average hourly rate in respect of the accounts is \$382.22.


4. This Affidavit is made in support of a motion to, *inter alia*, approve the receipts and disbursements of the Receiver and its accounts.

SWORN before me at the City of)
Toronto, in the Province of Ontario)
this 3rd day of July, 2014.)

)

A Commissioner, etc.

Annette Chopowick, a Commissioner, etc.,
Province of Ontario, for A. Farber & Partners Inc.
Trustee in Bankruptcy.
Expires: April 15, 2016.



JOHN HENDRIKS

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF JOHN HENDRIKS

Sworn before me

This 3rd day of July, 2014

A handwritten signature in cursive script, reading "A. Chopowick", written over a horizontal line.

Commissioner for taking Affidavits, etc

Annette Chopowick, a Commissioner, etc.,
Province of Ontario, for A. Farber & Partners Inc.
Trustee in Bankruptcy.
Expires: April 15, 2016.

150 York Street
Suite 1600
Toronto, ON M5H 3S5
Canada
Office 416.497.0150
Fax 416.496.3839
www.farberfinancial.com

July 3, 2014

Quality Meat Packers Limited and
Toronto Abattoirs Limited
2 Tecumseth Street
Toronto, ON M5V 2R5

Invoice No. 14-051

Receiverships of Quality Meat Packers Limited and Toronto Abattoirs Limited

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the
period ended June 13, 2014.

DATE	SERVICE	STAFF	HOURS
05/06/2014	Consulting fees - Corporate Discussion with S Mitchell re: utilities and putting same on notice of receivership, etc.; draft correspondence (pending court appointed receivership) to Toronto Hydro counsel, City of Toronto re: Water and Enbridge and make numerous amendments thereto throughout the day; emails from S Mitchell and J Hendriks and updates to letters to utilities in light of same; respond to creditor inquiries; email to J Teskey of Norton Rose with notice of receivership and court order; fax to City of Toronto with notice of receivership and court order.	Da Silva-Falcione	1.70
05/06/2014	Consulting fees - Corporate Letters to utilities and lawyers, attaching the Orders and notifying of the bankruptcies and receiverships and requesting meter readings and opening of new Receiver's accounts; review and sign letters to open new bank accounts.	Mitchell	1.00
05/06/2014	Consulting fees - Corporate Emails with G Lifman and R English re Rostom advice of ongoing interest in receivership and meetings with R English and Ontario Pork re 'rights reserved' to challenge any future distribution order that may be sought by the Receiver; meetings with A Chopowick re materials needed for receivership and website updates; preliminary review of transactions posted through BNS account to date; meeting with S Mitchell re utilities; calls with companies and R Gallop re banking; meetings with Schwartz re first day issues; meeting with Schwartz and McKeown then call to International Cold Storage re release of inventory net of storer's lien; L Samoilov re	Hendriks	5.50

opening receiver bank account and coordinate with R Gallop re notifying banks to freeze accounts and transfer funds to receiver; etc.

05/06/2014	Banking - Corporate Banking, posting.	Samoilov	0.50
05/06/2014	Accounting Office	Castillo	1.00
05/07/2014	Consulting fees - Corporate Drafting Notice and Statement of Receiver document.	Lloyd-Key	0.50
05/07/2014	Consulting fees - Corporate McKeown re accounting system issues to extricate Tasty Chip from QMP; McKeown and Belanger re lien claim of International Cold Storage and ICS threat to seize inventory previously transferred to third parties for QMP arrears notwithstanding NOI and receivership Court order; McKeown and Coho re RBCDS account; follow up RBCDS account with counsels then call to RBCDS; reporting email re RBCDS position and meeting Schwartz re same; Arruda re premises and equipment issues; Arruda and Aurora re retained consultant queries, questions on WEPP calculations, etc.; R Gallop re various issues including funds on hand in TD and BNS accounts; calls from interested parties in purchasing assets of QMP and TAL; Buonaiuto and D Falcione re letters to utilities re meter readings, ongoing services and accounting of net arrears/recoverable after application of deposits; Garfinkle re insurance update and request analysis of payments/coverage to date and amount pre-paid for going forward and re potential reductions of insurance as plant not operating; emails Canada Cartage and Transx re amounts alleged as still owing notwithstanding Stay of Proceedings; final draft of post-receivership web blurb as of May 7 with A Chopowick; email from Lee re US to CDN\$ transfer and email to Lee re TAL wire/transfer instructions for Receiver's account.	Hendriks	4.00
05/07/2014	Banking - Corporate Banking, posting.	Samoilov	0.30
05/07/2014	Consulting fees - Corporate Review emails and discuss how to deal with hog futures account; respond to interested party requests for information.	Lifman	0.70

05/07/2014	Consulting fees - Corporate Telephone call with J Teskey of Norton Rose, lawyer for Toronto Hydro, attempting to sort out the accounting for the funds on deposit and what arrangements can be made going forward; advise staff of this information and plan to follow up on Friday.	Mitchell	0.50
05/07/2014	Consulting fees - Corporate Emails re potential interested party.	Baigel	0.10
05/08/2014	Consulting fees - Corporate Draft correspondence to Enbridge for S Mitchell review/edit.	Da Silva-Falcione	0.20
05/08/2014	Consulting fees - Corporate Meeting with A Chopowick re producers requesting supply contract disclaimers and re lessors queries; calls and emails RBCDS and Coho re closing out account and wiring funds; emails and calls re supplier requests to terminate GLSM supply contracts in QMP's name; calls with interested parties; calls and emails re leased assets; call, emails and letter to BNS to close accounts and transfer funds to Receiver; Garfinkle and Schwartz re retained contractors; meeting with Mahar, English and Lifman re various matters including proposed equipment sale process.	Hendriks	3.70
05/08/2014	Consulting fees - Corporate Meeting with R English, K Mahar and J Hendriks to discuss sales process and other matters.	Lifman	1.50
05/08/2014	Consulting fees - Corporate Work with staff to prepare and send letters to Enbridge; also telephone call with J Teskey of Norton Rose re the Toronto Hydro meter reading and anticipated accounting.	Mitchell	0.50
05/08/2014	Banking - Corporate Banking, posting; email to TD bank re account activity; review account activity; following up incoming wire transfer.	Samoilov	0.80
05/08/2014	Consulting fees - Corporate Forward media calls/requests to J Hendriks; emails with H Ferguson regarding hog producer requests for contract terminations or releases.	Chopowick	1.50
05/09/2014	Consulting fees - Corporate Follow up with BNS and TD re funds transferred or to be transferred to receiver accounts; Gallop re accounting	Hendriks	5.00

for funds transferred to receiver account so far; emails with RBCDS and TD re wire transfer from closed out futures account; emails with TD and meetings with Gallop and Buonaiuto re restricting access from TD online access tokens; meeting staff engineers re plant and premises issues and re their ongoing retention; submit consultant fee summary to Samoilov and approve and distribute cheques to retained consultants; emails with hog producers re terminations of supply contracts; emails and calls lessors re equipment; draft ad to go in paper soliciting offers on equipment and circulate for comment; calls with interested parties; calls and emails with hog contracts; call Cimco re refrigeration decommissioning; calls and emails re leased assets; call BNS re funds on hand BNS requesting letter from City of Toronto releasing BNS re bounced cheque for water that apparently has been added to the tax roll; meeting Buonaiuto re materials needed for prior year financial statements and stub period financials to be used for income tax filing required.

05/09/2014	Consulting fees - Corporate Again telephone call with J Teskey of Norton Rose following up on and trying to sort out the go forward arrangements with Toronto Hydro; review email from J Hendriks regarding the BFL Insurance issues matter.	Mitchell	0.50
05/09/2014	Consulting fees - Corporate Review emails regarding court availability; review emails regarding date of bankruptcy confirmation; review draft advertisement for newspaper and sales process; emails from Jane Dietrich regarding litigation matters; discussed same with Robb English; emails regarding asset appraisals by lessors.	Lifman	2.00
05/09/2014	Banking - Corporate Banking, posting.	Samoilov	1.70
05/10/2014	Consulting fees - Corporate Review and respond to emails regarding draft advertisement, asset listings, leased assets.	Lifman	0.50
05/11/2014	Consulting fees - Corporate Review and respond to emails regarding draft advertisement, asset listings, leased assets.	Lifman	0.50
05/11/2014	Consulting fees - Corporate Review receivership operating expenses and forward to Samoilov to pay; email TD and company re subsequent	Hendriks	1.40

	collections to accounts to be transferred and web viewing privileges; Gallop re outstanding consultant cheques and retention letters; updates to ad and respond to Mahar queries re equipment listings, lessors, etc.; review insurance package from Garfinkle and detailed email to Falcione/Mitchell re following up with broker and Firstbrook Cassie; emails Reiser and Element re leased assets; email and call Gallop re equipment listing and potential updates.		
05/11/2014	Consulting fees - Corporate	Gallop	1.00
	Review appraisal of equipment; extract listing from pdf document and review and edit and distribute for comments.		
05/12/2014	Consulting fees - Corporate	Gallop	8.00
	Attend Tecumseth; update cash reporting model and reporting morning and end of day; investigate and verify BNS reversals; distribute with comments; deal with independent contractor documentation and distribution of remaining cheques; telephone calls A Lee re access to accounts including completion of request form; telephone call with E Aurora re process; attend to RBC LOA request for funds; discuss advance request / comparison to actual completion.		
05/12/2014	Consulting fees - Corporate	Hendriks	4.30
	Call and meeting with Papadakis (plant engineer) and Clark of TSSA; meetings and call re International Cold Storage and make arrangements to have hold on inventory released net of storer's lien; calls and emails with lessors and meetings with Garfinkle re leased equipment; call with English re equipment leases to be reviewed; general queries from former employees, creditors, etc.; meeting with Gallop to review cash receipts since date of receivership and reconcile to updated accounts receivable trial balance; meeting McKeown re status of Tasty Chip setting up its own accounts with customers and getting off QMP EDI; McKeown re tracking of Tasty invoices in QMP A/R trial balance; follow up with Garfinkle and RBCDS re documents to wire funds from settled futures account to receiver; Samoilov re receivership expense cheques and to suppliers; emails Iron Horse re ongoing security for building; Mahar and Schwartz re funding and expenses to date.		
05/12/2014	Consulting fees - Corporate	Mitchell	1.00
	Deal with BFL regarding insurance issues;		

correspondence with J Teskey of Norton Rose re
Toronto Hydro accounts.

