

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

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

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

**AFFIDAVIT OF MARK YUNGBLUT  
(sworn April 8, 2014)**

I, MARK YUNGBLUT, of the Village of Wroxeter, Howick Township in the Province of Ontario, MAKE OATH AND SAY:

1. I am the General Manager of Synergy Swine Inc. (“**Synergy Swine**”). Along with three others, I help to found Synergy Swine in 1994. I am also the President of the 50 percent owner of Synergy Swine, Molesworth Farm Supply Ltd. (“**Molesworth**”).
2. I have a Degree in Animal Science from the University of Guelph and, prior to joining Molesworth in 1991, worked first in the pork division of J.M. Schneider Corp. and then for the Ontario Ministry of Agriculture and Food in connection with agriculture education for swine farmers. As such I have knowledge of the matters to which I hereinafter depose. Where my affidavit is made on information and belief, I identify the source of that information and believe it to be true.
3. Quality Meet Packers Ltd. (“**QMP**”) filed a Notice of Intention to make a proposal on April 3, 2014 (the “**NOI**”). A copy of the NOI is attached as Exhibit “**A**.” I make this affidavit in support of a motion to, among other things, terminate the thirty-day period within which QMP must file a proposal under s. 50.4 of the *Bankruptcy and*

*Insolvency Act* (the “**BIA**”) or, in the alternative, the appointment, subject to their consent, of Farber & Associates or another acceptable licensed trustee as receiver over all or substantially all of the inventory of QMP pursuant to Section 101 of the *Courts of Justice Act*.

### **The Ontario Swine Industry**

4. The Ontario pork producing industry is significant. It generally produces over 100,000 pigs per week. While some are shipped to the U.S. or Quebec as weanlings or feeder pigs, Ontario processes approximately 95,000 market hogs a week.

### **The Synergy Swine Group**

5. Synergy Swine is a hog production corporation headquartered in Molesworth, Ontario. The company is registered as a Farm Business with Agricorp, a provincial crown corporation that, among other things, administers insurance plans for farmers in Ontario. Synergy Swine’s Agricorp Registration card is attached as Exhibit “B.”

6. Synergy Swine buys weanlings (baby pigs) from various weanling producers. The weanlings are raised at contract nursery barns and finishing barns across Midwestern Ontario.

7. Synergy Swine is a part owner or related to several other hog farming businesses including:

- (a) Synergy Services Inc.;
- (b) Synergy Swine FPR1 Inc.;

- (c) Synergy Swine FPR2 Inc;
- (d) Mahogany Farms Ltd;
- (e) PA Pork;
- (f) Molesworth Farm Supply Limited;
- (g) RNR Swine Inc.

These entities form the **Synergy Swine Group**.

8. Synergy Swine supplies market-ready pigs to pork processing companies in Ontario and Quebec. One of the pork processing companies to which Synergy Swine supplies hogs is QMP.

#### **Synergy Swine's Relationship to QMP**

9. QMP is a processor of pigs in Ontario. It sells processed and butchered pork products. Synergy Swine started shipping market hogs to QMP in 1999. On April 29, 2013, Synergy and QMP entered into a contract for the sale of hogs (the "**Contract**"). Attached as Exhibit "**C**" is a copy of the Contract, styled as the "Live Hog Supply Agreement Using Multi-Component Pricing."

10. Section 2 and Schedule 1 of the Contract provides that Synergy shall supply QMP with approximately 104,000 hogs annually, or approximately 2,000 per week.

11. Schedule 1 of the Contract further provides that Synergy will provide additional quantities of hogs to QMP in accordance with other Live Hog Supply Agreements between QMP and members of the Synergy Swine Group.

12. The formula for calculating the price that QMP will pay Synergy Swine for the hogs supplied under the Contract is set out in Schedules 2A to 2D. Many of the components of the pricing formula cannot be calculated prior to slaughter. For example, in pricing the hogs, QMP must determine the price per kilogram on the basis of the total weight of each butchered hog carcass. For obvious reasons, this factor cannot be assessed when Synergy Swine ships its hogs to QMP. The price is also modified on other factors such as the grade of the meat and whether a contract premium applies. Accordingly, Synergy does not invoice QMP for each hog shipment. Instead, section 8 of the Contract provides that payment for each shipment of hogs is due to Synergy within three working days of slaughter. Slaughter typically occurs the date of shipment or the following day.

13. Accordingly, the supply arrangement with QMP is very different than what might be expected in other businesses. Synergy Swine Group's supply terms with QMP are not at all designed to give time for QMP to pay, or to extend credit to QMP. The delay in payment of 4 or 5 days is only to allow for the required process to determine the price to be paid.

14. Under paragraph 4 of the Contract, title to the hogs and risk of loss passes to QMP upon delivery and acceptance of the hogs by QMP. Payment is to be made forthwith after value and price is determined as described above.

**QMP Accepted Millions of Dollars in Market Hogs Just Days Before It Filed Its NOI**

15. The Synergy Swine Group delivered hogs to QMP in the days immediately prior to QMP's NOI filing. The deliveries were as follows:

- i. Synergy Swine delivered 171 hogs to QMP on March 27, 2014 with an estimated value of \$44,545.71;
- ii. Synergy Services Inc. delivered 201 hogs to QMP on March 26, 2014 and April 2, 2014 with an estimated value of \$57,500;
- iii. Synergy Swine FPR1 Inc. delivered 1,759 hogs to QMP on March 26 and April 2 with an estimated value of \$407,258.14;
- iv. Synergy Swine FPR2 Inc. delivered 45 hogs to QMP on March 26 and April 2 with an estimated value of \$11,631.61;
- v. Mahogany Farms Ltd. delivered 65 hogs to QMP on April 1, 2014 with an estimated value of \$18,500;
- vi. PA Pork delivered 385 hogs to QMP on March 26, April 1 and April 3 with an estimated value of \$99,460.93;
- vii. Molesworth delivered 682 hogs to QMP on March 31, April 1 and April 2 with an estimated value of \$198,994.10; and
- viii. R.N.R. Swine Inc. delivered 230 hogs to QMP on March 31 with an estimated value of \$63,736.37.

16. In total, the Synergy Swine Group delivered market hogs with an estimated value of \$901,626.86 in the days immediately leading up to NOI. The Synergy Swine Group has not been paid for any of these hogs.

17. Further, I am advised by many hog suppliers in Ontario (the “**Other Hog Farmers**”) that they too supplied hogs to QMP prior to the NOI filing for which they have not been paid. I am advised that the vast majority of shipments of hogs to QMP were made between March 27 and April 3, 2014. It is my strong belief that QMP knew or ought to have known that it was insolvent at the time it accepted delivery of the hogs from the Synergy Swine Group and the Other Hog Farmers and that it did not have the ability to pay for the hogs it accepted.

18. Attached as Exhibit “**D**” is a spreadsheet listing the deliveries made by the Synergy Swine Group, and certain of the Other Hog Farmers. The total estimated value of all hogs delivered to QMP for which payment has not been made and of which I am aware or have been advised (the “**Shipments**”) is \$2,825,836.04.

19. Attached as Exhibit “**E**” is a series of emails I received from each of the Other Hog Farmers setting out the specifics of their respective deliveries (such emails constituting the “**Other Hog Farmers’ Correspondence**”).

20. To ensure that the Other Hog Farmers understood that one result of the within motion could be that QMP went bankrupt and ceased operations, counsel to Synergy Swine, McMillan LLP, sent the email attached as Exhibit “**F**.”

21. The Other Hog Farmers' Correspondence only includes correspondence from those Other Hog Farmers who responded to McMillan's email affirmatively as of the time of the evening of April 7, 2014. A copy of each of those affirmative responses is attached as Exhibit "G." Should additional confirmations from the Other Hog Farmers be received, it may be reflected in a supplementary affidavit.

### **QMP Has No Plan To Pay Hog Producers What They Are Owed**

22. I attended a meetings and conference calls with the management of QMP on April 4 and 5, 2014. David Schwartz, President of QMP, advised in those exchanges that QMP does not have any plan for paying Synergy Swine, or for any of the Shipments, and that QMP is generally looking for pigs to be supplied to it in the near term at a \$30/pig discount from the price it agreed to pay its suppliers before it filed the NOI.

23. I have not been advised of, nor am I aware of, any plan for the restructuring of QMP. In any case, the Synergy Swine Group is not prepared to support any restructuring plan that does not see them being paid in full for their respective Shipments before fifteen days has elapsed from the date of their last shipment for which they have not been paid. As set out in the Other Hog Farmers' Correspondence, I am advised that the Other Hog Farmers are of the same view.

**Material Prejudice to Synergy**

24. Also at the meetings and conference calls on April 4 and 5, 2014, Mr. Schwartz advised me that TD Asset Management and a holding company related to QMP were secured creditors of QMP for \$14 million and \$19 million respectively.

25. Having regard to this security, the Synergy Swine Group and the Other Hog Farmers would be unfairly and materially prejudiced if they did not have security for the amounts owed by QMP for the Shipments that ranked in priority to any other security.

SWORN BEFORE ME at Listowel,  
Ontario on April 8, 2014.




\_\_\_\_\_  
Commissioner for Taking Affidavits



\_\_\_\_\_  
Mark Yungblut



This is Exhibit "A" referred to in the  
Affidavit of Mark Yungblut sworn before  
me this 8<sup>th</sup> day of April, 2014



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A Commissioner, etc.



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

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

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

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

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Date of the Notice of Intention: April 03, 2014

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

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

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

Date: April 03, 2014, 13:05

E-File/Dépôt Electronique

Official Receiver

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

**Canada**

## APPENDIX B – NOTICE OF INTENT

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


### NOTICE OF INTENTION TO MAKE A PROPOSAL

#### TAKE NOTICE THAT:

1. The undersigned Quality Meat Packers Limited, an insolvent person, pursuant to Subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, intends to make a Proposal to its creditors.
2. A Farber & Partners Inc., of 150 York Street, Suite 1600, Toronto, Ontario, a licensed Trustee, has consented to act as Trustee under the Proposal and a copy of the Consent is attached hereto.
3. A list of the names of the known creditors with claims amounting to \$250 or more and the amounts of their claims is attached.
4. Pursuant to Section 69 of the *Bankruptcy and Insolvency Act*, all proceedings against the company are stayed as of the date of filing this Notice with the Official Receiver in my locality.

DATED AT TORONTO <sup>3<sup>rd</sup></sup> this Day day of April, 2014.

QUALITY MEAT PACKERS LIMITED

  
Per: DAVID SCHWARTZ

**QUALITY MEAT PACKERS LIMITED  
LIST OF CREDITORS**

407 ETR	\$ 737.56
A.M. MECHANICAL	6,220.65
ABELL PEST CONTROL	3,831.96
ACCO BRANDS DIRECT	74.26
AFFILIATED CUSTOMS BROKERS LIMITED	137.50
AGRI STATS INC.	3,918.48
AMEX BANK OF CANADA	388.11
APPLIED INDUSTRIAL FLOORING	2,745.90
AQUA FAST FLUSH LTD	2,949.30
ARSENAL CLEANING SERVICES LTD	5,650.00
ARTIC GLACIER PREMIUM ICE	3,000.00
ASB HEATING ELEMENTS LTD.	622.13
ATLAS FENCE TORONTO LTD.	2,536.85
BELL CANADA	372.90
BERNARD KOWAL FOOD PRODUCTS LIMITED	29,567.28
BLUE - PENCIL	299.45
BONAVENTURE	739.58
BUSCH VACUUM TECHNICS INC.	4,217.67
C.F.F. STAINLESS STEELS INC.	1,731.86
CALDIC CANADA INC.	3,578.88
CANADA CARTAGE DIVERSIFIED ULC	394,193.26
CANADA REVENUE AGENCY	619.64
CANADAWIDE SAFETY INC.	366.12
CANADIAN DYNAMIC AIR COMPRESSOR	4,149.36
CANADIAN FOOD INSPECTION AGENCY	1,590.76
CAN-AM INSTRUMENTS LTD	306.23
CARLO MOROSIN	135.19
CENTRAL CANADA METALS INC.	5,252.24
CENTRIFUGES UNLIMITED INC.	2,298.16
CERTIFIED LABORATORIES	776.86
CHLORIDE BATTERY LTD.	1,289.17
CIMCO REFRIGERATION	6,916.88
CINTAS CANADA LIMITED	14,584.58
CLAYTON STEAM SYSTEM SOLUTIONS	3,945.11
CORPORATE COMMUNICATIONS	2,265.65
CRAWFORD-BROWN SUPPLY (ONTARIO) INC.	766.14
CROSSROADS C&I DISTRIBUTORS/FABRICATORS	1,426.58
CRS / VAMIC INC.	3,308.21
D.J. INDUSTRIAL SALES AND MANUFACTURING	2,876.65
DESIGN LABEL SYSTEMS INC.	13,127.28
DIAMOND TAXICAB DISPATCH SERVICE	155.00
DIVERSEY CANADA INC.	11,798.80
DOM ARC WELDING ALLOWS INC.	581.07

**QUALITY MEAT PACKERS LIMITED  
LIST OF CREDITORS**

DOMINION BUSINESS MACHINE LEASING	67.80
DOVERCO	5,451.94
DOWNTOWN LUMBER & BUILDING SUPPLIES CO.	3,524.44
DOWNTOWN RENTAL & BUILDING SUPPLIES LTD.	393.46
DUSSAULT TRANSLATION LIMITED	440.70
EAMA PRECISION MACHINE & TOOLS CO.	6,443.83
EASTERN MEAT SOLUTIONS	1,878.37
ED MINER	750.00
ELASTO PROXY	595.55
ENERSYS CANADA INC.	1,344.72
ERB TRANSPORT	20,411.00
EXACON	3,128.74
FASTENAL CANADA LTD.	11,292.61
FISHER SCIENTIFIC	6,671.65
FOXX ADVERTISING & DESIGN INC.	10,571.15
FRANK RICCI & ASSOCIATES INC.	406.80
GEORGE STAMATAKIS	55.00
GO PACKAGING/GERRARD OVALSTRAPPING	1,745.55
GOLDEN BAY CORP.	1,459.98
GS1 CANADA	2,576.40
HARDWARE AGENCIES	1,074.42
HCH LAZERMAN INC.	1,140.17
HENRY KLASSEN	800.00
IMAGEON TORONTO	3,367.40
INDEPENDENT MECHANICAL SUPPLY	2,561.19
INDUSTRIAL REFRIGERATED SYSTEMS	848.97
INTERNATIONAL COLD STORAGE	275,240.68
INTERROLL CANADA LIMITED	598.78
INTRALOX	358.97
ITM INSTRUMENTS INC.	106.22
J.H. RYDER MACHINERY LIMITED	215.23
JAYEFF PARTNERS	593.25
JERVIS B. WEBB COMPANY OF CANADA	288.15
JOHN BROOKS COMPANY LIMITED	2,813.94
KASCO CANADA DIV. OF ATLANTIC SERVICE CO. LTD.	1,127.25
KENTMASTER MFG. CO. INC.	2,830.98
KETCHUM MANUFACTURING INC.	749.29
L.N. REYNOLDS CO. LTD.	599.41
LEODEGARIO ESPINOSA PONDANG	233.57
LINDE	698.86
LIQUID CARGO LINERS LIMITED	13,016.39
LITTLE SILVER CORPORATION	11,472.00
M & M CUSTOM CONVEYOR FABRICATION INC.	6,991.31


