

Court File #31-1855569

Estate # 31-1855569

Estate # 31-1855570

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

SECOND REPORT OF THE PROPOSAL TRUSTEE

MAY 2, 2014

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- “C” Endorsement with Reasons of the Honourable Justice Brown dated April 11, 2014
- “D” Quality Meat Packers Limited Cash flows and related reports filed with the Official Receiver April 14, 2014
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ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

SECOND REPORT OF THE PROPOSAL TRUSTEE
May 2, 2014

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

INTRODUCTION

1. On April 3, 2014, the Companies each filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), and named Farber as proposal trustee (“**Proposal Trustee**”). Copies of the Certificates of Filing of a Notice of Intention to Make a Proposal are attached as Appendix “A” to the First Report.

2. The Companies operated a pork processing business located 2 Tecumseth Street, Toronto, Ontario which is leased from a related party. QMP received up to 24,000 live hogs a week (normally shipped Monday to Thursday), which were generally slaughtered within a day of receipt, then cut, packaged and shipped.

3. TAL is a separate legal entity and provides the slaughter services to QMP. TAL’s operations are integrated into the QMP production facilities. QMP purchases the hogs from the hog farmers, transfers the hogs to TAL for slaughter and then transfers the products back to QMP. TAL does not have a direct relationship with the hog farmers or the customers. As such, TAL’s

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

PURPOSE OF THIS REPORT

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

LIMITATION OF REVIEW

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

FIRST REPORT OF THE PROPOSAL TRUSTEE

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

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

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

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

UPDATE ON THE COMPANIES' AFFAIRS SINCE APRIL 11, 2014

Cash flows and Material Adverse Change

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

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

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

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

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

Operations and impact on filing a viable proposal

13. As noted above,

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

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

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

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

SECURED CREDITORS

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

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

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

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

MOTION FOR A COURT-APPOINTED RECEIVER

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

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

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

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

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

A. Farber & Partners Inc.

Appendix A

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

FIRST REPORT OF THE PROPOSAL TRUSTEE

APRIL 9, 2014

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

Court File No. 31-1855569

Estate #. 31-1855569

Estate # 31-1855570

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

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

INTRODUCTION

1. On April 3, 2014, the Companies each filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), and named Farber as proposal trustee ("**Proposal Trustee**"). Copies of the Certificates of Filing of a Notice of Intention to Make a Proposal are attached as **Appendix "A"**.

2. QMP operates a pork processing business located 2 Tecumseth Street, Toronto, Ontario which is leased from a related party. The Companies receive up to 24,000 live hogs a week (normally shipped Monday to Thursday), which are generally slaughtered within a day of receipt, then cut, packaged and shipped.

3. Hog producers are normally paid 3 days after slaughter. At a low estimated cost of \$300/hog and 6,000 hogs delivered per day on average, unpaid hog produces would normally be owed at least \$5,400,000 (\$300/hog x 6,000 hogs x 3 days) at any given time.

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

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

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

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

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

PURPOSE OF THIS REPORT

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

LIMITATION OF REVIEW

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

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

CAUSES OF INSOLVENCY

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

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

NOI FILING TIMELINE

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

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

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

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

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

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

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

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

ACTIVITIES SINCE THE NOI

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

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

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

PLAN TO RESTRUCTURE

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

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

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

LIABILITIES

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

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

CASH FLOW STATEMENTS

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

ACTIVITIES OF PROPOSAL TRUSTEE

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

28. The Proposal Trustee has had extensive meetings and discussions with the TD, QMP and their respective counsel to facilitate the proposed forbearance and interim financing arrangements.
29. The Proposal Trustee has also facilitated discussions between the Company and its suppliers and employees regarding the post-NOI filing protocol.
30. The Proposal Trustee intends to continue to fulfil its functions and obligations as Proposal Trustee pursuant to the BIA and subject to the directions of this Honourable Court.
31. The Proposal Trustee has not seen evidence that would lead the Proposal Trustee to conclude that the Companies have acted or are acting in bad faith.
32. The Proposal Trustee has not determined that the Companies cannot make a viable proposal, and is of the opinion that it is too early to make that determination.

All of which is respectfully submitted this 9th day of April, 2014.