05/12/2014	Consulting fees - Corporate	Lifman	2.00
	Review and respond to emails from Robb English and others re scheduling approval hearing; review email from John Hendriks re advertising assets for sale; emails from Kyla Mahar re statement of affairs and other matters; emails from interested parties -- passed onto John Hendriks.		
05/12/2014	Consulting fees - Corporate	Chopowick	0.10
	Request for ad to be placed in the Globe and Mail regarding sales process.		
05/12/2014	Banking - Corporate	Samoilov	0.90
	Banking, posting.		
05/13/2014	Consulting fees - Corporate	Gallop	9.50
	Attend at Tecumseth to morning cash reporting and investigate items booked; email employee letters; further updates to schedule of assets including review of disclaimer and request for photographs from appraiser and interested party review; prepare and distribute end of day cash accounting with comments; review CRA payroll audit Examiner's Statements of Account and summarize and distribute; analyze cash on hand at receivership and prepare schedule for source of funds for Receiver's trust account; discuss work plan and budget with D Schwartz and J Hendricks; meet with Jerry B re on-line bank access; finalize asset listing document for data room.		
05/13/2014	Consulting fees - Corporate	Hendriks	5.20
	Ongoing calls and emails on the issues addressed today including lien payment calculation with ICS; calls and emails with ICS re additional charges ICS plans to charge QMP customers on old transactions to recover more of the debt owed by QMP to ICS, contractor issues, premises issues, leased asset issues, Gallop and Arruda re prepping materials and equipment for sale process, Chopowick re timing of asset sale ad in the Globe, A/R efforts, reconciliation of cash received with Gallop, Fenn re leased vehicle values, etc.; meeting Schwartz and Gallop re summary of outstanding issues, outstanding HST receivables and Fairness Opinion, estimated costs, etc.		

05/13/2014	Consulting fees - Corporate	Mitchell	0.80
	Correspond with Kathy Crooker at Firstbrook Anderson regarding alternative coverage for insurance in the Receivership and in particular regarding some of the complex insurance coverage issues; update J Hendriks regarding correspond with BFL regarding the overall insurance and correspondence directly with BFL representatives to arrange coverage reductions and premium quotes.		
05/13/2014	Consulting fees - Corporate	Lifman	2.00
	Review and respond to numerous emails regarding scheduling court time, RBC security review, appraisal of assets, receipt of funds from TD, signed statement of affairs, TD security review, email and response thereto from Wael Rostom, International Cold Storage lien issue, setting time for meeting with Wael Rostom; calls to/from Robb English re some of the above issues.		
05/13/2014	Consulting fees - Corporate	Da Silva-Falcione	0.50
	Email to Firstbrook with correspondence re: receivership and bankruptcies and requesting quote for coverage; create Asset List per R Gallop.		
05/13/2014	Consulting fees - Corporate	Chopowick	0.10
	Follow up re ad to be placed in paper for sales process; discuss same with J Hendriks; approve ad for printing.		
05/14/2014	Consulting fees - Corporate	Da Silva-Falcione	0.30
	Document management per R Gallop; draft letter to BFL Canada per S Mitchell instructions.		
05/14/2014	Consulting fees - Corporate	Gallop	7.00
	Attend to review cash activity; update cash position including end of day; attend to Sanimax set off issue; discuss credit staffing and call with S Garfield; review Telus issue and call with Arruda; review insurance matters and payments and reconcile and report re April and May; review Toronto water bills and bank statements re amounts disclosed; attend to review of staffing requirement issues and finalization.		
05/14/2014	Consulting fees - Corporate	Hendriks	5.10
	Review counter-proposal from consultant engineer re services to be rendered and term of engagement relative to issues re ammonia removal and TSSA compliance for decommissioned plant; review and amend notices of receiver; ongoing issues with ICS and coordinate with Samoilov re wire of lien amount;		

discussions and emails with Mitchell re insurance; deal with sales staff for process and tracking of inventory sales in name of Receiver; premises and leased assets issues with Gallop, Arruda, Garfinkle and various suppliers and lessors; Gallop re asset listing; Gallop and English re disclaimer to go on asset list; email to City of Toronto re their plan to terminate waste discharge agreement; email English and to City of Toronto re noise complaint and Receiver request for contact point at City given the multiple issues being independently pursued by various City departments and lack of accounting reconciliation of charges and transfers posted by City to the various accounts; calls and emails from interested parties.

05/14/2014	Consulting fees - Corporate	Mitchell	1.50
	Deal with BFL and get information from R Gallop and J Hendriks regarding the insurance coverage: accounting of what premiums have been paid to date, coverage needs post-Receivership, anticipated premiums that will be payable per week as well as competitive price quote and coverage advice from Firstbrook Anderson; phone call with Latanya Abbott at BFL regarding the coverage.		
05/14/2014	Consulting fees - Corporate	Lifman	1.00
	Emails re International Cold Storage and execute wire transfer re same; emails from interested parties; email and call from Anthony Heller regarding property – sent email to David Schwartz re same.		
05/14/2014	Consulting fees - Corporate	Chopowick	0.40
	Preparation of Notice and Statement of Receiver re TAL.		
05/14/2014	Banking - Corporate	Samoilov	1.30
	Banking, posting; prepare wire transfer request and forward it to TD bank for processing; phone call to TD; email exchange with TD bank and J Hendriks following up WT payment; request and review bank account history report following up incoming wire transfer.		
05/15/2014	Consulting fees - Corporate	Gallop	8.80
	Attend to update cash and distribute; review TD advance requests to payments to determine potential unpaid amounts; telephone call with A Chopowick re Bell; meet appraiser for review of assets and provide asset listing; review TD Bank hold back amounts and email confirmations of payments to counsel; review Quality deposit re TC sales and call with Nimpha Delrosario;		

meetings and call with E Aurora re continued staff as independent contractors and invoicing process.

05/15/2014	Consulting fees - Corporate	Hendriks	6.10
	Ongoing calls, emails and meetings re issues with ICS and lien, former employee issues negotiations with engineers, list of assets for interested parties, wording and process for Receiver sales invoices, tracking A/R, etc.; calls and emails re leased assets re Element, DeLage and Reiser; meeting Moskowitz of Platinum Assets re review of assets subject to RBC security; issues re 3rd party assets (Sanimax); calls and emails with Arruda and utilities re Bell and Telus threatening to cut services notwithstanding bankruptcy and court order; meeting McKeown re extricating Tasty Chip documents and transactions from QMP EDI system; Samoilov re receipts transferred to Receiver account and cheque to be disbursed for consultants and other operating costs; Aurora re employee issues; Mitchell re insurance.		
05/15/2014	Consulting fees - Corporate	Mitchell	1.00
	Phone call with J Roth and C Black, both of BFL, regarding the coverages, the Receivership and protocol as to how we can move forward to amend the coverages and the premiums; including scheduling an in person meeting to review in detail next week and including my summary email that I sent to them confirming what we had discussed; phone call with Enbridge Gas representative regarding setting up the new account for the Receiver.		
05/15/2014	Consulting fees - Corporate	Lifman	1.00
	Review emails, calls from/to John Hendriks re status updates.		
05/15/2014	Consulting fees - Corporate	Chopowick	0.70
	Preparation of Notice and Statement of Receiver re QMP; email to Bell insolvency group to provide information and request a post bankruptcy schedule of all telephone numbers relating to QMP and TAL.		
05/15/2014	Banking - Corporate	Samoilov	2.10
	Banking, posting; email to TD bank re request for the account activity.		
05/16/2014	Consulting fees - Corporate	Gallop	4.00
	Attend Quality and update cash flow and distribute; provide receiver's receipts cash and wire info; telephone		

call with Janet R of TD to set up access to TD Bank accounts; meet N Delrosario re reporting requirements for cash receipts and receivables; discuss PRB items and call with B Arruda; review Bell analysis and call with Jerry and instruct re Bell missing and non-reported items; attend to leased automobile issues and documents.