**QUALITY MEAT PACKERS LIMITED  
LIST OF CREDITORS**

MAGNETO ELECTRIC SERVICE CO. LIMITED	6,713.12
MATHEWS DINSDALE & CLARK LLP	9,048.57
MAXXAM ANALYTICS	10,745.60
MCCORDICK GLOVE & SAFTY	2,061.07
MCMASTER CARR	1,275.67
MEGACITY EXPEDITER INC.	2,188.37
MENNEKES ELECTRICAL PRODUCTS	346.54
MICHAEL I. ATLAS	971.80
MINISTER OF FINANCE (GARNISHEES)	68.12
MINISTRY OF COMMUNITY AND SOCIAL SERVICES	2,322.81
MINISTRY OF FINANCE	26,468.15
MMIS INC.	4,229.91
MONTOUR	2,791.60
MOORE CANADA	654.95
MORLEY ANNEAR LTD	23,404.42
MOUNTAIN VIEW ESTATES COFFEE	751.12
MPS NORTH AMERICA, INC.	3,028.01
MR. ROLLER 2000 (2004) INC.	639.25
N & A TRANSPORT SERVICES LTD	72,692.90
NATIONAL TIME EQUIPMENT CO. LTD	384.88
NINE NORTH LOGISTICS INC	975.04
NORAMPAC - ETOBICOKE	273,563.06
NORAMPAC - JELLCO	1,434.38
NORAMPAC - ST MARYS	1,599.65
OMORI NORTH AMERICA INC.	2,116.04
ONTARIO GLOVE & SAFETY	22,867.59
PACKALL PACKAGING INC.	72,504.96
PAUL WOLF LIGHTING AND ELECTRICAL SUPPLIES	8,101.51
PEMBERTONS & ASSOCIATES INC.	212.65
PEREIRAS MOBILE SERVICE	7,409.74
PHOENIX AGRITEC INC.	65,239.50
PREMIER PALLET & REPAIR SERVICE	6,102.00
PROCESS & STEAM SPECIALTIES	260.40
PROVINCE ELECTRIC SUPPLY LTD.	6,173.22
PULEY SUPPLIES INC.	7,843.46
PUROLATOR INC.	1,974.75
QUALITY MEAT PACKERS HOLDINGS LIMITED	19,300,000.00
REGENCY PLASTICS COMPANY LTD	46,249.86
REGIONAL HOSE TORONTO LTD	3,327.86
REISER CANADA	907.32
RELIABLE BEARING CO. LTD.	5,988.01
RICHARD GRAVELLE	570.97
RIDOUT & MAYBEE LLP	282.50

**QUALITY MEAT PACKERS LIMITED  
LIST OF CREDITORS**

ROCKTENN COMPANY OF CANADA INC.	347,824.96
RUDOLPH INDUSTRIES	3,457.80
RUSSELL FOOD EQUIPMENT	291.65
RYAN FILTER SALES INC.	932.82
S+C PARTNERS LLP	1,073.50
SANIMAX LTD	1,813.17
SEALED AIR	25,906.92
SP STALLS & STORAGE	2,175.25
SPENCOMP SOLUTIONS INC.	1,599.83
SPRINGDALE GRAPHICS SERVICES	1,177.92
STAPLES ADVANTAGE	1,577.42
STEADFAST SAFETY SERVICES	441.83
STEPHENSON'S RENTAL SERVICE	1,086.03
SUMAQ WHOLESALERS LTD	23,124.94
SUMMIT FOOD SERVICES	5,249.87
SUPERIOR DOOR & GATE SYSTEMS INC.	6,022.90
TECH ELECTRIC INC.	3,026.14
TELO IP	1,678.05
TEMPTALE CANADA LTD	561.38
THE PALLET GROUP INC	16,893.45
THE YES GROUP INC.	2,316.52
TIGER DIRECT	1,362.26
TONY & NICK'S PLACE	357.50
TORONTO PALLET & SKID	7,051.20
TORONTO SALT & CHEMICALS LIMITED	4,989.85
TORONTO-DOMINION BANK	14,000,000.00
TOTAL LIFT COMPANY LTD	324.18
TRANS AMERICAN CHB INC	4,886.40
UNISOURCE CANADA INC.	11,763.61
VISCOFAN CANADA INC	119,356.50
WAJAX INDUSTRIAL COMPONENT	18,706.46
WESTROW FOOD GROUP	1,103.51
WHITEBIRD NATIONAL CORRUGATE	1,146.95
WSIB	1.00
XEROX CANADA LTD.	399.98
XYLEM CANADA COMPANY	209.30

This is Exhibit "B" referred to in the  
Affidavit of Mark Yungblut sworn before  
me this 8<sup>th</sup> day of April, 2014

  
\_\_\_\_\_  
A Commissioner, etc





3059771

By: [unreadable]

EXP: 05/12

PER: [unreadable]

**2013**

This is Exhibit "C" referred to in the  
Affidavit of Mark Yungblut sworn before  
me this 8<sup>th</sup> day of April, 2014

A handwritten signature in black ink, appearing to be "R. P. ...", written over a horizontal line.

A Commissioner, etc.

**Live Hog Supply Agreement Using Multi-Component Pricing**

**Executed April 29, 2013**

**BETWEEN:**

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

**Phone: (416) 703-7675**

**Fax: (416) 504-3756**

( hereinafter called "QUALITY" )

**AND:**

**Synergy Swine Inc.  
44743 Perth Line 86  
Listowel, ON  
N4W 3G6**

**Phone: 519-291-4070**

**Fax: 519-291-4045**

( hereinafter called "SYNERGY" )

**WHEREAS SYNERGY produces hogs for slaughter in the Province of Ontario and desires to sell these hogs to QUALITY and QUALITY is a processor and desires to purchase them, therefore, IT IS AGREED BETWEEN SYNERGY and QUALITY:**

**Schedules**

The following are the Schedules annexed hereto and incorporated by reference and deemed to be part hereof:

Schedule 1	-	Quantity, Scheduling and Priority
Schedule 2A	-	Hog Pricing – Ontario Standard Base Price
Schedule 2B	-	Hog Pricing – OMAFRA Cost of Production Price
Schedule 2C	-	Hog Pricing – USDA Daily Pork Report FOB Plant
Schedule 2D	-	Hog Pricing – Multi-Component Price Development
Schedule 3	-	Contract Index Grid And Premium Table
Schedule 4	-	Special Conditions
Schedule 5	-	Hog Specifications and Standards
Schedule 6	-	Policy for Antibiotic and Exogenous Hormone Positive Hogs
Schedule 7	-	Contract Specific Details
Schedule 8	-	Term and Termination
Schedule 9	-	N/A
Schedule 10	-	Fixed & Minimum Price Agreements
Schedule 11	-	Audit And Documentation Requirements

**1. Definitions**

Wherever used in this Agreement, the following words and terms shall have the meanings set out below:

“**Agent**” means any person or entity designated by QUALITY to perform work on its behalf;

“**Agreement**” means this agreement entitled “Quality Meat Packers Hog Supply Agreement”, and includes the Schedules and all documents that supplement, amend or confirm this Agreement;

“**Claims**” means claims, demands, actions, causes of action, damage, loss, fines, penalties, interest, and liability;

“**CQA**” means the Canadian Quality Assurance Program administered by the Canadian Pork Council;

“**Antibiotic and Exogenous Hormone Residue Free**” means free of residues of drugs and medications not acceptable to any appropriate governmental authority or such other standards as may be established according to the provisions of Schedule 6 attached

“**HACCP**” means Hazard Analysis Critical Control Points;

“**Hot Dressed Weight**” means the hot dressed weight of the hog carcass at the dressing floor scale after removal of farm origin demerits and the addition of the weight of any plant origin demerits removed prior to the scale;

“**Hogs**” means the market hogs produced by Producer and sold to QUALITY hereunder;

“**Notice**” has the meaning set out in Section 24;

“**Production Facilities**” means the facilities of Producer where Hogs are produced for sale to QUALITY;

“**Quarterly**” means on successive periods of 13 consecutive weeks;

“**Term**” means the initial term of this Agreement and any renewal term;

**Certain Rules of Interpretation - In this Agreement:**

- (a) all references to money amounts are references to Canadian currency;
- (b) time is of the essence in the performance of the parties’ respective obligations;

(c) the descriptive headings of Articles and Sections are inserted solely for convenience of reference; the use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such person or persons or circumstances as the context otherwise permits; and

(d) whenever a provision of this Agreement requires an approval or consent and notification of such approval or consent is not delivered within the applicable time limit, then such consent or approval shall be deemed to have been granted.

**2. Supply**

Subject to the terms and conditions of this Agreement, SYNERGY shall supply the Hogs to QUALITY according to the quantities and times set out in Schedule 1 attached.

**3. Price**

(a) The price of hogs sold under this Agreement shall be determined according to the following priority of application of pricing methods:

- i. Any unfulfilled Fixed or Minimum Pricing Agreement quantity of hogs according to fixed or minimum price agreements as may be entered into at the mutual agreement of QUALITY and Producer from time to time; the conditions and terms governing such fixed or minimum price agreements are attached as Schedule 10; and,
- ii. the remaining Hogs shall be priced according to the procedures described in Schedule 2 annexed hereto.

(b) The Parties agree that if any price reporting series under this Agreement ceases to be published or if the QUALITY or SYNERGY determines, acting reasonably, that such price reporting series has become an invalid price reporting series because of a change in its historical correlation with prices in other regional markets and so notifies the other party in writing, (the date of such notice shall be known as the "Price Invalidating Date"), then the price reporting series (the "New Price Reporting Series") shall be calculated using such pricing formula as QUALITY and the PRODUCER may agree within 30 days after the "Price Invalidating Date".

(c) If the Parties are unable to agree on a "New Price Reporting Series" or other method of pricing the hogs, then this agreement shall terminate 90 days after the Price Invalidating Date.

**4. Title and Risk of Loss**

Unless otherwise agreed between SYNERGY and QUALITY, title to the hogs and risk of loss shall pass to QUALITY upon delivery of hogs to QUALITY and acceptance of the hogs by QUALITY; and,

- i. hogs may be received and provisionally accepted as "subject" hogs based on inspection or prior knowledge of the hogs, where there may be some condition pre-existing to their unloading which renders the hogs unfit; for these subject hogs, risk of loss shall remain with SYNERGY or transporter until the hogs are determined to be sound and undamaged; and
- ii. in addition to the "subject" hogs so identified, hogs may have some condition, not readily identifiable on delivery to QUALITY, but found during or after slaughter, rendering them undesirable or unfit for human consumption; responsibility for value reduction of such hogs shall remain with SYNERGY provided that such condition, was not caused by QUALITY.

**5. Timely Slaughter**

QUALITY will use reasonable best efforts to slaughter the Hogs within a 24 hour period from time of delivery, and provided that Producer has complied with the delivery scheduling provisions according to the relevant provisions of Schedule 1 attached, and provided that the cause of such delayed slaughter is within the reasonable control of QUALITY, QUALITY shall compensate SYNERGY for carcass shrink at the rate of 1% for each 24 hour period thereafter.

**6. Grading Grids And Premiums**

The Hogs are to be graded on QUALITY's grading grid as specified in Schedule 7 (Contract Specific Details) and attached as Schedule 3 (Contract Index and Grid Premium Table). Such grading grid may be amended from time to time by QUALITY to meet changing customer requirements if agreed by both SYNERGY and QUALITY; and, subject to any other specified conditions or requirements for scheduling and delivery each hog shall have the amount of grid premiums specified added to the value paid for the hog.

**7. Delivery and Transportation.**

SYNERGY will deliver the Hogs at times to be scheduled in consultation with QUALITY and will have, at the time of delivery, good and marketable title to the Hogs free and clear of encumbrances; and,

- i.) provided that QUALITY shall have the right to approve the transporter of the hogs, QUALITY shall contribute the historical standard Board transportation rates from the assembly point nearest to the Production Facilities in which the hogs were produced, or

**8. Payment and Hog Data Reporting.**

Quality shall remit individual hog data and payment in full after deductions and fees for Hogs accepted by Quality to SYNERGY or if directed by SYNERGY, to the Marketing Agent of SYNERGY unless there is some legal requirement to direct funds to another party:

- i.) Quality agrees to transfer hog data and payment within three working days of slaughter;
- ii.) Quality will deduct Board Fees established by Regulation and pay them to the Board and will transmit individual hog sale and grading details as required by Regulation;
- iii.) Quality, on instruction from SYNERGY agrees to deduct other fees and charges payable to an assembler, a transporter or other party and to pay such fees and charges to the specified party.

**9. Antibiotic or Exogenous Hormone Residues**

All Hogs supplied by SYNERGY hereunder shall be Antibiotic and Exogenous Hormone Residue Free and SYNERGY agrees to comply with Applicable Law and the provisions of the policy set out in Schedule 6 (Policy for Antibiotic or Exogenous Hormone Positive Hogs), as amended from time to time by QUALITY acting reasonably on Notice to SYNERGY, including the costs and fees arising from any violation of the policy, and acknowledges that QUALITY shall have the right to refuse to accept Hogs from SYNERGY in the event of a violation of such policy.

**10. Canadian Quality Assurance Program and Quality Assurance:**

(a) SYNERGY agrees to maintain enrollment and prescribed validation according to the standards of the Canadian Quality Assurance™ program current throughout the initial and any renewal term of this Agreement or such successor quality assurance programs to the Canadian Quality Assurance™ program as may be introduced during the term of this Agreement; SYNERGY further agrees to the possible imposition of any penalties for non-compliance with such CQA related matters as are specified in Schedule 7 (Contract Specific Details) attached; and,

(b) Notwithstanding the provisions of part (a) above, the Parties acknowledge and agree that failure to maintain full CQA validation and compliance shall be considered a material breach of this Agreement

(c) In addition, SYNERGY agrees to comply with the standards prescribed in Schedule 5 (Hog Specifications and Standards); and,

(d) In the event of new Quality Assurance requirements or standards being proposed by QUALITY, SYNERGY and QUALITY agree to follow the procedures described in Schedule 5 regarding acceptance of such new standards or requirements.

**11. Warranties and Special Conditions.**

SYNERGY represents and warrants to the other Parties that the Hogs raised by it shall be produced in accordance with applicable laws and regulations, and,

(a) be raised and handled at all times using generally recognized good animal husbandry practices and employing production practices providing high standards of animal welfare; and

(b) not be fed, injected with, or otherwise have administered to them, any medication, treatment, feed additive, or other product used for the treatment of any diseases, or for growth promotion or for any other reason, unless such products are registered with Health Canada or other appropriate authority with jurisdiction in Ontario, are approved for the use and time specified, and are administered according to the approved methods and dosages, or are generally recognized as safe for use in hog production; and,

(c) Confidentiality: Except with the prior written consent of the other Parties, and subject to provisions of the Agreement in regard to Release of Information, neither SYNERGY, QUALITY or the Board, nor any of their respective employees, agents, servants or subcontractors may disclose any confidential or trade secret information provided by one to the others with respect to the Hogs, production protocols, or any other matter pertaining to this Agreement; each Party must retain such information in strict confidence for the benefit of the other Parties provided that information which either Party establishes as already being in the public domain or already known to the Party receiving the information, may be revealed without violation of this Agreement; and,

(d) This Agreement is subject to additional conditions as specified in Schedule 4 (Special Conditions) annexed hereto.

**12. Independent Parties**

Each party is and will at all times remain an independent contractor and is not and shall not represent itself to be the agent, joint venturer, partner or employee of the other party.