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



APPENDIX “A”

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



Industry Canada
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

Date of the Notice of Intention: April 03, 2014

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

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

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

Date: April 03, 2014, 13:05

E-File/Dépôt Electronique

Official Receiver

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

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

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

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

Toronto Abattoirs Limited
Insolvent Person
A. FARBER & PARTNERS INC.
Trustee

Date of the Notice of Intention: April 03, 2014

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

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

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

Date: April 03, 2014, 13:12

E-File/Dépôt Electronique

Official Receiver

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

Canada

APPENDIX “B”

CREDITOR LISTS FILED WITH THE NOI ON APRIL 3, 2014

**QUALITY MEAT PACKERS LIMITED
LIST OF CREDITORS**

407 ETR	\$ 737.56
A.M. MECHANICAL	6,220.65
ABELL PEST CONTROL	3,831.96
ACCO BRANDS DIRECT	74.26
AFFILIATED CUSTOMS BROKERS LIMITED	137.50
AGRI STATS INC.	3,918.48
AMEX BANK OF CANADA	388.11
APPLIED INDUSTRIAL FLOORING	2,745.90
AQUA FAST FLUSH LTD	2,949.30
ARSENAL CLEANING SERVICES LTD	5,650.00
ARTIC GLACIER PREMIUM ICE	3,000.00
ASB HEATING ELEMENTS LTD.	622.13
ATLAS FENCE TORONTO LTD.	2,536.85
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

QMP

**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**

ROCKTECH 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

**TORONTO ABATTOIRS LIMITED
LIST OF CREDITORS**

AIR LIQUIDE CANADA INC.	\$ 23,075.31
CINTAS CANADA LIMITED	5,786.72
CITY OF TORONTO FINANCE REVENUE SERVICE	1.00
CLASSIC BUILDING MAINTENANCE INC.	395.50
DICAN ENTERPRISES	7,777.66
ECOLO ODOR CONTROL SYSTEMS	4,506.44
ENBRIDGE GAS DISTRIBUTION	775.43
FAMILY RESPONSIBILITY OFFICE	748.14
G.T. WOOD	3,966.30
INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 772	1.00
IRON HORSE CORPORATION	11,616.55
J. J. CONSTRUCTION LTD.	21,158.43
KEITH FUNG ON	110.07
L. R. WELDING	1,186.50
MAMMONE DISPOSAL SYSTEM LIMITED	12,325.36
MINISTRY OF FINANCE	1.00
NORKEM INC.	594.39
PARACEL LABORATORIES LTD.	1,919.26
PEREIRA'S MOBILE SERVICE	675.28
PROVINCIAL BUTCHERS MACHINERY COMPANY LIMITED	101.70
QUALITY MEAT PACKERS HOLDINGS LIMITED	19,300,000.00
RECEIVER GENERAL	1.00
STEAM SPECIALTY SALES LTD.	415.84
TORONTO HYDRO	1.00
TORONTO-DOMINION BANK	14,000,000.00
TREASURER CITY OF TORONTO	1.00
TREASURER, CITY OF TORONTO	1.00
UNITED FOOD COMMERCIAL WORKERS UNION LOCAL 175	1.00
VARIOUS EMPLOYEES	1.00
WSIB	1.00
XPRESS TECHNOLOGIES GROUP	4,124.50

APPENDIX “C”

UPDATED CREDITOR LISTS AS AT APRIL 3, 2014

**Quality Meat Packers Limited
Creditors List**

Estate 31-1855569

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Creditor	Address	Account#	Claim Amount
ROBERT KAUFMAN	676488 Line 16 East Zorra-Tavistock, RR#1 Bright ON N0J 1B0		1,070.00
ROCKTENN COMPANY OF CANADA INC.	LOCKBOX #T23210C, BOX 4232, STN A TORONTO ON M5V 2R5		347,824.96
ROSE FARMS LTD.	5860 Perth Line 36, RR#3 Mitchell ON N0K 1N0		140,265.00
ROYAL BANK OF CANADA	180 Wellington St W, 5th Floor Toronto ON M5J 1J1		251.00
RUDOLPH INDUSTRIES	1176 CARDIFF BLVD. MISSISSAUGA ON L5S 1P6		3,457.80
RUSSELL FOOD EQUIPMENT	70 CORONET ROAD TORONTO ON M8Z 2M1		291.65
RYAN FILTER SALES INC.	1205 MATHESON BOULEVARD EAST MISSISSAUGA ON L4W 1B6		932.82
S+C PARTNERS LLP	6465 MILLCREEK DR., SUITE 204 MISSISSAUGA ON L5N 5R3		1,073.50
SANIMAX LTD	9900 6E RUE MONTREAL QC H1C 1G2		1,813.17
SAUDER TRANSPORT LTD.	Wayne Gingrich 8891 Conc 7 Arthur Township, RR#4 ARTHUR ON N0G 1A0		7,044.00
SCHLEGELHOME FARMS INC (BLIND ACRES INC)	Clare Schlegel 3668 Road 104, RR#1 Tavistock ON N0B 2R0		84,283.00
SCHLEGELHOME TRANSPORT	Claire Schlegel 1614 Perth Line 34, RR#1 SHAKESPEARE ON N0B 2P0		4,251.00
SCHOUTEN FARMS LTD.	Erik Schouten 5299 Parkhouse Drive, RR#4 Appin ON N0L 1A0		81,369.00
SCOTT UTTER	515 Maitland Ave S Listowel ON N4W 2M7		41,944.00
SEALED AIR	95 GLIDDEN ROAD BRAMPTON ON L6T 2H8		25,906.92
SHEPELL FGI	Jo-Anne Ramos 316-50 Burnhamthorpe Rd W Mississauga ON L5B 3C2		5,000.00
SP STALLS & STORAGE	8046 INADALE DRIVE RR#2 MOUNT BRYDGES ON N0L 1W0		2,175.25