05/16/2014	Consulting fees - Corporate Co-ordinate mailing of Records of Employment.	Lloyd-Key	1.50
05/16/2014	Consulting fees - Corporate Finalize statements of receiver; finalize letters to consultants and review and approve cheques for week ending May 16; meeting engineers re facility issues, security issues and ammonia removal; meetings and calls Arruda re ongoing contracts and costs for premises, consultant issues, asset allocation between TAL and QMP, etc.; call and emails with English re leased asset security reviews; queries from employees re wages and vacation pay calculations used in their final pay; calls and emails with various parties re orders to start shipping, costs to be paid to ICS and shippers, invoicing, tracking etc.; initial calls and emails from interest parties in response to ad in Globe today; meeting Mitchell re insurance and proposed meeting next Tuesday with BFL.	Hendriks	3.10
05/16/2014	Consulting fees - Corporate Execute wire transfers; review numerous emails.	Lifman	0.50
05/16/2014	Banking - Corporate Banking, posting.	Samoilov	1.20
05/17/2014	Consulting fees - Corporate Review emails re terms and conditions of sale and parcel list and record comments; update interested parties list and distribute.	Gallop	0.80
05/17/2014	Consulting fees - Corporate Review and comment on sale terms and conditions; draft Schedule A to be used as bid sheet template re asset block descriptions to identify assets, split between QMP and TAL and purchase price allocations; emails and updates to interested party tracking list; email to Miller et al re party interested in all remaining frozen inventory.	Hendriks	1.70
05/20/2014	Consulting fees - Corporate Calls and emails CIMCO re ammonia removal; emails and meetings McKeown re ICS invoices on inventory	Hendriks	5.30

sales; Schwartz re sale tracking; meeting English re equipment leases and other receivership matters; calls and emails interested parties; meetings Gallop and former QMP staff re reconciling cash on hand, tracking A/R and cash receipts, inventory, etc.; calls and emails with lessors and 3rd party asset claimants; call re potential 30-day good claim; meeting Schwartz and Pernica Great Lakes debt owed to QMP.

05/20/2014	Consulting fees - Corporate Review and respond to emails.	Lifman	0.50
05/20/2014	Consulting fees - Corporate Prepare for then attend meeting with C Black and J Roth of BFL to sort out the insurance coverages and premiums including the accounting as of the date of the bankruptcy and go forward needs of Receiver for insurance; draft memo of meeting take away's and to-do's and communicate same to BFL as well as J Hendriks; debrief J Hendriks in person as to the results of our meeting with BFL; receive and read a letter from the legal services representative at the City of Toronto regarding the public utility accounts and discuss how to respond with J Hendriks.	Mitchell	3.50
05/20/2014	Banking - Corporate Banking, posting.	Samoilov	0.60
05/20/2014	Consulting Fees - Contract Attend TAL and update cash flow and instruct wire transfers; telephone call with J Ready re access telephone number change; attend to receivable and collections enquiries; attend to OPGA probe enquiry; telephone call with interested party re equipment (v/m); reconcile prior week's A/R roll, receipts and receivables; discussions and call with Joe P and D Schwartz re GLSM A/R asset value.	Gallop	8.00
05/21/2014	Consulting fees - Corporate Emails with Graff re RBC leases and potential inclusion in Receiver sale; call with English and emails with Spirizzi re chargebacks to TD and field audit results from CRA review to date of bankruptcy; invoices and payments re ICS; call with Element re leased vehicles; meeting Mitchell re his meeting with insurer; emails with English and Lifman re Great Lakes interco; call and email BNS re funds still held by BNS; 3rd party assets; meeting Miller and Ienesel re inventory sale tracking and open orders; Arruda and Garfinkle re asset list; dealing with interested parties; A/R and cash tracking with Gallop	Hendriks	5.10

and Samoilov; emails re open litigation claims in favour of QMP; former employee issues and returned cheques from ADP; calls and emails Aird & Berlis and KRMC re various lease reviews, additional information required, draft opinions etc.; discussions re query from Equitable Life and employee benefit plan; updates with Schwartz.

05/21/2014	Consulting fees - Corporate	Lifman	2.00
	Call with Robb English and Frank Spizzirri; review and discuss funding issue discussion raised by Joe Pernica; review email from Jane Dietrich re litigation matters; call to John Hendriks re CRA audit; email from Steve Graff re RBC security; email from Wael Rostom requesting call on Monday morning; review draft letter from Robb English to Wael Rostom.		
05/21/2014	Consulting fees - Corporate	Chopowick	2.70
	Respond to numerous emails and call from creditors regarding QMP and TAL; direct L Lloyd-Key to update creditor list for various claims received.		
05/21/2014	Consulting fees - Corporate	Mitchell	1.00
	Draft analysis of present and needed/proposed insurance coverage; review all existing policy summary information for that purpose.		
05/21/2014	Banking - Corporate	Samoilov	1.20
	Banking, posting.		
05/21/2014	Consulting Fees - Contract	Gallop	7.50
	Attend Tecumseth; update cash flows; reconcile sales roll prior week; update interested parties list; telephone calls and emails to interested parties; prepare HST assessment summaries and discuss along with CRA payroll audit and call with D Schwartz and distribute; review various receivership matters and call with Jerry B; update receiver's receipts and distribute; logistics emails and call with TD Bank; attend to info requests for repayment of bounced payroll for certain employees.		
05/22/2014	Consulting fees - Corporate	Da Silva-Falcione	0.30
	Prepare Insurance Schedule per S Mitchell instructions.		
05/22/2014	Consulting fees - Corporate	Hendriks	3.00
	Invoices and payments re ICS; A/R split QMP and Tasty Chip tracking with McKeown; additional info requested from Aird & Berlis re Element re leased vehicles and meetings Garfinkle and calls Duncan to locate same; 3rd party assets; meeting Miller and Ienesel re inventory		

sale tracking and open orders; Arruda and Garfinkle re asset list; dealing with interested parties; A/R and cash tracking with Gallop and Samoilov; review draft security opinions on certain of the leases; calls and emails Aird & Berlis and KRMC re various lease reviews, additional information required, draft opinions etc.; discussions re query from Equitable Life and employee benefit plan; updates with Schwartz; process Receiver expenses including consultants for this week and to Samoilov to prepare cheques; Maguire re T4's to be processed by ADP; Mitchell re utilities.

05/22/2014	Consulting fees - Corporate	Lifman	1.00
	Review numerous emails; review emails re salaried DC pension plan.		
05/22/2014	Consulting fees - Corporate	Mitchell	1.00
	Work on insurance analysis for J Hendriks' reference and to support new coverage decisions; emails and phone calls with City of Toronto representative re utility charges transferred to the property tax roll.		
05/22/2014	Banking - Corporate	Samoilov	0.30
	Banking, posting.		
05/22/2014	Consulting Fees - Contract	Gallop	7.50
	Attend QMP, update cash flows; attend to ADP enquiries re T4 instructions; meet DSL staff for tour of assets; complete roll of A/R for prior week; discuss payroll and HST amounts and call with D Schwartz and email payroll examiner's statements and call with summary to CA with comments and respond.		
05/23/2014	Consulting fees - Corporate	Da Silva-Falcione	1.00
	Call to City of Toronto Revenue Services to request a Tax Payment History Statement and was advised that we can only request this in person at a civic centre counter; email to S Mitchell and J Hendriks re: same; update Insurance Schedule per S Mitchell comments; emails with C Henderson of City of Toronto re: issues in obtaining Tax Payment History Statements and submit municipal addresses to him to see if he can assist in expediting our request; return call to A Caruso at City of Toronto re: request; review QMP WEPP data and split data into three sections for entry by staff.		
05/23/2014	Consulting fees - Corporate	Hendriks	2.80
	Invoices and wire payments re ICS and sales of inventory; call with Element re leased vehicles released		

and realization plan with surplus to Receiver; Mitchell re insurance and utilities; discussion Schwartz re ongoing costs, utilities and trying to reconcile charges from City of Toronto on various accounts including some transfers to property owners tax roll etc.; 3rd party assets; meeting consultants on status of the various projects they are working on; Miller and Ienesel re inventory sale tracking and open orders including certified cheque for sale completed today; Arruda and Garfinkle re asset list; dealing with interested parties; A/R and cash tracking with Gallop and Samoilov; calls and emails Aird & Berlis and KRMC re various lease reviews, additional information required, draft opinions, some final opinions etc.; updates with Schwartz; calls and emails re significant increase in rates charged by security company notwithstanding prohibition from doing so per Court order and negotiations thereon.