**13. Indemnification**

SYNERGY hereby indemnifies and undertakes to defend QUALITY and its shareholders, directors, officers, employees and agents and hold them harmless from all claims, directly or indirectly, arising out of or in any manner whatsoever associated or connected with the production, including feeding and supply, of Hogs by SYNERGY and against all costs, expenses, and fees (including reasonable legal expenses) incurred by or on behalf of any of the foregoing in the investigation or defense of any and all claims except for Claims arising out of QUALITY's negligence or default under this Agreement.

**14. Survival**

All obligations of any party which expressly or by their nature survive termination or transfer of this Agreement shall continue in full force and effect thereafter, until they are satisfied or by their nature expire.

**15. Term**

This Agreement shall commence, run and may be renewed or terminate according to the times, dates and conditions specified in Schedule 7 (Contract Specific Details) attached.

**16. Termination**

QUALITY and SYNERGY may mutually agree in writing to terminate this Agreement at any time, and this Agreement shall terminate as follows:

- (a) under the circumstances, if any, listed in Schedule 8 (TERM and TERMINATION) hereto; and,
- (b) subject to the exceptions specified in Schedule 4 Part 2 (Forbidden Feed Ingredients), and Schedule 4 Part 11 (Fraudulent Mis-Identification):
  - a. if a party (the "Defaulting Party") fails to comply with or perform any obligation under this Agreement or any other agreement between the parties and fails to cure such breach within thirty (30) days of written notice which specifies the breach, then any party other than the Defaulting Party may terminate this Agreement effective immediately upon written notice to the parties to this Agreement;
  - b. in the cases of the exceptions specified above in this section, part b), "Forbidden Feeds" and "Mis-Identification of Hogs", there shall be no opportunity for the Defaulting Party to attempt to cure such breach and the Agreement may be terminated forthwith by QUALITY; and,
  - c. termination effective immediately upon notice to the parties to this Agreement, if a party becomes insolvent or if proceedings are commenced by or against such party under any bankruptcy, composition, arrangement, moratorium, reorganization, dissolution, liquidation or insolvency or similar law for the

relief of such party or otherwise affecting the creditors of such party, including but not limited to the Bankruptcy and Insolvency Act (Canada), the Farm Debt Mediation Act (Canada), or the Companies' Creditors Arrangement Act (Canada), or if such party consents to any such proceedings, or if such party is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, or makes an assignment for the benefit of creditors or deemed assignment under the Bankruptcy and Insolvency Act (Canada), or if such party admits in writing its inability to pay debts generally as they become due, or if any order or judgement is made by a court or tribunal of competent jurisdiction restraining the party's ability to deal with all or a substantial portion of its assets and property, which order is not set aside, or on the application for or the appointment of a trustee in bankruptcy, receiver, receiver and manager, interim receiver, agent, or any other person with similar powers, of such party or any portion of such party's property or assets, or if such party makes or proposes to make a sale of its assets in bulk, except as such termination right may be stayed at law.

**17. Obligations Upon Termination**

Any expiration or termination of this Agreement shall be without prejudice to any other right, remedy or relief which a party may be entitled against any other party at law or in equity by reason of the breach of any provision of this Agreement. All provisions of this Agreement which expressly or by implication are intended to survive expiration or termination of this Agreement (including, without limitation, payment obligations) shall survive expiration or termination of this Agreement.

**18. Dispute Resolution**

QUALITY and SYNERGY agree that any dispute regarding the interpretation or performance of this Agreement may be referred by either of SYNERGY or QUALITY to binding arbitration by a single arbitrator knowledgeable in the industry, and chosen jointly by QUALITY and SYNERGY, or if they cannot agree on the choice of an arbitrator, the dispute between the parties shall be arbitrated in accordance with the Arbitrations Act of Ontario; SYNERGY and QUALITY shall provide all reasonable cooperation to the arbitrator in order to allow the arbitrator to resolve such dispute expeditiously. The cost of such arbitration shall be borne as ordered by the arbitrator.

**19. Force Majeure**

(a) Neither SYNERGY or Quality shall be responsible to the others for non-performance or delay in performance of obligations under this Agreement occasioned by any cause beyond its control which makes the performance of the obligation physically or legally impossible or commercially impracticable or unreasonable, including, without limitation, an act of God, outbreak of disease, fire, storm, labour relations disruption, any law, regulation or order of any governmental body or authority affecting the party, act of war, insurrection, riot or other civil disturbance, transportation disruption caused by any third party or any other cause beyond its reasonable control, or beyond the control of any person directly or indirectly engaged by it (any such event being referred to as a "Force Majeure Event"). For example, a cause shall not be a Force Majeure Event if it constitutes part of the usual day-to-day market risks of carrying on business even if the cause results in a reduction of profitability or the creation of losses. The obligations hereunder of the party affected by the Force Majeure Event shall be suspended for the duration of the Force Majeure Event, provided that any party shall be entitled to terminate this Agreement effective upon written notice to the other parties, in the event that the Force Majeure Event continues for a period of more than 3 months. \*

(b) Force Majeure and Forward Price Agreements: In the event that a force majeure event occurs while a fixed or minimum price agreement exists between QUALITY and SYNERGY, it shall be the responsibility of whichever party is affected by the force majeure event to notify the other party of the inability or impairment of the ability to complete the fixed or minimum pricing agreement and to compensate the other party for the value of the losses or gains sustained up to the time of the notification to the other party of the inability or impairment; and, hwey

(c) Unless otherwise agreed by the Parties, the amount of such compensation shall be determined by the difference between the value of futures contracts or other hedging arrangements in the quantity necessary to hedge the forward priced contract at the initiation of the forward priced contract and the value of the same quantity at the time that notice of force majeure is provided by either party to the other; for greater clarity, the method of compensation is more fully described in Schedule 10 attached which shall prevail.

**20. Notices and Communications**



All notices and other communications permitted or required to be given under this Agreement shall be deemed to be sufficiently and duly given and received if delivered personally or transmitted by facsimile to the address of the applicable party set forth on page one of this Agreement. Such communication if delivered or transmitted by facsimile shall be deemed to have been received on the date of delivery and if mailed shall be deemed to have been received five days after the date on which it was mailed. Any party may from time to time by notice given in accordance with the foregoing provisions change its address for the purposes of this Agreement.

**21. Facsimile and Counterparts**

This Agreement may be executed and delivered by facsimile and in counterparts.

**22. Successors and Assigns**

This Agreement shall enure to the benefit of and be binding upon QUALITY and SYNERGY and their respective successors and permitted assigns.

**23. Severability**

If any provision or portion of this Agreement is held to be unenforceable or invalid by any court or tribunal of competent jurisdiction, the validity and enforceability of the remaining provisions shall not be affected thereby.

**24. Time of Essence**

Time is of the essence in this Agreement.

**25. Non-Waiver**

The failure of QUALITY or SYNERGY to exercise any rights under this Agreement or to insist upon the strict compliance with its terms and conditions by the other party shall not constitute a waiver of any other rights under this Agreement, including the right at any time to require strict compliance with all terms and conditions.

**26. Governing Laws**

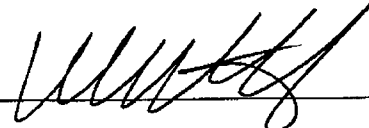
This Agreement is governed by the laws of the Province of Ontario. The parties attorn to the jurisdiction of the courts of the Province of Ontario.

**27. Role of the Board**


It is acknowledged that the Board acts under this Agreement according to the provisions of Regulation 439/10 under the *Farm Products Marketing Act (Ontario)*.

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

**SYNERGY SWINE INC.**

Per:   
Signatory Name: MARK YUNGBLUT

**QUALITY MEAT PACKERS LIMITED**

Per:   
Signatory Name: DAN COFFOE

**SCHEDULE 1:**

**QUANTITY, SCHEDULING AND PRIORITY**

**Part A: NUMBER OF HOGS DELIVERED**

- i. SYNERGY agrees to annually produce and supply to QUALITY and QUALITY agrees to annually purchase the quantity of hogs set out and distributed according to Part C (Specific Delivery Numbers and Periods) of this Schedule below; and
- ii. as a result of anticipated normal and reasonable small fluctuations in the production of the Hogs and relatively fixed production capability by the Parties, the Parties agree that during periods of seasonal higher than normal production of hogs by SYNERGY, QUALITY may, but shall not be required to purchase more than five per cent (5%) more than the agreed normal quantity of hogs from SYNERGY and during seasonally low periods of production, SYNERGY shall maintain deliveries of no less than ninety-five per cent (95%) of the full amount of normal weekly shipment quantities; and,
- iii. where one of the Parties is unable to adhere to the requirements of part (ii) above over a period of at least 120 days in length, such inability shall permit the other Party to provide 30 days notice of amendment of the quantity to be supplied or purchased according to this Agreement; such new quantity shall be consistent with the amount supplied or purchased during the period of shortfall of supply or purchase; and,

**Part B: SCHEDULING OF DELIVERIES**

**i. Scheduling and Reservation of Slaughter Time**

SYNERGY agrees to provide both short term and longer term scheduling information to QUALITY for the purpose of production planning and as a condition for payment of the individual hog premiums according to the Grading Grid attached; and,

QUALITY shall have the right to reduce weekly hog purchases by approximately 20 percent for each day of statutory holidays falling during a week; and,

both QUALITY and SYNERGY agree that some flexibility in shipment numbers is necessary on a weekly basis due to production and processing fluctuations; subject to ongoing improvements in scheduling procedures developed during the Term of this Agreement, scheduling of hogs shall follow the procedure specified below:

**ii. Short-Term Scheduling:**

Each week, by Wednesday afternoon, SYNERGY shall provide to QUALITY, an updated forecast showing the expected count of the hogs to be shipped to QUALITY for the following week and including the long term forecast for each of the subsequent 15 (fifteen) weeks:

**iii. Failure to Provide Scheduling Information:**

Failure to provide the required scheduling information according to the above requirements may result in re-scheduling of the hogs by QUALITY to a time when they can be accommodated at QUALITY's convenience or refusal by QUALITY to accept delivery of the hogs not properly scheduled;

In the event of the refusal by QUALITY to accept a specific group of improperly scheduled hogs, such event shall not constitute a default of this agreement by QUALITY, and shall not lessen the requirement by SYNERGY to schedule and deliver other hogs according to this agreement subsequent to the refusal by QUALITY to accept a specific group of improperly scheduled hogs;

In all cases, SYNERGY shall offer to QUALITY, the specified quantity of hogs according to this agreement, whether properly scheduled or not; determination of the actual shipment time or the possible refusal of shipment for non-scheduled hogs shall be the right of QUALITY and the Board acting in good faith.

Continuous or habitual failure to provide complete and accurate scheduling information by SYNERGY may be considered breach of this agreement.

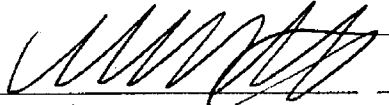
Agreed Production and Shipment Quantities over Time


The following table illustrates the **annual** quantity of hogs adjusted to its **weekly** equivalent to be purchased according to the initial term of this Agreement; for clarification, the listed quantity multiplied by 52 weeks represents the annual quantity.

**The Parties agree that the quantities of hogs shown in this schedule represent part of a total number of hogs to be produced and sold from all of the Live Hog Supply Agreements between QUALITY and SYNERGY and it's related companies including other Agreements made between Synergy Services Inc and QUALITY. The allocation of shipments from members of the associated producers shall be at the discretion of the management of the Synergy Group.**

The Quantities below are the aexpected shipments to be sold according to the specific pricing arrangement set forth in this Agreement.

Year	1 <sup>st</sup> Quarter Weekly	2 <sup>nd</sup> Quarter Weekly	3 <sup>rd</sup> Quarter Weekly	4th Quarter Weekly
2013	2000	2000	2000	2000
2014	2000	2000	2000	2000
2015	2000	2000	2000	2000

x   
 per MARK YUDOBUT Date APRIL 25/13

x   
 per DAN COLBORN Date APRIL 30/2013

## SCHEDULE 2A

### Hog Pricing – Ontario Standard Base Price

At the beginning of this Agreement, the pricing system for hogs shall be as follows:

#### Definitions:

1. **CME Constructed Price** is a price series for hogs, dressed weight basis, in the major hog producing areas of the USA. This price series or its precursors are published by the United States Department of Agriculture. For the purposes of this Agreement, the calculation procedure following shall be used:  
Using the USDA report "National Daily Direct Hog Prior Day Report-Slaughtered Swine" (commonly known as the USDA Mandatory Price reporting "LM\_HG201" report),
  - a. The daily head count for negotiated transactions is multiplied by the corresponding daily average carcass weight to obtain the negotiated daily total weight;
  - b. The daily head count for swine or pork market formula transactions is multiplied by the corresponding daily average carcass weight to obtain the swine or pork market formula daily total weight;
  - c. The daily totals for negotiated weight (i.e., the result from (a). above) and swine or pork market formula weight (i.e., the result from (b). above) are added to obtain the daily total weight;
  - d. The negotiated daily total weight (i.e., the result from (a). above) is multiplied by the corresponding daily average net price to obtain the negotiated daily total value;
  - e. The swine or pork market formula daily total weight (i.e., the result from (b). above) is multiplied by the corresponding daily average net price to obtain the swine or pork market formula daily total value;
  - f. The daily totals for negotiated value (i.e., the result from (d). above) and swine or pork market formula value (i.e. the result from (e). above) are added to obtain the daily total value;
  - g. The total value (i.e., the result from (f)., above) is divided by the total weight (i.e., the result from (c)., above) to obtain the "CME Constructed Price"
  - h. The short form description of the CME Constructed Price source follows: the "CME Constructed Price" shall be calculated using a weighted average of net prices for Negotiated and Swine or Pork Market Formula prices taken from the "USDA NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE"
2. **National Cost Price** from the CME Constructed Price, subtract the fixed amount of the value of the *National Cost Adjustment Constant* to obtain the "National Cost Price" value for the purposes of this Agreement.
3. **National Cost Adjustment Constant** is a value in dollars negotiated between SYNERGY or the Board on behalf of SYNERGY to create a correlation between historical pricing methods and currently available USDA price series. The value of this constant can be found in Schedule 7 (Contract Specific Details).
4. **Index 100** describes the base value measure for hog grading. All prices referred to in this Agreement are established for Index 100 grading. On delivery and slaughter each hog purchased will be graded and an index value determined according to the grading system and *Payment Index Grid* specified in this Agreement.
5. **Payment Index Grid** describes the value look-up table used to find the percentage of the index 100 price which is payable for each hog sold.