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

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

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

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
UNISOURCE CANADA INC.	P.O. BOX 46082-T 46082 ST:A TORONTO ON M5W 4K9		11,763.61
UNITED FOOD AND COMMERCIAL WORKERS UNION CANADA	LOCAL 175 (deducted but unremitted dues) 412 RENNIE STREET HAMILTON ON L8S 3P5		251.00
UNITED FOOD AND COMMERCIAL WORKERS UNION CANADA	LOCAL 175 (CCWIP contributions) 412 RENNIE STREET HAMILTON ON L8S 3P5		251.00
VAN RAAJ FARMS LTD.	Martin Van Raay 37871 Dashwood Road, RR#3 Dashwood ON N0M 1N0		62,957.00
VARIOUS EMPLOYEES			251.00
VERNLA LIVESTOCK INC.	Marlon Bauman 3434 Hergott Road, RR#3 WALLENSTEIN ON N0B 2S0		4,347.00
VISCOFAN CANADA INC	290 BENJAMIN HUDON ST. LAURENT QC H4N 1J4		119,356.50
WAJAX INDUSTRIAL COMPONENT	P.O. BOX 8862, POSTAL STATION A TORONTO ON M5W 1P8		18,706.46
WESTLAND PORK / HOGCO	Nick Regier 71690 Goshen Line, RR#3 Zurich ON N0M 2T0		703,364.00
WESTROW FOOD GROUP	#114 - 20171, 92A AVENUE Langley BC V1M 3A5		1,103.51
WHITEBIRD NATIONAL CORRUGATE	690 RENNIE STREET HAMILTON ON L8H 3R2		1,146.95
WM BENNETT & SONS NATURE PORK	Alan Van Ravensway 404966 Beaconsfield Road, RR#2 Burgessville ON N0J 1C0		174,307.00
WM BENNETT & SONS SYNERGY SERVICES	515 Maitland Ave S Listowel ON N4W 2M7		17,579.00
WSIB	P.O. BOX 4115, STATION A TORONTO ON M5W 2V3		360,000.00
XEROX CANADA LTD.	PO BOX 4539 STATION A TORONTO ON M5W 4P5		399.98
XYLEM CANADA COMPANY	P.O BOX 15529 STN A TORONTO ON M5W 1C1		251.00
Total			48,448,998.45

40,525,998

Appendix B

Court File #31-1855569

Estate # 31-1855569

Estate # 31-1855570

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

**SUPPLEMENTARY FIRST REPORT OF THE PROPOSAL
TRUSTEE**

APRIL 11, 2014

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ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

**SUPPLEMENTARY FIRST REPORT OF THE PROPOSAL
TRUSTEE**

APRIL 11, 2014

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

PURPOSE OF THIS REPORT

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

LIMITATION OF REVIEW

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

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

PROPOSAL TRUSTEE’S ACTIVITIES

4. Since the April 10, 2014 hearing, the Proposal Trustee has:
 - (a) Worked with management to review the weekly forecast and loan availability analysis for presentation to TD;
 - (b) Worked with management to prepare and review the Cash Flow Statements as discussed below;
 - (c) Worked with management and TD to reconcile the opening balances of the weekly forecast and loan availability analysis between TD’s records and the Companies’ records;
 - (d) Spoken to TD its counsel to discuss the weekly forecast and loan availability analysis prepared by the Companies;
 - (e) Spoken with Holdings, the Companies and their respective counsel on other potential financiers for the Companies; and
 - (f) Spoken with each of the above parties with respect to their ongoing negotiations on the forbearance agreement.
5. As at the time this Supplementary Report was finalized, the forbearance agreement has not yet been finalized.
6. TD has advised that although they have, and continue to be willing to work with the Companies to support their restructuring efforts, they have not yet had a chance to complete their review of the Companies intended plans, weekly forecast and margining availability analysis submitted earlier today (April 11, 2014). However, they have indicated to the Proposal Trustee that based upon their initial review they are favourably considering an extension to the forbearance to allow the Companies to continue to operate for at least the next week, and are expecting to instruct counsel to prepare documentation for execution.

CASH FLOW STATEMENTS

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

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

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

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

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

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

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

All of which is respectfully submitted this 11th day of April, 2014.

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

A. Farber & Partners Inc.

Appendix C

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

Court File No. 31-1855569

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

April 10/14

April 9/14

For reasons given today, motion dismissed.