05/23/2014	Consulting fees - Corporate Review emails; review and discuss status of various issues with J Hendriks; review emails from Ian Aversa regarding potential distribution motion.	Lifman	1.00
05/23/2014	Consulting fees - Corporate Phone with C Black of BFL regarding the coverages prior to the date of bankruptcy and then continue to work on and finalize the analysis and send same to J Hendriks and R Gallop for their comments as to new coverages required by the Receiver after May 6.	Mitchell	1.00
05/23/2014	Banking - Corporate Banking, posting.	Samoilov	2.10
05/23/2014	Consulting Fees - Contract Attend Quality; update cash flows; review trust ledger and instruct re ADP and WEPP payment; instruct ticket on undelivered mail to Mark Nieboer; review TM status and commence preparation of summary and analysis.	Gallop	5.00
05/25/2014	Consulting fees - Corporate Enter WEPP data re: QMP employees.	Da Silva-Falcione	4.00
05/26/2014	Consulting fees - Corporate Cash receipts with Gallop; emails Cummings of Sofina re interest in Butina and issue re asset leased from RBC; Duncan re leased vehicles; Mahar, English and Resnick re RBC leased assets; McKeown and Gallop re open orders, shipments, ICS payments, Tasty Chip invoices in QMP A/R etc.	Hendriks	1.30

05/26/2014	Consulting fees - Corporate	Chopowick	2.10
	Call from party interested in property; begin entering employee information into WEPP site.		
05/26/2014	Consulting fees - Corporate	Mitchell	0.50
	Received letter from Norton Rose regarding its client Toronto Hydro and correspond with J Hendriks then compose a response.		
05/26/2014	Consulting fees - Corporate	Gallop	8.00
	Prepare cash flow and distribute with commentary; arrange Hilco visit; follow up with MLF lead; telephone call with two trade mag prospects for auction; roll prior weeks A/R and distribute with comments; receive payments from customers; complete TD Bank online access; calculate and distribute receipts for L Samoilov; attend to vendor enquiry re payment.		
05/26/2014	Consulting fees - Corporate	Lifman	1.00
	Review and respond to emails; status update from John Hendriks.		
05/26/2014	Banking - Corporate	Samoilov	1.00
	Banking, posting.		
05/27/2014	Consulting fees - Corporate	Da Silva-Falcione	0.20
	Discussion with A Caruso of City of Toronto Revenue Services re: tax payment history statements; email to J Hendriks and S Mitchell re: same.		
05/27/2014	Consulting fees - Corporate	Hendriks	3.00
	Meetings and emails re inventory on hand, inventory sales to date, cash receipts re A/R collections and from receivership sale of inventory, ICS invoices, tracking of sales etc; numerous calls and emails re leased equipment, security opinions and releasing leased assets as applicable; premises and consultant updates with Arruda and call with Ferns re amended rate going forward for premises security; calls and emails and amend terms and conditions and draft to Offer Form subject to final review of asset list by Garfinkle re allocation of fixed assets between QMP and TAL.		
05/27/2014	Consulting fees - Corporate	Lloyd-Key	2.80
	Entered employee information into WEPP.		
05/27/2014	Consulting fees - Corporate	Gallop	7.80
	Update cash positions and distribute; review daily sales and receivables and test model and review and call with		

Brian McKeown; review chargeback and process for identifying short payments and call with G Stamatakis and N Rosaria; attend to enquiries from interested parties.

05/27/2014	Consulting fees - Corporate	Lifman	1.00
	Call with Robb English and John Hendriks to discuss pension plan windup and other matters.		
05/27/2014	Banking - Corporate	Samoilov	1.10
	Banking, posting.		
05/28/2014	Consulting fees - Corporate	Da Silva-Falcione	1.00
	Draft correspondence to J Teskey of Norton Rose in response to her May 23, 2014 letter to S Mitchell for S Mitchell review/edit; process proofs of claim.		
05/28/2014	Consulting fees - Corporate	Lloyd-Key	3.60
	Entered employee information into WEPP.		
05/28/2014	Consulting fees - Corporate	Chopowick	2.30
	Respond to telephone calls from employees regarding WEPP; telephone discussions with Service Canada to determine whether there is a requirement to set up TIFP and employee records under both bankruptcy and receivership estates; discuss same with J Hendriks.		
05/28/2014	Consulting fees - Corporate	Hendriks	3.70
	Premises issues re ammonia and third party assets; calls and emails to release secured assets after security review; Garfinkle and Arruda re allocation of assets between TAL and QMP; calls, emails and meetings Gallop re interested parties, sale documents, asset list etc.; McKeown re CFIA cancelling Establishment 14 designation, impact on foreign sales and assistance from ICS to provide documentation for future shipments.		
05/28/2014	Consulting fees - Corporate	Mitchell	0.50
	Finalize then send letter to Norton Rose regarding Toronto Hydro. Correspondence with BFL and First Insurance Funding regarding coverage, financed premiums and unearned premium refunds.		
05/28/2014	Consulting fees - Corporate	Gallop	7.35
	update cash and receiver's transfers from TD bank; attend to various interested party matters and enquiries; meet Emily re Loblaw chargebacks; email T&Cs and form of offer to interested parties; send package to new interested party;		

05/28/2014	Banking - Corporate Banking, posting.	Samoilov	1.20
05/29/2014	Consulting fees - Corporate Update Asset List with ownership/leasing details per J Hendriks; finalize letter to J Teskey of Norton Rose, counsel for Toronto Hydro and email same per S Mitchell.	Da Silva-Falcione	0.50
05/29/2014	Consulting fees - Corporate Ongoing calls and emails re receivership issues including sale of inventory, collection of A/R, segregating Tasty A/R, interested parties re sale of assets; ammonia removal and TSAA issues to be able to release engineers, leased assets, 3rd party assets, cash accounting and reversal of post-bankruptcy PAD processed by TD, pursue collection of funds from BNS, reporting to secured creditor and updates to Lifman and counsel, HST returns and CRA request for HST audit, TD and Holdings request for CRA source audit update re TD security discharge, receivership realizations and cash on hand recap for Mahar/Holdings, Mahar and English re Industrial Refrigeration construction lien claim, Mitchell re insurance and Toronto Hydro deposit refund, etc.	Hendriks	5.30
05/29/2014	Consulting fees - Corporate Entered employee information into WEPP site.	Lloyd-Key	3.20
05/29/2014	Consulting fees - Corporate Correspondence with J Roth at BFL and Louie at First Insurance Funding all to do with reduced coverage, financed premiums, premium refunds and priority of claims.	Mitchell	0.50
05/29/2014	Consulting fees - Corporate Update bank and distribute with comments; review debit transaction and enquire and call with TD Bank; telephone calls with J Hendriks re various matters; attend to emails re TD bank items including legals and CRA amounts owing.	Gallop	1.70
05/29/2014	Banking - Corporate Banking, posting.	Samoilov	0.80
05/30/2014	Consulting fees - Corporate Numerous calls and emails Gallop and former staff re ongoing receivership issues.	Hendriks	1.00
05/30/2014	Consulting fees - Corporate Telephone call and subsequent email correspondence	Mitchell	0.50

with Michele Fleming of First Insurance Funding, who took the matter over from Louie, and who wanted direct confirmation from the Receiver as to the existence of the Receivership, the stay of proceedings, the unearned insurance premiums and specifically the legal status of its claim versus the Receiver's claim to any premium refund.

05/30/2014	Consulting fees - Corporate	Gallop	9.00
	Review cash positions; email TD Bank re incorrect PAD not reversed and review response; telephone call with J B re missing bank statements; attend Tecumseth; send revised asset listing to interested party; telephone call with interested party; instruct drop box for asset photographs and distribute; attend office to provide cash receipts for deposit and pick up fees for consultants and provide to B Arruda for distribution.		
05/30/2014	Banking - Corporate	Samoilov	1.90
	Banking, posting. Prepare and forward to TD bank request to process wire payment. Search and forward to R Gallop copies of cheques deposited on May 20, 2014.		
05/31/2014	Consulting fees - Corporate	Hendriks	0.90
	Call with Graff, email from Graff and comments from English re RBC position on leased assets to be part of auction and request from Graff for RBC to 'reserve their rights'.		
06/02/2014	Consulting fees - Corporate	Gallop	8.00
	Attend plant; update cash flows and distribute with comments; emails and telephone calls to interested parties providing information in advance of bid deadline; email TD Bank re further PAD reversal request; update interested parties list.		
06/02/2014	Consulting fees - Corporate	Hendriks	4.00
	Ongoing calls and emails re interested parties and RBC re equipment in or out of the auction process; meeting TSSA and CIMCO re remaining steps to remove ammonia, get TSAA clearance to seal final compressor and release engineering consultants no longer required; Chopowick re letter to WEPP to allow employees as entered into receivership not to have to duplicate in the bankruptcy; updates with Schwartz; emails and calls re leased assets, TAL owned cars, 3rd party assets; Miller and McKeown re QMP and Tasty A/R and collections tracking, sale of inventory, reconciliation with ICS re invoices processed and to be processed, etc.; Gallop re		

receivership operating expenses; meeting Lee and Gallop re changes to QMP and TAL TD accounts so Receiver authorized party and to reverse pre-filing PAD's; cash tracking with Gallop; Mitchell and Garfinkle re June insurance for QMP and the related parties; meeting Schwartz re update on GLSM and potential on QMP A/R collections from common customers.

06/02/2014	Consulting fees - Corporate Review numerous emails.	Lifman	0.50
06/02/2014	Consulting fees - Corporate Telephone calls and emails with G Cameleno, lawyer at McLean & Kerr acting on behalf of First Insurance Funding regarding the possible cancellation of the coverage and the now overdue May 30th monthly instalment payment on the debt; correspondence with C Black at BFL regarding the premiums due, coverage amendments and the rights of First Insurance Funding to any premium refunds from the insurance companies; correspondence with J Hendriks and Lidia regarding the June 1 payment now due and the allocation amongst the various companies, some in receivership and some not.	Mitchell	1.00
06/02/2014	Banking - Corporate Banking, posting.	Samoilov	1.50
06/03/2014	Consulting fees - Corporate Update cash; deal with employee missing payment matter; meet with D Schwartz re QMP as guarantor re GLSM; follow up call with TD Bank re account sweeps and payments; pursue issuance of T4s; emails and telephone calls with bidding parties.	Gallop	7.50
06/03/2014	Consulting fees - Corporate Emails and calls re RBC leases; call Taylor of Reiser re leased equipment; review Black Book values on vehicles owned by TAL; insurance issues with Mitchell; Arruda re premises issues and occupation costs; interested parties and preliminary review of proposals/offers received.	Hendriks	3.70
06/03/2014	Consulting fees - Corporate Review and respond to numerous emails; review draft Trustee Report.	Lifman	1.00
06/03/2014	Consulting fees - Corporate Phone and email correspondence with C Black at BFL regarding the allocation of premiums due and the	Mitchell	1.00

sharing of the monthly debt payment owing to First Insurance Funding; then emails with J Hendriks and R Gallop regarding payment as well as Lidia for cheque preparation; G Cameleno, email regarding the priority to the refund from the insurance companies in connection with any coverage changes and his reference to the case law in support of his client's position.