6. **Individual Hog Value:** Individual hog values will be calculated using their index value according to the Payment Index Grid as a percentage to gross the *Daily Formula Price* up or down. This final indexed price shall be multiplied by the hot dressed weight of the hog to calculate the gross value of the hog. Any further premiums or discounts according to this Agreement shall be added, resulting in the final *Individual Hog Value* before standard Board deductions.
7. **US / Ontario Dressed Weight Conversion Factor:** a numeric factor representing the ratio of Ontario Standard Hot Dressed Value to US Carcass Value expressed in the same weight units. This factor arises because the standard reporting by the USDA for carcass values considers carcass weight to be the carcass weight without the head, kidneys and mesenteric fat included, while the payment basis according to this Agreement includes these parts in the payment weight.
8. **Ontario Equivalency Factor:** a parameter designed to recognize that the quoted National Cost Price represents a value for superior yielding hogs and that the Index 100 price according to this Agreement will be grossed up based on the measurement of superior yield in the hogs delivered if present.
9. **Contract Formula Percentage:** a parameter specific to this Agreement to adjust the price for hogs sold according to this Agreement.
10. **Calculating the Ontario Standard Base Price**
  - a) Take the simple average of the *National Cost Price* for the number of days in the pricing period specified in Schedule 7(Contract Specific Details) prior to the day of sale of the hogs;
  - b) Multiply this value by the simple average of the Bank of Canada noon exchange rate in Canadian Dollars per US Dollar for the same number of days in the pricing period as the *National Cost Price* used above;
  - c) Multiply the resultant product by the pounds to kilograms conversion factor of two decimal two zero four six (2.2046);
  - d) Multiply by the *US / Ontario Dressed Weight Conversion Factor* (initial factor value stated in Schedule 7);
  - e) Divide by the *Ontario Equivalency Factor* (initial factor value stated in Schedule **Schedule 7**);
  - f) The result is the **Ontario Standard Base Price**; and,

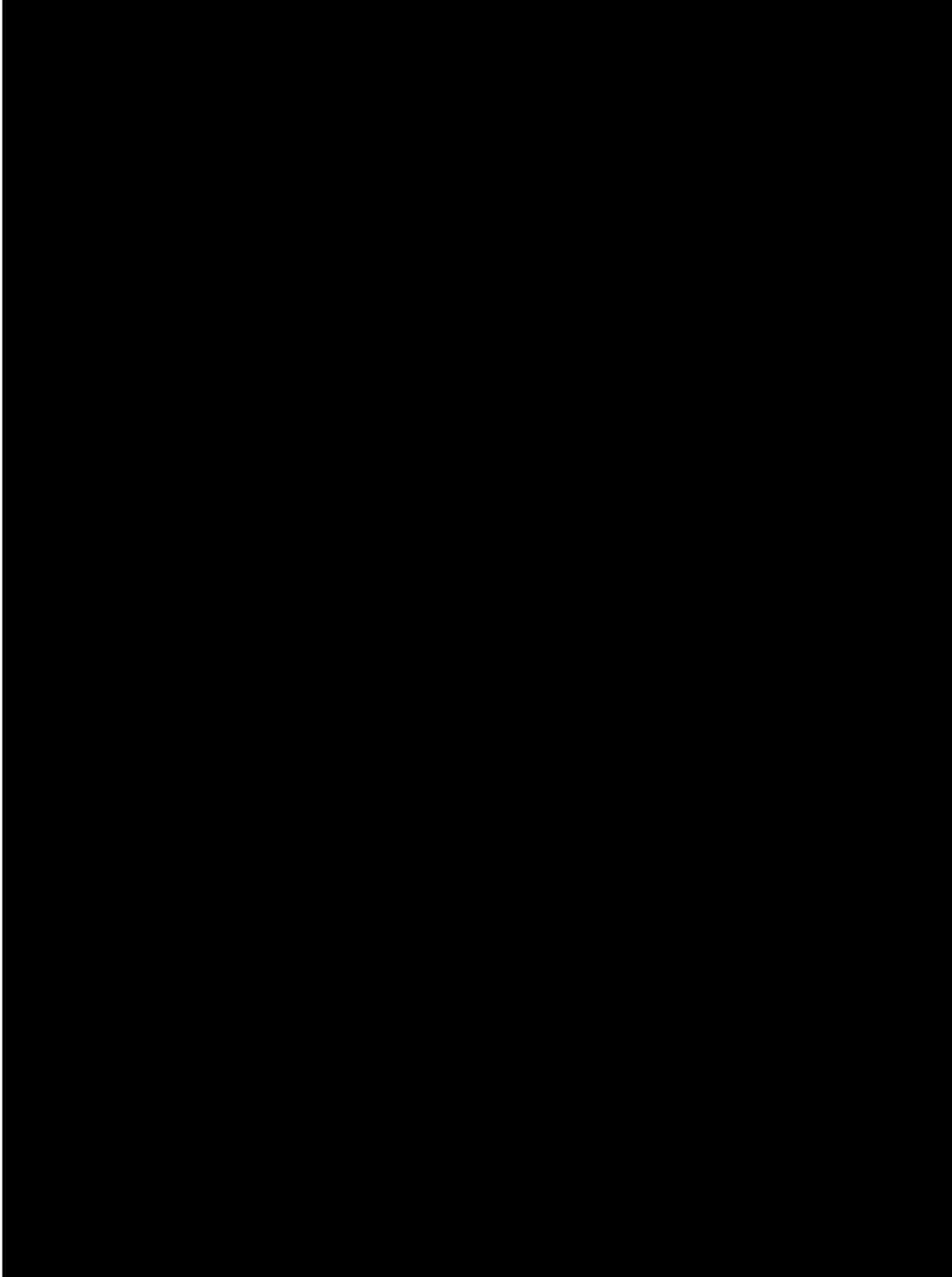
in the event that a holiday falls on one of the days whose value is to be used in the daily calculations, the last available value for the pricing component affected shall be used until a new value becomes available. For more clarity, as an example, if the Monday and Tuesday of a week is a holiday and no exchange rate is available from that day, then the exchange rate from the Friday preceding the Monday will be carried forward and re-used as the Monday and Tuesday parameter value.

**11. Calculating the “Market-Based Daily Formula Price”**

- a) Using the **Ontario Standard Base Price**, multiply it by the value of the “**Contract Formula Percentage**” to produce the “**Market-Based Daily Formula Price**”

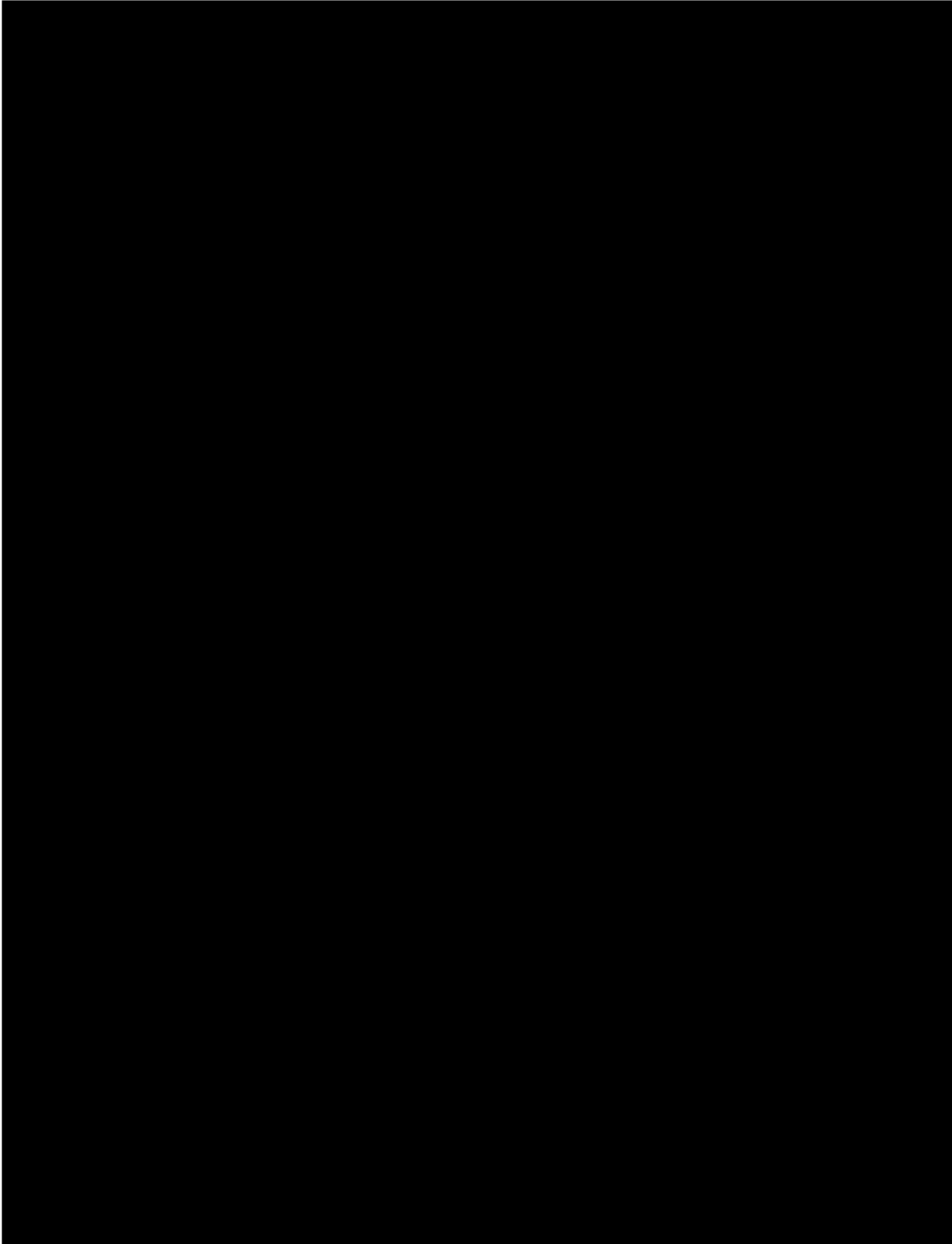
Schedule 2B

Hog Pricing – OMAFRA Cost of Production Price





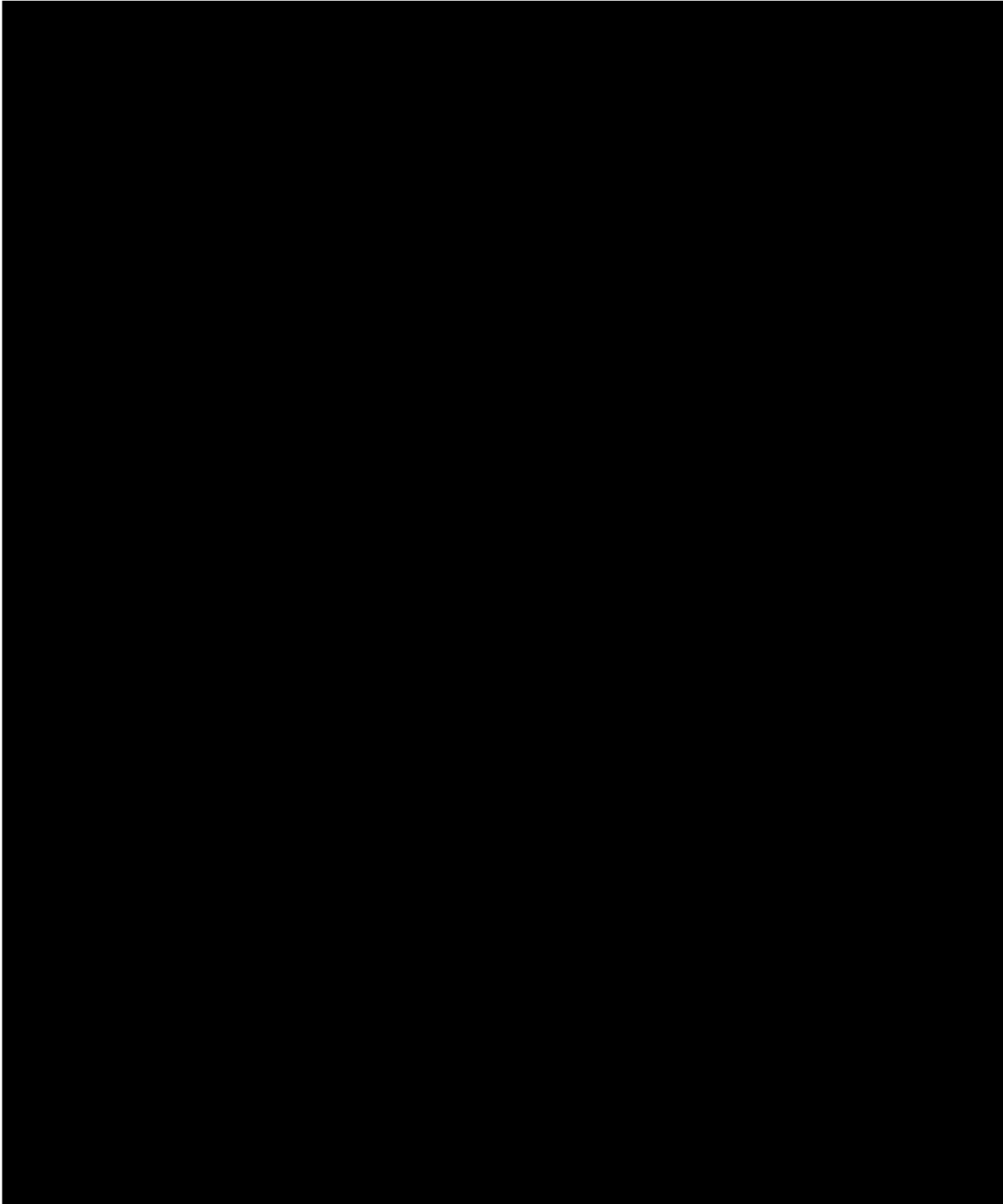
**Schedule 2C**  
**Hog Pricing – USDA Pork Cut-Out Price**





**Schedule 2D**

**Hog Pricing – Multi-Component Price Development**



**SCHEDULE 3:**



**SCHEDULE 4:**  
**SPECIAL CONDITIONS**

**1. Requirements for Production of the Hogs:**

- a. **No Ractopamine (Paylean™)** Hogs are to be Ractopamine free, meaning produced from birth to slaughter without consuming any Ractopamine; and,

**2. Other Forbidden Feed Ingredients:**

- a. **no feed products derived from “Post-Consumer Waste” or not specifically listed in the Feeds Act (Canada) as registered feed ingredients shall be used for any stage of the life cycle of the production of the Hogs:** SYNERGY warrants that no feeds used to produce the hogs contain ingredients derived from post-consumer waste products; examples of such materials include any product having been returned or collected from any source where the product or ingredient is itself, or has been or could have been in contact with materials previously delivered to a retail consumer; and further, SYNERGY guarantees that any feed ingredients used for feeding or the production of feeds for the hogs are listed as registered feed ingredient according to the *Feeds Act (Canada) Schedule IV. or V.*, or are high moisture forms of these specified products before dehydration or drying; in every case where there is any doubt about the allowed use of any specific feed or feed ingredient proposed to be used by SYNERGY in the production of the Hogs, SYNERGY shall request specific written approval by QUALITY for the use of such feed or feed ingredient; and,
- b. **hogs must not be fed any rations containing Meat and Bone Meal (MBM) at any time during their life.**

SYNERGY acknowledges that the use of these feeds or feed ingredients shall be cause for the immediate refusal to accept any further hogs from SYNERGY by QUALITY and termination of this Agreement forthwith; such termination shall not be subject to the provision, according to Section 19 (Termination) of this Agreement, of any period of time to cure the breach of this Agreement caused by the use of the disallowed feeds or feed ingredients; and,

**3. Restrictions and requirements on other feed ingredients:** Hogs delivered according to this Agreement:

- a. must not be fed any Distillers Dried Grains with or without solubles (DDG's or DDGS's) during a period averaging at least thirty days prior to shipment for slaughter; and,
- b. must have wheat, barley or their byproducts included at a level of no less than twenty percent of the daily ration during the growing and finishing period prior to slaughter

**4. Feeding and Care Records, Production Auditing, Inspection of Premises**

SYNERGY agrees that QUALITY shall have the right to make reasonable requests for specific feed and feed ingredient information from SYNERGY or specific information or records concerning the care of the hogs or the production system including animal medication records and SYNERGY shall provide such information within a reasonable time period;

1. SYNERGY agrees to maintain feed purchase and production records for at least one year from the purchase of all feeds and feed ingredients used for the production of the hogs; and,
2. SYNERGY agrees to maintain records of the use and disposition of all feeds, feed ingredients and feed medications satisfactory to show the source of all feeds and

medications and their use including quantities used for the production of each group of hogs shipped to Quality; and,

3. SYNERGY agrees to provide such records on request by Quality or a third party auditor employed by Quality to perform audits of these records.
4. in addition, QUALITY or its agents shall have the right to perform audits of SYNERGYs premises and feed and medication records at the production or office location of SYNERGY; and,
5. and on reasonable notice, not less than 48 hours, and with appropriate bio-security standards, not less stringent than the standard bio-security procedures in effect for the production site, being complied with, to inspect the production units where the hogs are being produced including the taking of samples of feeds, feed ingredients, and medications being used in the production of the Hogs.