06/03/2014	Consulting fees - Corporate Printed employee information from WEPPA and organized.	Lloyd-Key	2.50
06/03/2014	Banking - Corporate Banking, posting; contact TD bank re account history; email to K McIntyre following up wire payment from May 30, 2014; prepare and forward to the bank request for a stop payment; Toronto Abattoirs - banking, posting.	Samoilov	0.80
06/04/2014	Consulting fees - Corporate Email to R Gallop, S Mitchell and J Hendriks with first post-Receiver Enbridge bill.	Da Silva-Falcione	0.20
06/04/2014	Consulting fees - Corporate Update cash and report; attend offices; attend plant; update cash flows and distribute with comments; emails and telephone calls with bidders; revise schedule of key assets and distribute re leased assets; email TD Bank re signature requests; review collections and efforts and calls with Nimpha; instruct mapping of Xerox and IBM mapping.	Gallop	6.00
06/04/2014	Consulting fees - Corporate Emails and calls re RBC leases, remove same from available assets, and Gallop re notice to bidders to amend re same; calls and emails TD re PAD's clearing through disbursement account and documents to reverse same; calls and emails from bidders re process.	Hendriks	1.00
06/04/2014	Consulting fees - Corporate Review emails regarding pension plan, RBC leases and auction proposals, discuss status with John Hendriks.	Lifman	1.00
06/04/2014	Consulting fees - Corporate Phone call and email with J Anini, City Solicitor, re a fire at the Wellington location; communicate with J Hendriks and R Gallop about the fire notification and that the Fire Department will be contacted by the City.	Mitchell	0.50
06/04/2014	Banking - Corporate Banking, posting.	Samoilov	0.90

06/05/2014	Consulting fees - Corporate	Gallop	6.50
	Update cash flow and true up BNS transactions and distribute; review lease PADs and lease schedule and draft plan for dealing with accounts; review updated offers and update offer summary; collections review and call with N Alasario; confirm (then cancel) Friday's site attendance; telephone call with bidder; review Inspectors' meeting minutes and comment.		
06/05/2014	Consulting fees - Corporate	Gallop	8.20
	Update cash flows, attend plant; attend to requests for repayments to TC; calls to/from Jeff of BNS re status of bank transfers; call to City of Toronto re 227k charge which is Q4 2013 wastewater.		
06/05/2014	Consulting fees - Corporate	Hendriks	2.40
	Calls and emails re revised bids for equipment; WEPP updated re filing for TAL; TD re documents to reverse PAD and close disbursement accounts; email from Sanimax and follow up with Arruda re work plan to repair building after equipment removal; emails and call from City re potential report to fire department and follow up with Arruda.		
06/05/2014	Consulting fees - Corporate	Lifman	0.50
	Review and discuss emails regarding TD bank account and other matters.		
06/05/2014	Consulting fees - Corporate	Lloyd-Key	2.10
	Assisted with mailing for Employees; produced and mailed cheques.		
06/06/2014	Consulting fees - Corporate	Hendriks	3.00
	Emails and requisitions re Receiver premises and consultants cheques; Garfinkle re status of his retention; follow up with CRA re status of source assessments and with HST re timing of audit; amended, signed and original reimbursement forms to TD re PAD reversal and re closing the disbursement accounts; Equitable Life re employee benefits and the various divisions for QMP, TAL and the related parties that are still operating; English re letter to Sun Life on DC pension wind-up; Chopowick, McGuire and Aurora re T4's; follow up re revised offers from auctioneers, prepare preliminary summary and to Schwartz et al for review.		
06/06/2014	Consulting fees - Corporate	Lifman	0.50
	Review various emails.		

06/06/2014	Consulting fees - Corporate	Chopowick	4.60
	Enter data into WEPP site for QMP employees; preparation of WEPP information packages for employees; collate and send mailing.		
06/06/2014	Consulting fees - Corporate	Lloyd-Key	3.70
	Assisted with preparing mailing to employees; prepared cheques and deposits.		
06/06/2014	Banking - Corporate	Blunda	5.40
	Prepare various cheque requisitions, assist with the mailing of the WEPP letters.		
06/07/2014	Consulting fees - Corporate	Hendriks	1.50
	Calls and emails with Jacobs re offers and anticipated realizations; update equipment offer summary and to Schwartz, et al.		
06/09/2014	Consulting fees - Corporate	Chopowick	4.00
	Print Proof of Claim forms received by email and review; follow up on missing data; respond to creditor and employee queries regarding claim forms and WEPP; email to ADP to provide cancellation forms and request T4s to be prepared.		
06/09/2014	Consulting fees - Corporate	Hendriks	5.20
	Prepare for and attend call re offers received and analysis thereof; leased asset issues with Garfinkle and Element and with Schwartz and Taylor re Reiser; employee issues re WEPP, T4's, disputed ROE, employee queries; calls and emails auctioneers and RBC re assets in/out of auction; review invoice tracking Tasty Chip and QMP from McKeown and net payment/receipts settlement to date; deposits and cheques requests to Blunda; 3rd party asset issues with Arruda and Garfinkle re Menu Foods and Sanimax; ongoing inventory sales through International Cold Storage; general updates with Gallop and Schwartz; meeting Garfinkle re ongoing role; review A/R analysis to June 7; company owned vehicles with Schwartz; TD re banking, PAD and closing disbursement accounts; Aurora and Schwartz re long-term books and records storage per OSB directive; Mitchell and Arruda re premises and utilities follow up.		
06/09/2014	Consulting fees - Corporate	Gallop	7.50
	Attend QMP for general matters; update bank positions; request funds from TD and allocate transfers; emails from/to		

B McKeown re TC items; confirm employee replacement cheque; follow up telephone call with A Lee of TD Bank for transfer and reversal of PAD; analyze A/R components and perform roll forward.

06/09/2014	Banking - Corporate	Blunda	2.50
	Banking, preparation of cheque requisitions, wire transfer.		
06/09/2014	Banking - Corporate	Lloyd-Key	0.30
	Prepared cheque.		
06/10/2014	Consulting fees - Corporate	Chopowick	5.00
	Printing and reviewing Proof of Claim forms received re WEPP claims in the receivership; respond to numerous telephone queries from employees and creditors regarding Proof of Claim forms, WEPP and bankruptcy of estate; telephone discussion with M Davenport of QMP/TAL union regarding WEPP and employee claims; enter TAL employee data into WEPP site.		
06/10/2014	Consulting fees - Corporate	Da Silva-Falcione	0.10
	Scan/email TAL Enbridge invoice to R Gallop.		
06/10/2014	Consulting fees - Corporate	Hendriks	5.30
	Gallop and TD re PAD reversal and closing disbursement accounts; ongoing calls and emails re auction proposals, RBC leased assets, call to discuss cost sharing with Graff and Mahar; first draft of Receiver's First Report pending final determination of RBC leased assets and impact on auction proposals; review draft notice of motion and order from English; estate receipts and disbursements with Gallop, McKeown and Blunda; numerous calls and emails re WEPP issues with Chopowick and Davenport (union); other employee issues with Aurora and Davenport re employees terminated for cause prior to filing and the corresponding union grievances; sales of inventory through ICS facility and meeting Gallop re tracking same relative to his cash/A/R monitoring roll-forwards; meeting Schwartz re Metro offset claims v. post-filing invoices of Tasty and/or Quality; Schwartz re GLSM receivership; emails English re lien claimant seeking Receiver consent to perfect claim; utilities and premises issues with Arruda; follow up with CRA re pending HST audit and outstanding assessments for source deduction audits.		
06/10/2014	Consulting fees - Corporate	Gallop	5.50
	Attend plant for general matters; update cash flows; receive revised offer, review and update offer summary;		

review receipts and provide for deposits; review Bell Items; telephone call with A Lee re closure of certain accounts and TD logistics re group unbundling; request BNS bank statements for backdated charges and adjust cash; update accounting for transfers from TD including service charges; communications with offerors; review invoice tracking; review receipts and components.

06/10/2014	Banking - Corporate	Blunda	3.00
	Banking, call bank to confirm funds transferred, prepare cheque requisition(s) etc., posting etc., prepare wire transfer form, dealing with the bank and the wire transfers.		
06/10/2014	Banking - Corporate	Lloyd-Key	1.40
	Processed cheques and deposits.		
06/11/2014	Consulting fees - Corporate	Chopowick	4.50
	Respond to numerous calls from employees regarding WEPP package and application; enter employee data into WEPP site for Toronto Abattoirs Limited; draft WEPP letter template for TAL union employees; follow up telephone call with Service Canada regarding QMP WEPP; emails and discussions with J Hendriks.		
06/11/2014	Consulting fees - Corporate	Hendriks	4.00
	Call English re auction proposals, RBC and draft report for Court approval; call Mammome re garbage removal; call to CRA re timing of source deduction audit assessment/proof of claim; calls and emails interested parties; receipts and cheque requests to Blunda; ongoing negotiations with RBC re equipment, cost sharing, schedules with various auction cost sharing scenarios, follow up with Mahar and Schwartz re same; Schwartz, McKeown, Gallop, Miller and Stamatakis re inventory, accounts receivable, cash receipts, allocations to Tasty Chip, Metro offsets of QMP programs against Tasty A/R, etc.; Schwartz and McKeown re Great Lakes receivership and impact on QMP receivables and availability of shared consultants; general update with Schwartz re over-all results to date; follow up T4's with McGuire and Chopowick; Union and Chopowick re WEPP; review draft motion and vesting order from English; Arruda re premises issues and quote to cover pit when Butina removed; call interested party in remainder of inventory; numerous calls and emails with auctioneers to confirm offers with and without RBC and final confirmations on additional terms from RBC.		

06/11/2014	Consulting fees - Corporate Update cash and distribute with comments including closed accounts; update accounting for transfers from TD; respond to offeror enquiries; update offer summary for revised thresholds and offers; see staff re collections; attend to Bell payment instructions.	Gallop	10.50
06/11/2014	Banking - Corporate Banking.	Blunda	2.00
06/11/2014	Banking - Corporate Processed both cheques and deposits.	Lloyd-Key	1.60
06/12/2014	Consulting fees - Corporate Review list of WEPP eligible employees against Union list to isolate non-Union and Union employees.	Da Silva-Falcione	0.80
06/12/2014	Consulting fees - Corporate Call from CRA re timing of source deduction audit assessment/proof of claim as well as CRA internal request to schedule HST audit; calls and emails with interested parties; receipts and cheque requests to Blunda; calls to Hilco re successful auction proposal and to unsuccessful parties; Schwartz, McKeown, Gallop, Miller and Stamatakis re inventory, accounts receivable, cash receipts, allocations to Tasty Chip, Metro offsets of QMP programs against Tasty A/R, etc.; calls BNS re balance in bank account still not delivered to Receiver; general update with Gallop and Schwartz re overall results to date; follow up T4's with McGuire and Chopowick; Union and Chopowick re WEPP; review draft motion and vesting order from English; Arruda re premises issues and quote to cover pit when Butina removed; call interested party in remainder of inventory; numerous calls and emails auctioneers to confirm offers with and without RBC and final confirmations on additional terms from RBC; finalize RBC agreement and Receiver's First Report; consultant activities and fee review with Schwartz and Garfinkle; sale and transfer of Camry from TAL; calls and emails English and Mahar re timing of potential interim distribution motion; release letters Reiser and Toyota; premises issues with Arruda.	Hendriks	5.40
06/12/2014	Consulting fees - Corporate Review emails and print Proof of Claim forms received; respond to creditor/employee queries via email and telephone.	Chopowick	4.30

06/12/2014	Consulting fees - Corporate	Gallop	7.25
	Update cash flows and distribute with comments; request BNS reversal of unauthorized PADs; review correspondence and collection calls to customers; review and prepare payment requests to Tasty Chips for payments received; review collections status with Nimpha and calls to G Stamatakis re rebates and contras various customers; call re approach to Loblaw's settlement; review related party CRA correspondence re interest and penalties and consider and report; attend to ADP issues; request IT ID info; notify unsuccessful asset bidders.		
06/12/2014	Banking - Corporate	Lloyd-Key	1.00
	Posted wire transfers; processed deposits for the bank.		
06/13/2014	Consulting fees - Corporate	Hendriks	3.90
	Call from CRA re timing of source deduction audit assessment/proof of claim as well as CRA internal request to schedule HST audit; receipts and cheque requests to Blunda; Schwartz, McKeown, Gallop, re inventory, accounts receivable, cash receipts, allocations to Tasty Chip, Metro offsets of QMP programs against Tasty A/R, etc.; calls BNS re balance in bank account still not delivered to Receiver; general update with Gallop and Schwartz re over-all results to date; follow up T4's with McGuire and Chopowick; union and Chopowick and employee queries re WEPP; review draft motion and vesting order from English; Arruda re premises issues; consultant activities, sharing with Great Lakes receiver and fee review with Schwartz and Garfinkle; finalize sale and transfer of Camry from TAL including addressing many demands by MTO on proof of authority for Receiver to sell; meeting Schwartz and Gallop re occupation rent, property taxes and the City's transfers from QMP/TAL water accounts to landlord.		
06/13/2014	Consulting fees - Corporate	Lifman	1.50
	Throughout the week, review and discuss status with J Hendriks; review emails and discuss with R English.		
06/13/2014	Consulting fees - Corporate	Chopowick	4.10
	Preparation of WEPP packages for TAL employees and coordinate mailing; respond to employee and creditor queries via email and telephone.		
06/13/2014	Consulting fees - Corporate	Gallop	6.00
	attend plant; update cash flows; review Loblaw amounts outstanding including ledger history and claims and		

disputes and draft email to Rodney Koenig requesting payment; review cash receipts.

06/13/2014	Banking - Corporate	Blunda	3.30
	Call bank for confirmation of funds transferred into the account, various cheque requisitions, mailing of cheques and WEPP.		

06/13/2014	Banking - Corporate	Lloyd-Key	0.60
	Prepared cheques and deposits.		

Total for Services	\$ 169,056.50
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Expenses: Postage re WEPP mailings	\$ 834.90
Farber CFO Resources (Inv 14-042)	5,650.00
Photocopies, faxes, etc.	<u>2,653.80</u>

Total for Expenses	<u>9,138.70</u>
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Subtotal	178,195.20
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HST	<u>21,977.35</u>
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Current Amount Due	<u>\$ 200,172.55</u>
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HST#136800752RT0001

A. FARBER & PARTNERS INC.

QUALITY MEAT PACKERS LIMITED
TORONTO ABATTOIRS LIMITED

SUMMARY OF TIME INCURRED
MAY 5, 2014 TO JUNE 13, 2014

Name	Total Hours	Rate Per Hour	Billing
G. Lifman	23.20	\$575.00	\$ 13,340.00
S. Mitchell	17.80	\$575.00	\$ 10,235.00
J. Hendriks	115.90	\$525.00	\$ 60,847.50
M. Baigel	0.10	\$480.00	\$ 48.00
R. Gallop	173.90	\$450.00	\$ 78,255.00
L. Blunda	16.20	\$190.00	\$ 3,078.00
M. Castillo	1.00	\$175.00	\$ 175.00
L. Samoilov	22.20	\$165.00	\$ 3,663.00
L. Lloyd-Key	24.80	\$155.00	\$ 3,844.00
D. Falcione	10.80	\$155.00	\$ 1,674.00
A. Chopowick	36.40	\$155.00	\$ 5,642.00
	442.30		
Total before fee reduction			\$ 180,801.50
<i>Courtesy reduction of fees</i>			\$ (11,745.00)
Total fees			\$ 169,056.50

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**

AFFIDAVIT OF FEES

AIRD & BERLIS LLP

Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

D. Robb English (LSUC # 19862F1B)

Tel: (416) 865-4748

Fax: (416) 863-1515

E-mail: renglish@airdberlis.com

Lawyers for A. Farber & Partners Inc.

Tab G

APPENDIX “G”

FEE AFFIDAVIT OF IAN AVERSA SWORN ON JULY 3, 2014

18612794.2

**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

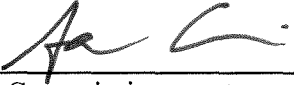
AFFIDAVIT OF IAN AVERSA
(Sworn July 3, 2014)

1. I am a Partner at Aird & Berlis LLP and, as such, I have knowledge of the matters to which I hereinafter depose. Aird & Berlis LLP has acted as counsel for 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**”);

2. Aird & Berlis LLP has prepared a Statement of Account in connection with its mandate as counsel to the Receiver, namely, an account dated June 27, 2014 in respect of the period from May 5, 2014 to June 26, 2014. Attached hereto and marked as **Exhibit “A”** to this my affidavit is a copy of the Statement of Account. The average hourly rate of Aird & Berlis LLP is \$573.33.

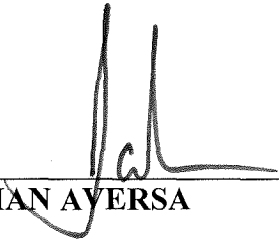
3. This Affidavit is made in support of a motion to, *inter alia*, approve the attached account of Aird & Berlis LLP and the fees and disbursements detailed therein and for no improper purpose.

SWORN before me at the City of)
Toronto, in the Province of Ontario)
This 3rd day of July, 2014)



A Commissioner, etc.

Aaron Collins



IAN AVERSA

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF IAN AVERSA

Sworn before me

This 3rd day of July, 2014


A handwritten signature in dark ink, appearing to be "fa C.", is written over a horizontal line.