#### **5. Animal Welfare Programs**

SYNERGY agrees to enroll in and complete certification promptly according to any applicable program of training and certification as may be developed by the Board during any term of this Agreement with regard to animal welfare.

#### **6. Transporter Selection**

SYNERGY agrees that the selection of the transporter for the hogs shall be subject to approval of or specification by QUALITY and that the transporter selected shall be subject to ongoing review by the Parties based on the performance of the transporter schedule adherence, attention to providing excellent animal welfare, relations with plant personnel of QUALITY, compliance with Transporter Quality Assurance programs and the injury and mortality rate for hogs in loading, transport and unloading.

#### **7. No Sows or Boars**

SYNERGY agrees not to ship any sows or boars and to organize production systems to ship none of these types of swine;

#### **8. Hogs with Farm-Origin Health or other Defects**

QUALITY agrees to purchase and SYNERGY agrees to deliver healthy hogs with harvestable, defect-free offal products and without impediments to normal slaughter and dressing procedures including but not limited to demerit trimming labour, demerit carcass value reduction and damage or costs incurred due to excessive feed retention in viscera;

#### **9. Hog Movement Records and Production Locations**

on execution of this Agreement, SYNERGY shall provide to QUALITY, information about all production facilities used for production of the hogs between the beginning of the normal finishing period when the hogs weigh approximately 25 kilograms until the shipment of the hogs to QUALITY for processing; the information shall include the name, and street address, SYNERGY number associated with the production facilities and tattoos used for hogs produced from the location.

#### **10. Tattoos and Identification**

Each and every hog shipped by SYNERGY shall be clearly marked with legible standard numbers, applied by standard tattoo equipment as specified by the Board; on delivery to QUALITY all hogs shall be accompanied by documentation, or linked to previously electronically transmitted documentation, sufficient to associate the exact total number of hogs delivered with the matching specific tattoo numbers applied to the hogs shipped; in the event that individual hogs in a shipment are found not identified by legible tattoo, or found with tattoo marking which does not match the documentation provided, and provided that such illegibility was not caused through processing, QUALITY shall have the right to settle payment for such hogs from any pool of other hogs

unmatched to specific shipment documentation and SYNERGY shall have no claim for additional compensation from QUALITY; QUALITY shall attempt to match correctly, hogs with missing or illegible tattoo markings to the appropriate shipment documents; in the event of unmatchable hogs, payment may be delayed by QUALITY until SYNERGY has provided information identifying the source of the errors and an organized program to prevent further errors.

**11. Intentional Mis-Identification**

In the event that it is clear that there has been any attempt to mis-identify or not identify any hog or hogs for the purpose of disguising the origin of the hogs, QUALITY shall have the right to terminate this Agreement forthwith; such termination shall not be subject to the provision, according to Section 19 (Termination) of this Agreement, of any period of time to cure such breach of this Agreement.

## SCHEDULE 5

### HOG SPECIFICATIONS AND STANDARDS

- 1) Hogs shall be healthy market hogs consisting only of properly finished gilts and barrows; hogs shall be in good health at the time of shipment and shall have harvestable viscera without impediment to normal slaughter and carcass dressing procedures.
- 2) Hogs shall be held off feed for an appropriate time prior to shipping to allow approximately 8 to 12 hours off feed before slaughter; such feed withholding is to provide for better transportation comfort and to reduce the risk of contamination on evisceration of the hogs.
- 3) subject to six months notice by QUALITY of any desired change in quality assurance standards in addition and beyond the provisions of the Canadian Quality Assurance program or changes to the antibiotic residue tolerance levels deemed acceptable, SYNERGY agrees to comply with such reasonable new requirements or changes as may be requested by QUALITY during the term of this Agreement or to respond to such notice with notice to Quality of its unwillingness to agree to the proposed new requirements and therefore of its desire to terminate the Agreement effective on the latter of Quality enforcing the new requirements or six months after the delivery of Notice by Quality; and,
- 4) in the event of notice of termination being provided by SYNERGY as a result of unwillingness or inability to comply with such new quality assurance requirements of QUALITY, such notice of termination shall be provided in writing to QUALITY within four weeks of the deemed delivery of notice by QUALITY of the new quality assurance provisions required.

#### **Expected Meat Quality Specifications:**

- 5) Hogs are to be produced using genetic lines capable of providing carcasses with lean yields in the range of 60 % to 63 % lean yields (side weight basis). Depth of fat cover over the muscle at the probe site (3rd -4th last rib, 7 cm from centre-line) should be in the range of 12 to 21 millimeters. Average lean yield of hogs produced to fall within the range of 60% to 63% and average fat cover within the range of 14 to 20 millimeters depth.
- 6) Individual loin muscle measurements fall within range of 54 to 70 millimeters, using standard optical probe measuring devices and methods at the 3rd -4th last rib 7 centimeters from centre-line. Average group values for loin depth measurement fall in the range of 58 to 68 millimeters depth.
- 7) Fat tissue to be white in colour and have a firm texture.
- 8) Hogs must not have deep black hair roots.
- 9) Hogs known to be unlikely to meet the requirements of the normal MEAT QUALITY SPECIFICATIONS are to be segregated from the other hogs and shipped under separate identification. Such segregated hogs shall be clearly identified and SYNERGY shall notify QUALITY about the nature of the non-compliance of such hogs prior to their shipment to QUALITY; depending on the specific non-compliance, a discount schedule may be applied to these hogs.

## **Schedule 6**

### **Policy for Antibiotic and Exogenous Hormone Positive Hogs**

Quality markets pork products throughout the world. The Hogs supplied to Quality, must meet international antibiotic, feeding ingredient and feed additive standards of the importing country. Quality is also governed by the rules and regulations enforced by the Canadian Food Inspection Agency ("CFIA"). . Quality cannot accept anything other than zero tolerance for antibiotic or hormonal residues above CFIA regulated levels or for antibiotic levels greater than specifically agreed tolerance levels below those allowed according to CFIA regulation; such lower tolerance levels, if any, shall be specified in Schedule 7 attached.

The following policy will be applied to Hogs received for slaughter and found to contain residues that are not acceptable due to Canadian Food Inspection Agency and/or the specifications of this Agreement.

#### **Antibiotic and Hormone Residue Testing**

Animals will be randomly tested by industry recognized indicator test(s) as determined by Quality, acting reasonably to account for issues of changing government regulations, consumer demands and changing technology. Any animal testing positive for antibiotic or hormonal product residue on the kill floor will be held separate in chill. The remainder of the lot (defined as hogs from the same originating location) will be also be HELD and SYNERGY will be contacted immediately.

Quality will send tissue samples to a laboratory that will conduct the verification test in accordance with regulations governing the test in question to establish whether the suspect carcass is representative of the lot or whether it is unique.

Tissue samples from a minimum of two other carcasses from the lot must be tested in addition to the suspect carcass.

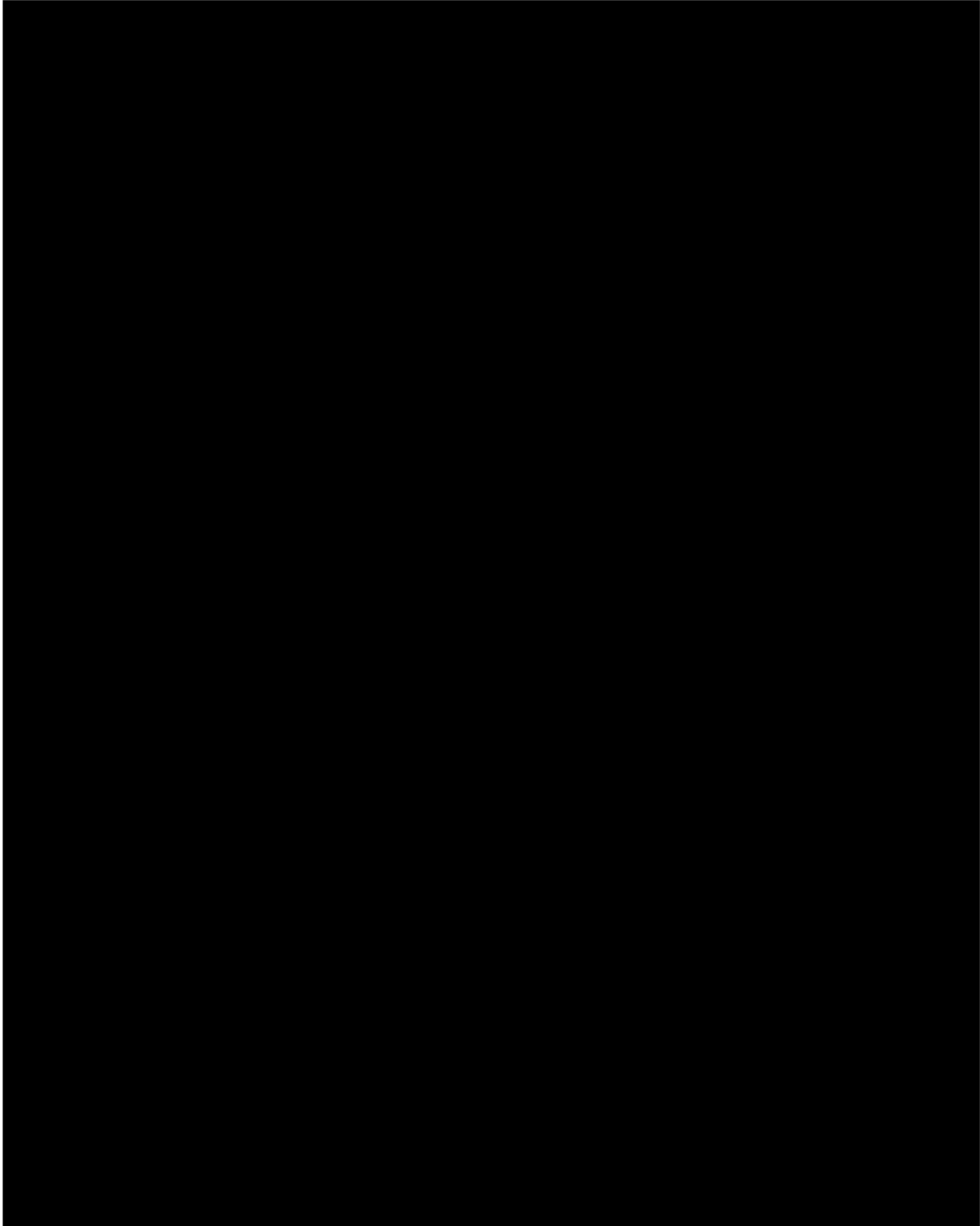
SYNERGY shall be responsible for all costs of testing tissue samples at the independent laboratory.

If all three (or more) samples are negative from tissue sample testing and subject to agreement by the CFIA, then the lot will be treated as negative and can be included in normal production. Full value will be paid.

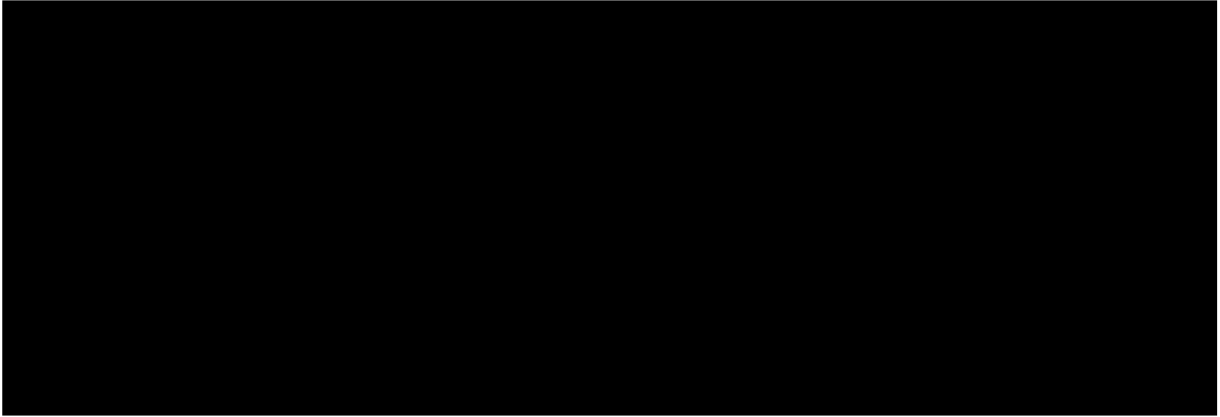
If the suspect sample or one of the other samples is positive from tissue testing, then the complete lot will be treated as positive and be condemned. Producer will be assessed a per hog processing and disposal charge, such charge to be based on Quality's costs for killing and disposal. The value for the hogs in this lot will be zero.

This policy makes clear that the delivery of Antibiotic and Exogenous Hormone Residue Free animals shall be the responsibility of SYNERGY and that as a slaughterer, Quality will not incur any costs resulting from the handling of animals found to be in violation of this Policy for Antibiotic and Exogenous Hormone Positive Hogs.

**SCHEDULE 7**  
**CONTRACT SPECIFIC DETAILS**







## **Schedule 8**

### **TERM and TERMINATION**

#### **Termination - General**

- i. In the event of termination while a forward price contract exists between QUALITY and SYNERGY the same liquidation procedure shall apply as in the case of Force Majeure declaration; and,
  - ii. this Agreement may be terminated at any time by mutual agreement of SYNERGY and QUALITY; and,
  - iii. this agreement may be terminated without cause by either party giving 12 (twelve) months notice in writing to the other party.
-

## Schedule 10

### Fixed & Minimum Price Agreements

#### Forward Pricing Agreement

1. From time to time, at its sole option and discretion, QUALITY may offer to SYNERGY fixed or minimum pricing for a delivery period in the future; and,
2. QUALITY makes no guarantee or warranty that any such fixed or minimum price offered to SYNERGY will, on the delivery of the hogs, be equal to or higher than the standard price calculated according to the regular pricing system described in Schedule 2 and otherwise applicable to the supply of hogs according to this Agreement; and,
3. QUALITY shall have sole discretion regarding the price offered and any other conditions of acceptance of offers or timing of deliveries; and,
4. fixed or minimum priced hogs shall be paid according to the regular terms of this Agreement except that the price paid shall be calculated according to the agreed fixed price or minimum price arrangement; and,
5. subject to the terms of each specific fixed or minimum price agreement executed by QUALITY and SYNERGY, any agreed pricing premium cost shall be deducted from the value paid for the hogs; and,
6. fixed or minimum priced hogs shall be delivered to QUALITY at normal finished hog weights and within the agreed delivery period associated with each of the fixed or minimum prices agreed; hogs undelivered by the end of the specified delivery period may be subject to penalties up to the amount of the difference between the cash market cost for hogs at the end of the specified delivery period and the agreed fixed price cost for hogs if the fixed price is lower than the cash price at the end of the delivery period; in addition SYNERGY agrees to pay up to a maximum of five dollars per hog undelivered by the end of the delivery period as an administrative penalty; and,
7. in the event of notice of a force majeure event occurring between the execution of a fixed or minimum price agreement and the delivery period of the said specially priced hogs, the fixed or minimum price agreement shall be considered to be liquidated at the time of the force majeure event declaration;
  - (a) on such liquidation, the Parties shall settle the cost of the liquidated fixed price agreement by calculating the losses that would have been associated with trading an amount of CME Lean Hog Futures or Option contracts and Canadian Currency Futures contracts equivalent to the quantity of the fixed price or minimum price based hogs for delivery according to the Fixed Pricing agreement; such losses shall be paid to whichever of SYNERGY or Quality has sustained such losses by the other party;
  - (b) losses shall be based on the establishment of Futures positions valued at the initiation of the fixed price agreement and the unwinding of the said positions valued on the date of the force majeure event declaration; and,
8. QUALITY and SYNERGY agree that for the settlement of losses or for any other reason concerning the application of Fixed Pricing, whether QUALITY has entered or has not entered into offsetting Futures market or hedging instrument positions covering Fixed Pricing agreements shall be considered immaterial to any settlement, payment, penalty or dispute concerning settlement and payment for hogs delivered according to Fixed Price agreements.