Commissioner for taking Affidavits, etc

IN ACCOUNT WITH:

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street
Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
T 416.863.1500 F 416.863.1515
www.airdberlis.com

A. Farber & Partners Inc.
1600-150 York Street
Toronto, ON
Canada M5H 3S5

Attention: Mr. Gary Lifman

Account No.: 485160

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 13885/120173

June 27, 2014

Re: Quality Meat Packers Holdings Limited, Toronto Abattoirs Limited, Quality Meat Packers Group of Companies, Quality Meat Packers Limited

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended June 26, 2014:

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
DRE	05/05/14	\$750.00	0.70	\$525.00	Review and finalize report; Serve and file; Telephone call with TD; Request TD security; Instruct regarding filing
DRE	05/05/14	\$750.00	0.60	\$450.00	Telephone call with TD counsel; Letter to Justice Brown; Prepare for hearing
JN	05/05/14	\$230.00	0.80	\$184.00	Attend at court to file material for R. English
DRE	06/05/14	\$750.00	0.40	\$300.00	Letter to W. Rostrom; Letter to G. Lifman
DRE	06/05/14	\$750.00	2.00	\$1,500.00	Prepare and attend before Justice Brown; Telephone call with W. Rostrom; Telephone call with Farber
DRE	06/05/14	\$750.00	0.10	\$75.00	Letter to Farber regarding account balances
DRE	06/05/14	\$750.00	0.40	\$300.00	Letter to Trustee
DRE	07/05/14	\$750.00	0.30	\$225.00	Telephone call with G. Lifman

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
DRE	07/05/14	\$750.00	0.30	\$225.00	Letter to J. Harild regarding Hog Futures; Letter to K. Mahar, etc.
DRE	07/05/14	\$750.00	0.20	\$150.00	[A104] Review/Analyze - review and revise transfer memo
DRE	07/05/14	\$750.00	0.40	\$300.00	Telephone call with potential interested party; Letter regarding Hog Futures
DRE	08/05/14	\$750.00	1.50	\$1,125.00	Letter to K. Mahar; Set up meeting; Review law on date of bankruptcy
DRE	08/05/14	\$750.00	0.80	\$600.00	Letter to W. Rostom; Letter to Farber; Telephone call with Farber
DRE	08/05/14	\$750.00	1.50	\$1,125.00	Meeting at Thornton Grout with Receiver and K. Mahar; Letter regarding leases, etc.
DRE	08/05/14	\$750.00	0.20	\$150.00	Letter to regarding meeting dates; Receive building lease
DRE	09/05/14	\$750.00	1.20	\$900.00	Letter to K. Mahar; Telephone call with K. Mahar; Letters to Farbers'; Instruct re court dates; Letter to W. Rostom
DRE	09/05/14	\$750.00	0.60	\$450.00	Letter to K. Mahar and J. Dietrich; Deal with outstanding litigation
DRE	09/05/14	\$750.00	0.80	\$600.00	Letter to counsel; Letter re leases; Book court date; Telephone call with union; Letter to J. Hendriks re miscellaneous
DRE	12/05/14	\$750.00	1.20	\$900.00	Instruct regarding vetting of TD security; Letter to Farber; Review search; Revise request form
DRE	12/05/14	\$750.00	0.80	\$600.00	Telephone call with J. Hendriks; Review lease and storage issue; Letter regarding court date; Revise date
RTH	12/05/14	\$625.00	0.30	\$187.50	Attend to subsearch; Email to Shawn
SRM	12/05/14	\$310.00	3.40	\$1,054.00	Prepare Security Opinion in connection with Security held by TD Bank

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
DRE	13/05/14	\$750.00	1.00	\$750.00	Review repair and storage claims; Receive lien claims; Telephone call with solicitor for FCC; Draft two letters
DRE	13/05/14	\$750.00	0.50	\$375.00	Review and revise TD security review; Letter to P. Cho and forward; Review searches and instruct regarding RBC security
DRE	13/05/14	\$750.00	0.30	\$225.00	Letter to W. Rostom; Letter to Farber
SRM	13/05/14	\$310.00	0.40	\$124.00	Finalize Security review of TD non-negotiable security; Email to P. Cho and to P. Resnick
DRE	14/05/14	\$750.00	0.80	\$600.00	Telephone call with J. Hendriks; Instruct regarding draft terms and conditions; Review status - noise claim and storage
JN	14/05/14	\$230.00	2.00	\$460.00	Meeting with and receive instruction from R. English; Revise draft template of terms and conditions of sale to reflect context of present receivership
DRE	15/05/14	\$750.00	1.00	\$750.00	Revise terms and conditions; Order search; Letter to Reiser counsel; Letter to J. Hendriks, etc.
DRE	15/05/14	\$750.00	0.50	\$375.00	Telephone call with and letter to K. Mahar; Letter and telephone call with Receiver
SRM	15/05/14	\$310.00	0.70	\$217.00	Conduct CIPO searches against Quality Meat and Toronto Abattoirs; Report on same
JN	15/05/14	\$230.00	2.40	\$552.00	Prepare draft security opinion letter for R. English
DRE	16/05/14	\$750.00	1.00	\$750.00	Telephone call with P. Resnick; Telephone call with J. Hendriks; Telephone call with K. Mahar; Instruct J. Nemers; Review inter-creditor accounts; Review draft terms and conditions

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
DRE	16/05/14	\$750.00	0.30	\$225.00	Letter to J. Hendriks; Review terms
SRM	16/05/14	\$310.00	0.20	\$62.00	Review registration regarding PPSA renewal and leases
JN	16/05/14	\$230.00	1.50	\$345.00	Research validity and perfection of security interest in motor vehicle lease agreement for R. English; Discussions with R. English; Telephone call with J. Hendricks
JN	19/05/14	\$230.00	4.20	\$966.00	Review security agreements, registrations and associated documents; Prepare security opinion letters for R. English
DRE	20/05/14	\$750.00	0.40	\$300.00	Letter to Farber; Review claims
DRE	20/05/14	\$750.00	0.30	\$225.00	Telephone call with and letter to F. Spizzirri; Letter to G. Lifman
DRE	20/05/14	\$750.00	0.30	\$225.00	Letter to J. Hendriks
JN	20/05/14	\$230.00	0.30	\$69.00	Review and proofread draft security opinion letters
IEA	21/05/14	\$395.00	0.90	\$355.50	Meeting with R. English regarding update on status of bankruptcy proceedings; Telephone call with J. Hendriks; Engaged with reviewing and revising draft correspondence to service list
DRE	21/05/14	\$750.00	1.20	\$900.00	Conference call with F. Spizzirri and G. Lifman; Letter to J. Dietrich; Telephone call with J. Hendriks; Review Great Lakes A/R issue; Telephone call with K. Mahar; Telephone call with G. Lifman; Revise lease revisions
DRE	21/05/14	\$750.00	0.70	\$525.00	Draft letter to service list; Review sale process; Review cases
JN	21/05/14	\$230.00	2.40	\$552.00	Meeting with R. English re security opinion letters; Revise security opinion letters; Email letters and requests for outstanding documents to client
IEA	22/05/14	\$395.00	0.90	\$355.50	Emails to and from clients, R.

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					English and J. Nemers regarding equipment lessors and correspondence regarding next steps and hearing; Telephone call with client regarding the same; Discussions with J. Nemers regarding same
JN	22/05/14	\$230.00	2.40	\$552.00	Receipt and review of new documents re: leased vehicles; Email conclusions to client and provide list of documents that remain outstanding re vehicles; Telephone call with J. Hendriks; Revise security opinion letters; Attend to other tasks as requested
IEA	23/05/14	\$395.00	1.00	\$395.00	Engaged with reviewing correspondence and documents regarding pension plans; Engaged with research regarding same; Discussions with J. Nemers regarding same; Emails regarding Monday's conference call; Telephone call with K. Mahar regarding update
DRE	23/05/14	\$750.00	1.00	\$750.00	Letter to W. Rostom; Letter to Farber; Instruct I. Aversa; Instruct J. Nemers; Letter to J. Hendriks
JN	25/05/14	\$230.00	0.50	\$115.00	Receipt and review of pension wind-up materials; Research ability for receiver to commence pension wind-up
IEA	26/05/14	\$395.00	0.90	\$355.50	Conference call with client, McMillan and suppliers regarding update on receivership and bankruptcy proceedings and next steps; Emails and discussions regarding serving opinions and pension plan
JN	26/05/14	\$230.00	2.20	\$506.00	Discussion with I. Aversa re pension wind-up issue; Receipt and review of two additional vehicle leases; Prepare draft security reports on these two additional leases
IEA	27/05/14	\$395.00	0.50	\$197.50	Telephone calls and emails to and from client, R. English and J.