## Schedule 11

### **Audit and Documentation Requirements**

SYNERGY and Quality agree and understand that detailed audits and requirements may be imposed by end customers as the Global Food Safety Initiative develops or as a result of entering new markets for meat products with stringent requirements for documentation of meat production practices throughout the supply chain:

Both Quality and SYNERGY commit to respond positively to the need for:

1. Preparation and maintenance of Letters of Commitment pertinent to the product and process used or claimed,
2. additional documentation, record-keeping, and development of Standard Operating Procedures for all parts of production and transportation,
3. Maintaining clear, rapidly available traceability records of animal movements between and within locations including the ability to demonstrate batch integrity and feed and medication use during all stages of the batch trace,
4. retention of samples of feeds and feed ingredients for up to one year after delivery and use,
5. testing of a selection retained samples on a scheduled basis,
6. retention of input purchase records for up to two years and the ability to access the records within 48 hours,
7. contracting for and passing third party audits and conducting regular internal audits,
8. employee training in the areas pertinent to the production of the claimed product, method of production used or other characteristic of Good Production Practices.

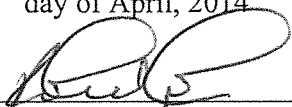
SYNERGY agrees that QUALITY shall have the right to make reasonable requests for such documentation and audits as the need for such procedures becomes evident based on the development of markets or increasing standards in current markets.

At the time of the execution of this agreement, SYNERGY agrees to take the following actions regarding the matter:

1. SYNERGY agrees to maintain feed purchase and production records for at least one year from the purchase of all feeds and feed ingredients used for the production of the hogs; and,
2. SYNERGY agrees to maintain records of the use and disposition of all feeds, feed ingredients and feed medications satisfactory to show the source of all feeds and medications and their use from birth to market, including quantities used for the production of each group of hogs shipped to Quality; and,
3. SYNERGY agrees to provide such records on request by Quality or a third party auditor employed by Quality to perform audits of these records.
4. in addition, QUALITY or its agents shall have the right to perform audits of SYNERGY's premises and feed and medication records at the production or office location of SYNERGY; and,
5. on reasonable notice, not less than 48 hours, and with appropriate bio-security standards, not less stringent than the standard bio-security procedures in effect for the production site, being complied with, to inspect the production units where the hogs are being produced including the taking of samples of feeds, feed ingredients, and medications being used in the production of the Hogs.

6. SYNERGY agrees, on request by QUALITY, to provide documentation to show that at no time during the life of the hog it has been fed any ractopamine; such documentation may include written confirmation from feed suppliers that none of the feeds supplied to a production site contain or contained ant ractopamine.

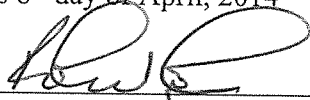
This is Exhibit "D" referred to in the  
Affidavit of Mark Yungblut sworn before  
me this 8<sup>th</sup> day of April, 2014

  
\_\_\_\_\_  
A Commfssioner, etc.

## Hogs Supplied to Quality Meat Packers But Not Paid For to April 4, 2014

	<b>Entity</b>	<b>Hogs</b>	<b>Estimated Value</b>
1	<i>Synergy Swine</i>	171	44,545.71
2	<i>Synergy Swine FPR1 Inc.</i>	1,759	407,258.10
3	<i>Synergy Services Inc.</i>	85	57,500.00
4	<i>Mohaogany Farms Ltd.</i>	65	18,500.00
5	<i>Rose Farms Ltd.</i>	497	140,000.00
6	<i>PA Pork</i>	385	99,460.93
7	<i>Molesworth Farm Supply Limited</i>	682	198,994.10
8	<i>Synergy Swine FPR2 Inc.</i>	45	11,631.61
9	<i>RNR Swine Inc</i>	230	63,736.37
10	Riverbank Farms	161	45,000.00
11	Utter Farms Inc.	148	41,943.00
12	Harwil Farms Mobile Feeds Ltd.	2,012	673,000.00
13	Prinzen & Son Ltd.	217	67,591.00
14	Kuijpers Key Farm Ltd.	253	60,000.00
15	Ron and Diane Coolman	56	16,800.00
16	Eric Van Zantwoort	27	7,250.00
17	Westland Hogco Inc.	2,665	709,865.00
18	RFW Farms	150	40,000.00
19	Swinexs Inc. operating as Genex Ontario	439	122,760.18

This is Exhibit "E" referred to in the  
Affidavit of Mark Yungblut sworn before  
me this 8<sup>th</sup> day of April, 2014

A handwritten signature in black ink, appearing to be "A. E.", written over a horizontal line.

A Commissioner, etc.



## Gideon Ng

---

**From:** Mark Yungblut [myungblut@mfsltd.ca]  
**Sent:** Sunday, April 06, 2014 7:27 PM  
**To:** Wael Rostom; Jeffrey Levine  
**Subject:** FW: Document to complete Harwill Farms

**Mark Yungblut**  
Molesworth Farm Supply Ltd.

(T) 519-291-3740 ext. 224  
(C) 519-291-8530  
(F) 519-291-5404  
[www.mfsltd.ca](http://www.mfsltd.ca)



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**From:** Wendy Metcalfe [<mailto:wendym@harwilfarms.com>]  
**Sent:** April 6, 2014 5:14 PM  
**To:** Jed Chinneck; [myungblut@mfsltd.ca](mailto:myungblut@mfsltd.ca)  
**Subject:** RE: Document to complete

Dear Mr. Yungblut,

I write on behalf of Harwil Farms Mobile Feeds Ltd. (“**Harwil Farms**”). Harwil Farms raises pigs from several farms in Southwestern Ontario. Harwil Farms supplies pigs to Quality Meat Packers Ltd. (“**QMP**”). Harwil Farms delivered 2012 hogs to QMP throughout March 31, April 1, April 2, and April 3<sup>rd</sup> (the “**Shipment**”). QMP has not paid Harwil Farms for the Shipment. I estimate that the value of the Shipment is \$673,000.00.

I understand that David Schwartz, President of QMP, advised at a meeting of suppliers to QMP on April 5, 2014 that QMP does not have any plan for making outstanding payments to suppliers for shipments made before April 4, 2014, the date that QMP filed a Notice of Intention to make a proposal under the *Bankruptcy and Insolvency Act*. I also understand that QMP is looking for pigs to be supplied to it going forward at a price that is discounted from the price normally paid to suppliers.

Harwil Farms has not been advised of, and is not aware of, any plan for the restructuring of QMP. In any case, Harwil Farms is not prepared to support any restructuring plan that does not see Harwil Farms being paid in full for the Shipment before **April 15/2014**.

I also understand that TD Asset Management and a holding company related to QMP were secured creditors of QMP for \$14 million and \$19 million respectively. Having regard to this security, Harwil Farms would be materially prejudiced if it did not have security for the amounts owed by QMP for the Shipment that ranked in priority to any other security.

Yours truly,

J. Lea & Wendy Metcalfe

Office: 905-768-1118

Fax: 905-768-1414

[wendym@harwilfarms.com](mailto:wendym@harwilfarms.com)

## Gideon Ng

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**From:** Mark Yungblut [myungblut@mfsltd.ca]  
**Sent:** Sunday, April 06, 2014 9:46 PM  
**To:** Wael Rostom; Jeffrey Levine  
**Subject:** FW: Qmp - Kuipers

**Mark Yungblut**  
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---

**From:** Hein Kuijpers [<mailto:keyfarm@hotmail.com>]  
**Sent:** April 6, 2014 9:20 PM  
**To:** [myungblut@mfsltd.ca](mailto:myungblut@mfsltd.ca)  
**Subject:** FW: Qmp

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Subject: Qmp  
From: [keyfarm@hotmail.com](mailto:keyfarm@hotmail.com)  
Date: Sun, 6 Apr 2014 21:05:14 -0400  
To: [keyfarm@hotmail.com](mailto:keyfarm@hotmail.com)

I write on behalf of Kuijpers Key Farm Ltd. ("KKF"). Kuijpers Key Farm Ltd. raises pigs from a farm in 3117 Egremont Drive Strathroy Ontario N7G 3H6. Kuijpers Key Farm Ltd. supplies pigs to Quality Meat Packers Ltd. ("QMP"). Kuijpers Key Farm Ltd. delivered 253 to QMP on April 1, 2014 and April 3, 2014 (the "Shipment"). QMP has not paid Kuijpers Key Farm Ltd. for the Shipment. I estimate that the value of the Shipment is \$ 60 000.

I understand that David Schwartz, President of QMP, advised at a meeting of suppliers to QMP on April 5, 2014 that QMP does not have any plan for making outstanding payments to suppliers for shipments made before April 4, 2014, the date that QMP filed a Notice of Intention to make a proposal under the *Bankruptcy and Insolvency Act*. I also understand that QMP is looking for pigs to be supplied to it going forward at a price that is discounted from the price normally paid to suppliers.

Kuijpers Key Farm Ltd. has not been advised of, and is not aware of, any plan for the restructuring of QMP. In any case, Kuijpers Key Farm Ltd. is not prepared to support any restructuring plan that does not see Kuijpers Key Farm Ltd. being paid in full for the Shipment before [April 16/14](#).

I also understand that TD Asset Management and a holding company related to QMP were secured creditors of QMP for \$14 million and \$19 million respectively. Having regard to this security, Kuijpers Key Farm Ltd. would be materially prejudiced if it did not have security for the amounts owed by QMP for the Shipment that ranked in priority to any other security.

Yours truly,

Hein Kuijpers

Sent from my iPhone

## Gideon Ng

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**From:** Mark Yungblut [myungblut@mfsltd.ca]  
**Sent:** Sunday, April 06, 2014 8:02 PM  
**To:** Wael Rostom; Jeffrey Levine  
**Subject:** FW: Document to complete Prinzen

**Mark Yungblut**  
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---

**From:** Michelle Prinzen [<mailto:bmprinzen@gmail.com>]  
**Sent:** April 6, 2014 7:57 PM  
**To:** [myungblut@mfsltd.ca](mailto:myungblut@mfsltd.ca)  
**Subject:** RE: Document to complete

Dear Mr. Yungblut,

I write on behalf of Prinzen & Son Ltd. (“**Prinzen & Son**”). Prinzen & Son raises pigs from a number of farms in Southwestern Ontario. Prinzen & Son supplies pigs to Quality Meat Packers Ltd. (“**QMP**”). Prinzen & Son delivered 217 pigs to QMP on April 2 (the “**Shipment**”). QMP has not paid Prinzen & Son for the Shipment. I estimate that the value of the Shipment is \$67,591.00.

I understand that David Schwartz, President of QMP, advised at a meeting of suppliers to QMP on April 5, 2014 that QMP does not have any plan for making outstanding payments to suppliers for shipments made before April 4, 2014, the date that QMP filed a Notice of Intention to make a proposal under the *Bankruptcy and Insolvency Act*. I also understand that QMP is looking for pigs to be supplied to it going forward at a price that is discounted from the price normally paid to suppliers.

Prinzen & Son has not been advised of, and is not aware of, any plan for the restructuring of QMP. In any case, Prinzen & Son is not prepared to support any restructuring plan that does not see Prinzen & Son being paid in full for the Shipment before April 17, 2014.

I also understand that TD Asset Management and a holding company related to QMP were secured creditors of QMP for \$14 million and \$19 million respectively. Having regard to this security, Prinzen & Son would be materially prejudiced if it did not have security for the amounts owed by QMP for the Shipment that ranked in priority to any other security.

Yours truly,

Bert and Michelle Prinzen

**Prinzen & Son Ltd.**

P (519) 587-3066

F (519) 587-3552

[bmprinzen@gmail.com](mailto:bmprinzen@gmail.com)

**From:** [Mark Yungblut](#)  
**To:** [Wael Rostom](#); [Jeffrey Levine](#)  
**Subject:** FW: Quality - RFW  
**Date:** Sunday, April 06, 2014 9:55:29 PM  
**Attachments:** [image001.wmz](#)  
[image002.png](#)  
[image004.wmz](#)

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**Mark Yungblut**

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---

**From:** James Reesor [mailto:jreesor@rmwfarms.ca]  
**Sent:** April 6, 2014 9:48 PM  
**To:** 'Mark Yungblut'  
**Cc:** 'James Reesor'  
**Subject:** Quality

Dear Mr. Yungblut,

I write on behalf of RFW Farms Ltd. ("RFW"). RFW raises pigs from a farm headquartered in Grimsby, Ontario. RFW supplies pigs to Quality Meat Packers Ltd. ("QMP"). RFW delivered 98 hogs to QMP on March 27, 2014; 219 hogs to QMP on April 1, 2014; 210 hogs to QMP on April 2, 2014; and, 215 hogs to QMP on April 3, 2014 (the "**Shipment**"). QMP has not paid RFW for the Shipment. I estimate that the value of the Shipment is \$210,128.

I understand that David Schwartz, President of QMP, advised at a meeting of suppliers to QMP on April 5, 2014 that QMP does not have any plan for making outstanding payments to suppliers for shipments made before April 4, 2014, the date that QMP filed a Notice of Intention to make a proposal under the *Bankruptcy and Insolvency Act*. I also understand that QMP is looking for pigs to be supplied to it going forward at a price that is discounted from the price normally paid to suppliers.

RFW has not been advised of, and is not aware of, any plan for the restructuring of QMP. In any case, RFW is not prepared to support any restructuring plan that does not see RFW being paid in full for the Shipment before April 12, 2014 for hogs delivered March 27, 2014; April 16, 2014 for hogs delivered April 1, 2014; April 17, 2014 for hogs delivered April 2, 2014; and, April 18, 2014 for hogs

delivered April 3, 2014.

I also understand that TD Asset Management and a holding company related to QMP were secured creditors of QMP for \$14 million and \$19 million respectively. Having regard to this security, RFW would be materially prejudiced if it did not have security for the amounts owed by QMP for the Shipment that ranked in priority to any other security.

Yours truly,

James Reesor  
President

RFW Farms Ltd.  
Unit 12, 76 Main Street West  
Grimsby, Ontario  
L3M 1R6  
905-717-6259 (cell)  
905-945-0872 (office)



## Gideon Ng

---

**From:** Mark Yungblut [myungblut@mfsltd.ca]  
**Sent:** Sunday, April 06, 2014 9:54 PM  
**To:** Wael Rostom; Jeffrey Levine  
**Subject:** FW: - Riverbank

**Mark Yungblut**  
Molesworth Farm Supply Ltd.

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(C) 519-291-8530  
(F) 519-291-5404  
[www.mfsltd.ca](http://www.mfsltd.ca)



---

**From:** Dave Van Moorsel [<mailto:riverbank@isp.ca>]  
**Sent:** April 6, 2014 9:36 PM  
**To:** [myungblut@mfsltd.ca](mailto:myungblut@mfsltd.ca)  
**Subject:**

Dear Mr. Yungblut,

I write on behalf of Riverbank Farms, Dave and Tara Van Moorsel ("Riverbank farms"). Riverbank Farms raises pigs from a farm in East Williams township, municipality of North Middlesex, RR#6 Strathroy , Ontario. Riverbank Farms supplies pigs to Quality Meat Packers Ltd. ("QMP"). Riverbank Farms delivered 161 pigs to QMP on Sunday March 30("the shipment"). QMP has not paid Riverbank Farms for the Shipment. I estimate the value of the Shipment is \$45000.

I understand that David Schwartz, President of QMP, advised at a meeting of suppliers to QMP on April 5, 2014 that QMP does not have any plan for making outstanding payments to suppliers for shipments made before April 4, 2014, the date the QMP filed a Notice of Intention to make a proposal under the Bankruptcy and Insolvency Act. I also understand that Qmp is looking for pigs to be supplied to it going forward at a price that is discounted from the price normally paid to suppliers.

Riverbank Farms has not been advised of, and is not aware of, any plan for the restructuring of QMP. In any case, Riverbank Farms is not prepared to support any restructuring plan that does not see Riverbank Farms being paid in full for the Shipment before April 14, 2014.

I also understand that TD Asset Management and a holding company related to QMP were secured creditors of QMP for \$14 million and \$19 million respectively. Having regard to this security, Riverbank Farms would be materially prejudiced if it did not have security for the amounts owed by QMP for the Shipment that ranked in priority to any other security.

Yours truly,



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Dear Mr. Yungblut,

I write on behalf of Ron and Diane Coolman. Ron raises pigs from a farm in Lambton County in Watford, ON. Ron Coolman supplies pigs to Quality Meat Packers Ltd. (“QMP”). Ron Coolman delivered 56 pigs to QMP on Tuesday April 1/14. QMP has not paid Ron Coolman for the Shipment. I estimate that the value of the Shipment is \$16,800.

I understand that David Schwartz, President of QMP, advised at a meeting of suppliers to QMP on April 5, 2014 that QMP does not have any plan for making outstanding payments to suppliers for shipments made before April 4, 2014, the date that QMP filed a Notice of Intention to make a proposal under the *Bankruptcy and Insolvency Act*. I also understand that QMP is looking for pigs to be supplied to it going forward at a price that is discounted from the price normally paid to suppliers.

Ron has not been advised of, and is not aware of, any plan for the restructuring of QMP. In any case, Ron is not prepared to support any restructuring plan that does not see Ron being paid in full for the Shipment before April 15/14.

I also understand that TD Asset Management and a holding company related to QMP were secured creditors of QMP for \$14 million and \$19 million respectively. Having regard to this security, Ron would be materially prejudiced if it did not have security for the amounts owed by QMP for the Shipment that ranked in priority to any other security.

Yours truly,

Ron and Diane Coolman

## Gideon Ng

---

**From:** Mark Yungblut [myungblut@mfsltd.ca]  
**Sent:** Monday, April 07, 2014 8:31 AM  
**To:** Wael Rostom; Jeffrey Levine  
**Subject:** FW: non payment doc - Genex

**Mark Yungblut**  
Molesworth Farm Supply Ltd.

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(F) 519-291-5404  
[www.mfsltd.ca](http://www.mfsltd.ca)



---

**From:** Eric Schwindt [<mailto:eschwindt@bellnet.ca>]  
**Sent:** April 7, 2014 8:23 AM  
**To:** 'Mark Yungblut'  
**Subject:** Genex market hogs to QMP

Dear Mr. Yungblut,

I write on behalf of Swinexs Inc operating as Genex Ontario (“**Genex**”). Genex raises pigs from farms in Huron and Wellington Counties. Genex supplies pigs to Quality Meat Packers Ltd. (“**QMP**”). Genex delivered 361 pigs to QMP on March 31 and 78 pigs on March 26 (the “**Shipments**”). QMP has not paid Genex for the Shipments. I estimate that the value of the Shipments are \$101,836.88 and \$20,923,30, for a total of \$122,760.18.

I understand that David Schwartz, President of QMP, advised at a meeting of suppliers to QMP on April 5, 2014 that QMP does not have any plan for making outstanding payments to suppliers for shipments made before April 4, 2014, the date that QMP filed a Notice of Intention to make a proposal under the *Bankruptcy and Insolvency Act*. I also understand that QMP is looking for pigs to be supplied to it going forward at a price that is discounted from the price normally paid to suppliers.

Genex has not been advised of, and is not aware of, any plan for the restructuring of QMP. In any case, Genex is not prepared to support any restructuring plan that does not see Genex being paid in full for the Shipment before April 15, 2014.

I also understand that TD Asset Management and a holding company related to QMP were secured creditors of QMP for \$14 million and \$19 million respectively. Having regard to this security, Genex would be materially prejudiced if it did not have security for the amounts owed by QMP for the Shipment that ranked in priority to any other security.

Yours truly,

Eric Schwindt  
Genex Ontario

## Gideon Ng

---

**From:** Mark Yungblut [myungblut@mfsltd.ca]  
**Sent:** Sunday, April 06, 2014 8:40 PM  
**To:** Wael Rostom; Jeffrey Levine  
**Subject:** FW: document to complete - Utter

**Mark Yungblut**  
Molesworth Farm Supply Ltd.

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(F) 519-291-5404  
[www.mfsltd.ca](http://www.mfsltd.ca)



---

**From:** [utter@execulink.com](mailto:utter@execulink.com) [<mailto:utter@execulink.com>]  
**Sent:** April 6, 2014 8:28 PM  
**To:** Mark Youngblut  
**Subject:** QMP

Dear Mr. Youngblut,

I write on behalf of Utter Farms Inc. ("UFI"). UFI raises pigs from a farm in Norwich township, Oxford County in the province of Ontario. UFI supplies pigs to Quality Meat Packers Ltd. ("QMP"). UFI delivered 148 pigs to QMP on March 31/2014 (the "Shipment"). QMP has not paid UFI for the Shipment. I estimate that the value of the Shipment is \$ 41,943.00.

I understand that David Schwartz, President of QMP, advised at a meeting of suppliers to QMP on April 5/2014 that QMP does not have any plan for making outstanding payments to suppliers made before April 4/2014, the date that QMP filed a Notice of Intention to make a proposal under the Bankruptcy and Insolvency Act. I also understand that QMP is looking for pigs to be supplied to it going forward at a price that is discounted from the price normally paid to suppliers.

UFI has not been advised of, and is not aware of, any plan for the restructuring of QMP. In any case, UFI is not prepared to support any restructuring plan that does not see UFI being paid in full for the Shipment before April 14/2014.

I also understand that TD Asset Management and a holding company related to QMP were secured creditors of QMP for \$ 14 million and \$ 19 million respectively. Having regard to this security, UFI would be materially prejudiced if it did not have security for the amounts owed by QMP for the Shipment that ranked in priority to any other security.

Yours truly,

Scott Utter  
President Utter Farms Inc.

Dear Mr. Yungblut,

April, 6 2014

I write on behalf of Westland Hogco Inc. ("WHI").

WHI raises pigs in multiple farms in Huron and Perth Counties in Southwestern Ontario with head office in Zurich Ontario.

WHI supplies pigs to Quality Meat Packers Ltd. ("QMP") and has done so for 10 years.

WHI delivered 2665 hogs to QMP between March 27th and April 3rd 2014 (the "Shipments").

QMP has not paid WHI for the Shipments.

I estimate that the value of the Shipment to be **\$709,865.00**.

I understand that David Schwartz, President of QMP, advised at a meeting of suppliers to QMP on April 5, 2014 that QMP does not have any plan for making outstanding payments to suppliers for shipments made before April 4, 2014, the date that QMP filed a Notice of Intention to make a proposal under the *Bankruptcy and Insolvency Act*.

I also understand that QMP is looking for pigs to be supplied to it going forward at a price that is discounted from the price normally paid to suppliers.

WHI has not been advised of, and is not aware of, any plan for the restructuring of QMP. In any case, WHI is **not** prepared to support any restructuring plan that does not see WHI being paid in full for the Shipment made before April 11<sup>th</sup>/14.

I also understand that TD Asset Management and a holding company related to QMP were secured creditors of QMP for \$14 million and \$19 million respectively.

Having regard to this security, WHI would be materially prejudiced if it did not have security for the amounts owed by QMP for the Shipment that ranked in priority to any other security.


Yours truly,



Nancy Regier



This is Exhibit "F" referred to in the  
Affidavit of Mark Yungblut sworn before  
me this 8<sup>th</sup> day of April, 2014

  
\_\_\_\_\_  
A Commissioner, etc

**From:** Jeffrey Levine  
**Bcc:** [bmprinzen@gmail.com](mailto:bmprinzen@gmail.com); [ptalbot@execulink.com](mailto:ptalbot@execulink.com); [utter@execulink.com](mailto:utter@execulink.com); [jenafarms@quadro.net](mailto:jenafarms@quadro.net); [milagre@isp.ca](mailto:milagre@isp.ca); [feeneyfarms@optionsdsl.ca](mailto:feeneyfarms@optionsdsl.ca); [heterpstra@xplornet.ca](mailto:heterpstra@xplornet.ca); [keyfarm@hotmail.com](mailto:keyfarm@hotmail.com); [farmgirl@netscape.ca](mailto:farmgirl@netscape.ca); [jotten@Southwestvets.ca](mailto:jotten@Southwestvets.ca); [riverbank@isp.ca](mailto:riverbank@isp.ca); [jreesor@rmwfarms.ca](mailto:jreesor@rmwfarms.ca); [brinke@zing-net.ca](mailto:brinke@zing-net.ca); [bloxs@execulink.com](mailto:bloxs@execulink.com); [tjstam@kwic.com](mailto:tjstam@kwic.com); [coolman@isp.ca](mailto:coolman@isp.ca); [bandkmcnichol@hurontel.on.ca](mailto:bandkmcnichol@hurontel.on.ca); [templetonc@synergyservices.ca](mailto:templetonc@synergyservices.ca); [eschwindt@bellnet.ca](mailto:eschwindt@bellnet.ca); [e.d.schouten1@gmail.com](mailto:e.d.schouten1@gmail.com); [Bobt@agribands.ca](mailto:Bobt@agribands.ca); [vanraay@hay.net](mailto:vanraay@hay.net); [ericvz67@gmail.com](mailto:ericvz67@gmail.com); [hammerton@xplornet.com](mailto:hammerton@xplornet.com); [clare@sugarfield.ca](mailto:clare@sugarfield.ca); [allenvr@naturefeedcentre.ca](mailto:allenvr@naturefeedcentre.ca); [fonsheather@hotmail.com](mailto:fonsheather@hotmail.com); [klsanders@brktel.on.ca](mailto:klsanders@brktel.on.ca); [bcgeerts@execulink.com](mailto:bcgeerts@execulink.com); [Wael Rostom](mailto:Wael Rostom)  
**Subject:** RE: Quality Meat Packers  
**Date:** Monday, April 07, 2014 4:25:00 PM

---

Mark Yungblut has asked us to send you all this note as a follow-up to my earlier email:

If Synergy is successful on its motion for either the termination of the NOI proceedings or the appointment of a receiver, the s.81.2 lien under the BIA will be available to all producers who submit valid s.81.2 claims pursuant to the process set out in the BIA. Nothing being sought in the motion would give Synergy special treatment.

The point of the letter sent out by McMillan LLP is to make sure that each producer understands that one possible outcome of success on Synergy's motion could be that QMP becomes bankrupt and ceases to operate. Because McMillan does not act for other suppliers and since they did not have any discussions or give advice to any other producers, we simply need to know that each producer is comfortable with the possible consequence of success (i.e. a bankruptcy and shutdown of QMP) and has considered this in sending us the letter to be included in our court materials.

It is nothing more than that.

Regards,

**mcmillan**

**Jeffrey Levine**

d 416.865.7791  
jeffrey.levine@mcmillan.ca

Assistant: Mary Ottaviano | 416.865.7029 | mary.ottaviano@mcmillan.ca  
Assistant: Patricia Kokkinakos | 416.865.7003 | patricia.kokkinakos@mcmillan.ca

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---

**From:** Jeffrey Levine  
**Sent:** Monday, April 07, 2014 3:16 PM  
**Subject:** Quality Meat Packers

Good afternoon,

Your email letter of April 5 or 6, 2014 regarding hogs your company supplied to Quality Meat Packers Limited ("QMP") has been forwarded to our attention.

We act for Synergy Swine Inc. ("Synergy"), and only Synergy. We are not acting for you. Since we

represent only Synergy in connection with QMP's restructuring proceedings, we do not know the extent to which you may have received any legal advice with respect to your interests in the QMP restructuring proceedings or the consequences of the bankruptcy of QMP on your business. Your letter may be helpful to the success of Synergy Swine's motion, including the triggering of certain lien rights in a bankruptcy or receivership of QMP. However, we do not want to use your letter without being comfortable that you understand that:

- a) Our motion may result in QMP becoming bankrupt; and
- b) Our motion may result in QMP closing its operations permanently.

If you have not already done so you may wish to obtain independent legal counsel.

If you are still content for us to use your letter in support of Synergy Swine's motion, we would be grateful if you could indicate that by reply to this email. We will not attach your letter to our materials without an affirmative response from you.

Yours truly,

**mcmillan**

**Jeffrey Levine**

d 416.865.7791 | f 416.865.7048

[jeffrey.levine@mcmillan.ca](mailto:jeffrey.levine@mcmillan.ca)

Assistant: Mary Ottaviano | 416.865.7029 | [mary.ottaviano@mcmillan.ca](mailto:mary.ottaviano@mcmillan.ca)

Assistant: Patricia Kokkinakos | 416.865.7003 | [patricia.kokkinakos@mcmillan.ca](mailto:patricia.kokkinakos@mcmillan.ca)

**McMillan LLP**

Lawyers | Patent & Trade-mark Agents

Brookfield Place, 181 Bay Street, Suite 4400

Toronto, Ontario M5J 2T3

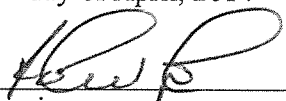
[my bio](#) | [mcmillan.ca](http://mcmillan.ca)

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This is Exhibit "G" referred to in the  
Affidavit of Mark Yungblut sworn before  
me this 8<sup>th</sup> day of April, 2014

  
\_\_\_\_\_  
A Commissioner, etc.

**From:** [Diane & Ron Coolman](#)  
**To:** [Jeffrey Levine](#)  
**Subject:** Re: Quality Meat Packers  
**Date:** Monday, April 07, 2014 7:12:01 PM

---

We give our consent for our letter to be included with your court materials.  
Ron and Diane Coolman

**From:** [Jeffrey Levine](#)  
**Sent:** Monday, April 07, 2014 4:25 PM  
**To:** undisclosed-recipients:  
**Subject:** RE: Quality Meat Packers

Mark Yungblut has asked us to send you all this note as a follow-up to my earlier email:

If Synergy is successful on its motion for either the termination of the NOI proceedings or the appointment of a receiver, the s.81.2 lien under the BIA will be available to all producers who submit valid s.81.2 claims pursuant to the process set out in the BIA. Nothing being sought in the motion would give Synergy special treatment.