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					Nemers regarding pension plan, security opinions, update and next steps
DRE	27/05/14	\$750.00	0.60	\$450.00	Telephone call with J. Hendriks; Review offer regarding terms and conditions; Letter regarding revisions; Set up status call, etc.
JN	27/05/14	\$230.00	0.20	\$46.00	Finalize two security reporting letters; Email to client
IEA	28/05/14	\$395.00	0.20	\$79.00	Emails to and from R. English regarding pension plans and next steps
DRE	28/05/14	\$750.00	0.40	\$300.00	Conference call with Receiver regarding status of various matters
DRE	28/05/14	\$750.00	0.20	\$150.00	Telephone call with K. Mahar, etc.; Letter to Pork Producers; Letter to Receiver regarding probe
DRE	28/05/14	\$750.00	0.30	\$225.00	Telephone call with K. Mahar; Letter to J. Hendriks; Letter to regarding pork probe
DRE	29/05/14	\$750.00	0.60	\$450.00	Telephone call with K. Mahar regarding pension; Conference call with K. Mahar and J. Hendriks regarding RBC sale; Received lien claims
DRE	03/06/14	\$750.00	0.30	\$225.00	Telephone call with and letter to J. Hendriks; Review RBC issues, etc.
DRE	03/06/14	\$750.00	1.00	\$750.00	Letter to J. Hendriks; Letter to counsel for Union; Telephone call with J. Hendriks; Letter regarding Union claim; Draft report
DRE	03/06/14	\$750.00	0.20	\$150.00	Letter to J. Hendriks; Review final report
IEA	04/06/14	\$395.00	0.10	\$39.50	Emails to and from client and R. English regarding pension plan
DRE	04/06/14	\$750.00	0.40	\$300.00	Letter to J. Hendriks; Review pension status
DRE	04/06/14	\$750.00	0.40	\$300.00	Letter regarding pension; Telephone

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					call with and letter to G. Watts
DRE	05/06/14	\$750.00	0.40	\$300.00	Deal with issues on TD - clearing PAD's; Deal with offers for assets
DRE	06/06/14	\$750.00	0.40	\$300.00	Telephone call with C. Stanek; Review lien claim
DRE	06/06/14	\$750.00	0.40	\$300.00	Review offer received
DRE	09/06/14	\$750.00	0.40	\$300.00	Review auction offers; Letter to all concerned
DRE	09/06/14	\$750.00	0.70	\$525.00	Draft auction services agreement
DRE	09/06/14	\$750.00	0.60	\$450.00	Conference call regarding offers; Meet with S. Graff
DRE	09/06/14	\$750.00	0.50	\$375.00	Meeting with S. Graff regarding RBC position
DRE	10/06/14	\$750.00	1.00	\$750.00	Letter to S. Graff; Telephone call with and letter to J. Hendriks; Update with K. Mahar; Draft Notice of Motion and Order
DRE	10/06/14	\$750.00	0.50	\$375.00	Draft and revise motion material
DRE	10/06/14	\$750.00	0.20	\$150.00	Letter to Gowlings and Receiver
DRE	10/06/14	\$750.00	0.30	\$225.00	Letter to J. Hendriks; Revise drafts
DRE	11/06/14	\$750.00	1.00	\$750.00	Revise Receiver Report; Revise Order and Notice of Motion; Revise Liquidation Agreement; Telephone call with J. Hendriks; Letter to K. Mahar
DRE	11/06/14	\$750.00	0.80	\$600.00	Draft Factum; Letter regarding RBC assets
ATC	12/06/14	\$395.00	0.80	\$316.00	Discussion with R. English re materials to be served and related matters; Emails to and from R. English and J. Hendriks re draft materials, comments on draft materials and other related matters; Review and revise Notice of Motion and Factum to address J. Hendrik's comments and finalize and serve motion record

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
DRE	12/06/14	\$750.00	3.00	\$2,250.00	Revise Factum; Review and put together Motion Record; Instruct A. Collins; Letter to C. Stanek
AA	13/06/14	\$230.00	1.00	\$230.00	Filed motion record with the commercial listing
DRE	13/06/14	\$750.00	1.50	\$1,125.00	Letter regarding employee counsel; Letter to K. Mahar; Deal with motion; Deal with Hilco issues
DRE	16/06/14	\$750.00	1.50	\$1,125.00	Deal with Hilco proposal; Deal with motion; Deal with e-service; Add parties, etc.
DRE	16/06/14	\$750.00	1.00	\$750.00	Letter to non-unionized; Revise enclosures; Review revision on Hilco agreement
IEA	17/06/14	\$395.00	0.20	\$79.00	Telephone call with J. Hendriks and L. Lisi regarding labour issues
DRE	17/06/14	\$750.00	1.00	\$750.00	Telephone call with J. Hendriks; Letter with Hilco counsel; Review and revise Licence Agreement; Review changes to Order; Letter to service list
DRE	17/06/14	\$750.00	0.50	\$375.00	Letter to counsel; Instruct regarding record
LL	17/06/14	\$630.00	0.20	\$126.00	Telephone discussion with R. English regarding mass termination issues
DRE	18/06/14	\$750.00	2.20	\$1,650.00	Prepare and attend before McEwen J.; Letter to A. Hatnay
DRE	18/06/14	\$750.00	0.40	\$300.00	Letter to K. Mahar; Letter to Farber; Letter to BNS
DRE	18/06/14	\$750.00	0.20	\$150.00	Letter to - letter to K. Mahar; Letter to Farber
DRE	19/06/14	\$750.00	0.40	\$300.00	Letter to BNS; Letter to J. Hendriks; Draft letter to service list; Letter regarding IP
DRE	19/06/14	\$750.00	0.40	\$300.00	Letter to K. Mahar; Letter to and telephone call with J. Hendriks

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
PW	19/06/14	\$155.00	0.60	\$93.00	Entered Order of June 18, 2014
DRE	20/06/14	\$750.00	1.00	\$750.00	Telephone call with A. Hatnay; Review draft Order; Revise Liquidation Agreement; Telephone call with K. Mahar; Letter to Farber
DRE	20/06/14	\$750.00	0.50	\$375.00	Letter to K. Mahar; Letter to Farber; Notice to Service List
DRE	23/06/14	\$750.00	0.40	\$300.00	Forward LSA; Telephone call with A. Hatnay; Letter to K. Mahar
DRE	23/06/14	\$750.00	0.30	\$225.00	Letter from Farber and BNS
DRE	24/06/14	\$750.00	0.40	\$300.00	Telephone call and update with J. Hendriks; Letter to A. Hatnay and schedule call; Discussion with Hilco
DRE	24/06/14	\$750.00	0.40	\$300.00	Deal with LSA revision and signing plus deposit
DRE	24/06/14	\$750.00	0.20	\$150.00	Finalize and circulate signed LSA
DRE	25/06/14	\$750.00	0.70	\$525.00	Telephone call with A. Hatnay; Telephone call with J. Hendriks; Letter to K. Mahar
DRE	25/06/14	\$750.00	0.10	\$75.00	Telephone call with K. Mahar
DRE	25/06/14	\$750.00	0.30	\$225.00	Deal with issues with inspectors
DRE	26/06/14	\$750.00	0.70	\$525.00	Telephone call with K. Mahar; Letter to Adrian S. and J. Hendriks regarding numbers, etc;
DRE	26/06/14	\$750.00	0.20	\$150.00	Letter to TD
DRE	26/06/14	\$750.00	0.30	\$225.00	Letter to J. Levine; Letter to K. Mahar
TOTAL:			83.70	\$47,988.00	

OUR FEE	\$47,988.00
HST at 13%	\$6,238.44

DISBURSEMENTS

COST INCURRED ON YOUR BEHALF AS AN AGENT

Notice of Motion/Application

\$127.00

Subject to HST

Corporate Search	\$18.00
Photocopies - Local	\$265.50
Imaging/Scanning	\$153.00
Binding and Tabs	\$28.25
Subsearch-Conveyancer	\$120.00
C.S.R.A. Search	\$14.00
Taxi	\$8.19
Photocopies	\$100.25
Deliveries/Parss	\$8.00

Total Disbursements	\$715.19
HST at 13%	\$92.97

AMOUNT NOW DUE

\$55,161.60

Summary

Name	Year of Call	Hours	Rate	Value
D. R. English (DRE)	01/01/80	52.50	\$750.00	\$39,375.00
Jeremy Nemers (JN)		18.90	\$230.00	\$4,347.00
Randy T. Hooke (RTH)	01/01/89	0.30	\$625.00	\$187.50
Shannon R. Morris (SRM)		4.70	\$310.00	\$1,457.00
Ian E. Aversa (IEA)	01/08/08	4.70	\$395.00	\$1,856.50
Aaron T. Collins (ATC)	01/08/08	0.80	\$395.00	\$316.00
Andreea Andrei (AA)		1.00	\$230.00	\$230.00
Lorenzo Lisi (LL)	01/01/90	0.20	\$630.00	\$126.00
Patrick Williams (PW)		0.60	\$155.00	\$93.00

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

D. Robb English
/ph
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

A. Farber & Partners Inc.

In its capacity as Court Appointed Receiver of the undertaking, property and assets of Quality Meat Packers Limited and Toronto Abattoirs Limited

Account dated June 27, 2014

Lawyer	Call to Bar	2014/hr	Total Time	Value
D.R. English	1980	750.00	52.50	\$39,375.00
R.T. Hooke	1989	625.00	0.30	\$187.50
I.E. Aversa	2008	395.00	4.70	\$1,856.50
A.T. Collins	2008	395.00	0.80	\$316.00
L. Lisi	1990	630.00	0.20	\$126.00
Student				
J. Nemers		230.00	18.90	\$4,347.00
A. Andrei		230.00	1.00	\$230.00
Law Clerk				
S. Morris		310.00	4.70	\$1,457.00
File Clerk				
Patrick Williams		155.00	0.60	93.00

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**

AFFIDAVIT OF FEES

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place

181 Bay Street, Suite 1800

Toronto, ON M5J 2T9

D. Robb English (LSUC # 19862F1B)

Tel: (416) 865-4748

Fax: (416) 863-1515

E-mail: renglish@airdberlis.com

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 July 15, 2014)**

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