The point of the letter sent out by McMillan LLP is to make sure that each producer understands that one possible outcome of success on Synergy's motion could be that QMP becomes bankrupt and ceases to operate. Because McMillan does not act for other suppliers and since they did not have any discussions or give advice to any other producers, we simply need to know that each producer is comfortable with the possible consequence of success (i.e. a bankruptcy and shutdown of QMP) and has considered this in sending us the letter to be included in our court materials.

It is nothing more than that.

Regards,

**mcmillan**

**Jeffrey Levine**

d 416.865.7791  
jeffrey.levine@mcmillan.ca

Assistant: Mary Ottaviano | 416.865.7029 | mary.ottaviano@mcmillan.ca  
Assistant: Patricia Kokkinakos | 416.865.7003 | patricia.kokkinakos@mcmillan.ca

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---

**From:** Jeffrey Levine  
**Sent:** Monday, April 07, 2014 3:16 PM  
**Subject:** Quality Meat Packers

Good afternoon,

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If you are still content for us to use your letter in support of Synergy Swine's motion, we would be grateful if you could indicate that by reply to this email. We will not attach your letter to our materials without an affirmative response from you.

Yours truly,

**mcmillan**

**Jeffrey Levine**

d 416.865.7791 | f 416.865.7048

[jeffrey.levine@mcmillan.ca](mailto:jeffrey.levine@mcmillan.ca)

Assistant: Mary Ottaviano | 416.865.7029 | [mary.ottaviano@mcmillan.ca](mailto:mary.ottaviano@mcmillan.ca)

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Toronto, Ontario M5J 2T3

[my bio](#) | [mcmillan.ca](http://mcmillan.ca)

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**From:** [eschwindt@bellnet.ca](mailto:eschwindt@bellnet.ca)  
**To:** [Jeffrey Levine](#)  
**Subject:** Re: Quality Meat Packers  
**Date:** Monday, April 07, 2014 4:42:01 PM

---

Good afternoon,

Swinex Inc, operating as Genex Ontario would like you to include our letter in support of Synergys motion regarding Quality Meat Packers.

Please keep me advised if any further information is required.

Thanks,

Eric Schwindt  
Genex Ontario

Sent from my BlackBerry 10 smartphone on the Bell network.

---

**From:** Jeffrey Levine  
**Sent:** Monday, April 7, 2014 3:15 PM  
**Subject:** Quality Meat Packers

---

Good afternoon,

Your email letter of April 5 or 6, 2014 regarding hogs your company supplied to Quality Meat Packers Limited ("QMP") has been forwarded to our attention.

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Yours truly,

  
Jeffrey Levine

d 416.865.7791 | f 416.865.7048  
jeffrey.levine@mcmillan.ca

Assistant: Mary Ottaviano | 416.865.7029 | mary.ottaviano@mcmillan.ca  
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**From:** [Wendy Metcalfe](#)  
**To:** [Jeffrey Levine](#)  
**Subject:** RE: Quality Meat Packers  
**Date:** Monday, April 07, 2014 4:52:29 PM

---

Hello Jeffrey,

We are comfortable with McMillan using our letter stating that we shipped 2012 hogs that have not been paid for at a value of approximately \$670,000. We are in the process of obtaining separate legal counsel. We would like to be a part of the motion and would appreciate seeing it.

*Wendy Metcalfe*

Office: 905-768-1118

Fax: 905-768-1414

wendym@harwilfarms.com

---

**From:** Jeffrey Levine [mailto:Jeffrey.Levine@mcmillan.ca]  
**Sent:** Monday, April 07, 2014 4:41 PM  
**Subject:** FW: Quality Meat Packers

Mark Yungblut has asked us to send you all this note as a follow-up to my earlier email:

If Synergy is successful on its motion for either the termination of the NOI proceedings or the appointment of a receiver, the s.81.2 lien under the BIA will be available to all producers who submit valid s.81.2 claims pursuant to the process set out in the BIA. Nothing being sought in the motion would give Synergy special treatment.

The point of the letter sent out by McMillan LLP is to make sure that each producer understands that one possible outcome of success on Synergy's motion could be that QMP becomes bankrupt and ceases to operate. Because McMillan does not act for other suppliers and since they did not have any discussions or give advice to any other producers, we simply need to know that each producer is comfortable with the possible consequence of success (i.e. a bankruptcy and shutdown of QMP) and has considered this in sending us the letter to be included in our court materials.

It is nothing more than that.

Regards,

**mcmillan**

**Jeffrey Levine**

d 416.865.7791

[jeffrey.levine@mcmillan.ca](mailto:jeffrey.levine@mcmillan.ca)

Assistant: Mary Ottaviano | 416.865.7029 | [mary.ottaviano@mcmillan.ca](mailto:mary.ottaviano@mcmillan.ca)

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**From:** Jeffrey Levine  
**Sent:** Monday, April 07, 2014 3:16 PM  
**Subject:** Quality Meat Packers

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If you have not already done so you may wish to obtain independent legal counsel.

If you are still content for us to use your letter in support of Synergy Swine's motion, we would be grateful if you could indicate that by reply to this email. We will not attach your letter to our materials without an affirmative response from you.

Yours truly,

**mcmillan**

**Jeffrey Levine**

d 416.865.7791 | f 416.865.7048  
[jeffrey.levine@mcmillan.ca](mailto:jeffrey.levine@mcmillan.ca)

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**From:** [Hein Kuijpers](#)  
**To:** [Jeffrey Levine](#)  
**Subject:** RE: Quality Meat Packers  
**Date:** Monday, April 07, 2014 4:33:50 PM

---

We are ok with the use of our letter in this matter  
hein kuijpers

---

From: Jeffrey.Levine@mcmillan.ca  
Subject: RE: Quality Meat Packers  
Date: Mon, 7 Apr 2014 20:25:34 +0000

Mark Yungblut has asked us to send you all this note as a follow-up to my earlier email:

If Synergy is successful on its motion for either the termination of the NOI proceedings or the appointment of a receiver, the s.81.2 lien under the BIA will be available to all producers who submit valid s.81.2 claims pursuant to the process set out in the BIA. Nothing being sought in the motion would give Synergy special treatment.

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It is nothing more than that.

Regards,

**mcmillan**

**Jeffrey Levine**

d 416.865.7791  
jeffrey.levine@mcmillan.ca

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**From:** Jeffrey Levine  
**Sent:** Monday, April 07, 2014 3:16 PM  
**Subject:** Quality Meat Packers

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Yours truly,



**Jeffrey Levine**

d 416.865.7791 | f 416.865.7048

[jeffrey.levine@mcmillan.ca](mailto:jeffrey.levine@mcmillan.ca)

Assistant: Mary Ottaviano | 416.865.7029 | [mary.ottaviano@mcmillan.ca](mailto:mary.ottaviano@mcmillan.ca)

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Please consider the environment before printing this e-mail.

**From:** [Michelle Prinzen](#)  
**To:** [Jeffrey Levine](#)  
**Subject:** Re: Quality Meat Packers  
**Date:** Monday, April 07, 2014 4:31:06 PM

---

Jeffrey  
You have our approval to go ahead and use our letter.

Bert Prinzen

[Prinzen & Son Ltd.](#)  
P (519) 587-3066  
F (519) 587-3552  
[bmprinzen@gmail.com](mailto:bmprinzen@gmail.com)

On Mon, Apr 7, 2014 at 3:15 PM, Jeffrey Levine <[Jeffrey.Levine@mcmillan.ca](mailto:Jeffrey.Levine@mcmillan.ca)> wrote:

Good afternoon,

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Yours truly,



**Jeffrey Levine**

d [416.865.7791](tel:416.865.7791) | f [416.865.7048](tel:416.865.7048)  
[jeffrey.levine@mcmillan.ca](mailto:jeffrey.levine@mcmillan.ca)

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Please consider the environment before printing this e-mail.

**From:** [James Reesor](#)  
**To:** [Jeffrey Levine](#)  
**Cc:** ["Mark Yungblut"](#)  
**Subject:** RE: Quality Meat Packers  
**Date:** Monday, April 07, 2014 5:52:07 PM

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Mr. Levine,

You may use my letter in support of Synergy Swine's motion.

Of note, our business's lawyer does not specialize in providing advice for this type of legal work. Assuming this matter will proceed further in the courts, RFW Farms Ltd. is arranging its own independent Counsel. In the event this contact is required for your work on this matter, I will provide you the information when confirmed.

Sincerely,

James Reesor  
President  
RFW Farms Ltd.  
Grimsby, Ontario  
905-717-6259 (cell)  
905-945-0872 (office)

---

**From:** Jeffrey Levine [mailto:Jeffrey.Levine@mcmillan.ca]  
**Sent:** Monday, April 07, 2014 3:16 PM  
**To:** undisclosed-recipients:  
**Subject:** Quality Meat Packers

Good afternoon,

Your email letter of April 5 or 6, 2014 regarding hogs your company supplied to Quality Meat Packers Limited ("QMP") has been forwarded to our attention.

We act for Synergy Swine Inc. ("Synergy"), and only Synergy. We are not acting for you. Since we represent only Synergy in connection with QMP's restructuring proceedings, we do not know the extent to which you may have received any legal advice with respect to your interests in the QMP restructuring proceedings or the consequences of the bankruptcy of QMP on your business.

Your letter may be helpful to the success of Synergy Swine's motion, including the triggering of certain lien rights in a bankruptcy or receivership of QMP. However, we do not want to use your letter without being comfortable that you understand that:

- a) Our motion may result in QMP becoming bankrupt; and
- b) Our motion may result in QMP closing its operations permanently.

If you have not already done so you may wish to obtain independent legal counsel.

If you are still content for us to use your letter in support of Synergy Swine's motion, we would be grateful if you could indicate that by reply to this email. We will not attach your letter to our

materials without an affirmative response from you.

Yours truly,

**mcmillan**

**Jeffrey Levine**

d 416.865.7791 | f 416.865.7048

[jeffrey.levine@mcmillan.ca](mailto:jeffrey.levine@mcmillan.ca)

Assistant: Mary Ottaviano | 416.865.7029 | [mary.ottaviano@mcmillan.ca](mailto:mary.ottaviano@mcmillan.ca)

Assistant: Patricia Kokkinakos | 416.865.7003 | [patricia.kokkinakos@mcmillan.ca](mailto:patricia.kokkinakos@mcmillan.ca)

**McMillan LLP**

Lawyers | Patent & Trade-mark Agents

Brookfield Place, 181 Bay Street, Suite 4400

Toronto, Ontario M5J 2T3

[my bio](#) | [mcmillan.ca](http://mcmillan.ca)

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**From:** [riverbank@isp.ca](mailto:riverbank@isp.ca)  
**To:** [Jeffrey Levine](#)  
**Subject:** Re: Quality Meat Packers  
**Date:** Monday, April 07, 2014 5:41:22 PM

---

You may use my letter.

Dave Van Moorsel

Sent from my HTC

----- Reply message -----

From: "Jeffrey Levine" <Jeffrey.Levine@mcmillan.ca>  
To: <undisclosed-recipients:>  
Subject: Quality Meat Packers  
Date: Mon, Apr 7, 2014 3:15 PM

Good afternoon,

Your email letter of April 5 or 6, 2014 regarding hogs your company supplied to Quality Meat Packers Limited ("QMP") has been forwarded to our attention.

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Yours truly,

**mcmillan**

**Jeffrey Levine**

d 416.865.7791 | f 416.865.7048  
jeffrey.levine@mcmillan.ca

Assistant: Mary Ottaviano | 416.865.7029 | mary.ottaviano@mcmillan.ca  
Assistant: Patricia Kokkinakos | 416.865.7003 | patricia.kokkinakos@mcmillan.ca

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Please consider the environment before printing this e-mail.

**From:** [Scott](#)  
**To:** [Jeffrey Levine](#)  
**Subject:** Re: Quality Meat Packers  
**Date:** Monday, April 07, 2014 4:30:46 PM

---

Jeffrey , I am comfortable with the position of our letter and the use of it in respect to the proceedings with QMP . Please use it in any way to support Synergy's position .

Thx Scott Utter  
Utter Farms Inc.

Sent from my iPhone

On Apr 7, 2014, at 3:15 PM, "Jeffrey Levine" <[Jeffrey.Levine@mcmillan.ca](mailto:Jeffrey.Levine@mcmillan.ca)> wrote:

Good afternoon,

Your email letter of April 5 or 6, 2014 regarding hogs your company supplied to Quality Meat Packers Limited ("QMP") has been forwarded to our attention.

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- b) Our motion may result in QMP closing its operations permanently.

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Yours truly,

<image001.gif>

**Jeffrey Levine**

d 416.865.7791 | f 416.865.7048  
[jeffrey.levine@mcmillan.ca](mailto:jeffrey.levine@mcmillan.ca)

Assistant: Mary Ottaviano | 416.865.7029 | [mary.ottaviano@mcmillan.ca](mailto:mary.ottaviano@mcmillan.ca)  
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**From:** [Jed Chinneck](#)  
**To:** [Jaipargas, Roger](#); [Jeffrey Levine](#)  
**Cc:** [Wael Rostom](#)  
**Subject:** RE: QMP (Re)  
**Date:** Monday, April 07, 2014 6:37:30 PM

---

Approved

jed

---

**From:** Jaipargas, Roger [<mailto:RJaipargas@blg.com>]  
**Sent:** Monday, April 07, 2014 6:29 PM  
**To:** [jeffrey.levine@mcmillan.ca](mailto:jeffrey.levine@mcmillan.ca)  
**Cc:** [wael.rostom@mcmillan.ca](mailto:wael.rostom@mcmillan.ca); Jed Chinneck  
**Subject:** FW: QMP (Re)

Thanks Jeff. I have copied Jed on this and would ask him to confirm with the client that you may attach the letter as an exhibit to your affidavit. Thanks.

Roger

---

**From:** Jeffrey Levine [<mailto:Jeffrey.Levine@mcmillan.ca>]  
**Sent:** April-07-14 6:24 PM  
**To:** Jaipargas, Roger; [jed@chinneck.ca](mailto:jed@chinneck.ca)  
**Cc:** Wael Rostom  
**Subject:** QMP (Re)

Roger/Jed,

Please confirm that we may attach the enclosed letter with our materials.

Many thanks,

**mcmillan**

**Jeffrey Levine**

d 416.865.7791 | f 416.865.7048  
[jeffrey.levine@mcmillan.ca](mailto:jeffrey.levine@mcmillan.ca)

Assistant: Mary Ottaviano | 416.865.7029 | [mary.ottaviano@mcmillan.ca](mailto:mary.ottaviano@mcmillan.ca)  
Assistant: Patricia Kokkinakos | 416.865.7003 | [patricia.kokkinakos@mcmillan.ca](mailto:patricia.kokkinakos@mcmillan.ca)

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

Court File No. 31-1855569

**AND IN THE MATTER OF THE PROPOSAL OF  
QUALITY MEAT PACKERS LIMITED**

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE -  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AFFIDAVIT OF MARK YUNGBLUT  
(SWORN APRIL 8, 2014)**

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

Jeffrey Levine LS#: 55582H  
Tel: 416-865-7791  
Fax: 416-865-7048  
Email: jeffrey.levine@mcmillan.ca

Lawyers for the moving party, Synergy Swine  
Inc.