*John ...
D.H. Bellow*

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

Proceeding commenced at Toronto

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

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

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

Lawyers for Synergy Swine Inc.

CITATION: Quality Meat Packers Limited (Re), 2014 ONSC 2296

COURT FILE NO.: 31-1855569

DATE: 20140411

SUPERIOR COURT OF JUSTICE – ONTARIO

COMMERCIAL LIST

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

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

BEFORE: D. M. Brown J.

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

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

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

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

R. Jaipargat, for Westland Hog Co. Inc.

D. Magisano, for Kuijpers Key Farm Ltd.

F. Spizzirri, for the Toronto-Dominion Bank

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

HEARD: April 10 and 11, 2014

REASONS FOR DECISION

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

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

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

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

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

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

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

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

II. Background events

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

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

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

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

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

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

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

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

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

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

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

A. The statutory provision

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

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

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

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

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

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

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

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

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

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

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

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

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

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

³ *Cougar Metal Industries*, *supra.*, paras. 12 and 13.

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

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

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

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

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

...

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

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

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

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

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

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

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

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

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

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

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

C. The insolvent person will not likely be able to make a viable proposal before the expiration of the period in question: *BIA* s. 50.4(11)(b)

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

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

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

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

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

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

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

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

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

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

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

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

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

F. Conclusion

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

IV. Request for the appointment of a receiver

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

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

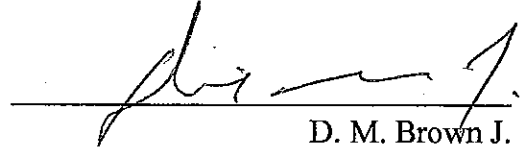
[46] In the present case Synergy Swine submitted that it would be just and convenient to appoint a receiver over the inventory in order to “remedy the harm to farmers arising from QMP accepting shipments when it could not pay for them in order to trigger the s. 82.1 claim and allow the receiver to receive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

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

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

V. Summary and costs

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


D. M. Brown J.

Date: April 11, 2014

Appendix D

QUALITY MEAT PACKERS LTD.

Projected Cash Flow

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

	11-Apr-14	18-Apr-14	25-Apr-14	2-May-14	9-May-14	16-May-14	23-May-14	30-May-14	6-Jun-14	13-Jun-14	20-Jun-14	27-Jun-14	4-Jul-14
Collections													
AR collections	7,348,295	5,700,000	4,600,000	3,900,000	5,400,000	5,400,000	5,100,000	4,400,000	5,200,000	5,200,000	5,400,000	5,000,000	5,300,000
Disbursements													
Purchases - hogs	(150,000)	2,808,878	3,060,818	4,248,461	4,108,243	4,171,736	4,054,783	4,191,289	4,090,794	3,981,518	3,945,011	4,066,425	3,966,475
Purchases - other	582,642	826,900	504,000	634,000	634,000	634,000	578,000	634,000	634,000	634,000	634,000	634,000	624,000
Meat processing charges (TAL)	225,000	315,000	268,000	612,000	295,000	379,000	290,000	560,000	315,000	379,000	295,000	560,000	315,000
Payroll, benefits and pension	300,103	220,000	145,000	289,250	244,700	380,700	244,700	339,700	244,700	380,700	244,700	339,700	244,700
Utilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Materials and supplies	0	0	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	38,000
Rent	0	0	0	0	0	0	0	0	0	0	0	0	0
Property taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Head office and administration	0	0	20,000	136,000	20,000	20,000	20,000	98,000	20,000	20,000	20,000	98,000	20,000
Professional fees	21,250	200,000	100,000	100,000	50,000	50,000	40,000	50,000	50,000	50,000	50,000	50,000	40,000
Freight and cold storage	60,061	50,000	150,000	150,000	150,000	150,000	150,000	185,000	150,000	150,000	150,000	185,000	130,000
Other	4,255	120,000	75,000	75,000	75,000	75,000	60,000	75,000	75,000	75,000	75,000	75,000	60,000
Net Cash flow before the undermoted	1,043,311	4,540,778	4,370,818	6,292,711	5,624,943	5,908,436	5,485,483	6,180,989	5,627,494	5,718,218	5,461,711	6,056,125	5,438,125
Interest & forbearance fees	6,304,984	1,159,223	229,183	(2,392,711)	(224,943)	(508,436)	(385,483)	(1,780,989)	(427,494)	(518,218)	(61,711)	(1,056,125)	(138,125)
	0	0	55,000	0	0	0	0	5,000	0	0	0	15,000	0
Net Cash Flow	6,304,984	1,159,223	174,183	(2,392,711)	(224,943)	(508,436)	(385,483)	(1,785,989)	(427,494)	(518,218)	(61,711)	(1,071,125)	(138,125)
Opening Cash (operating loan)	(3,856,924)	2,448,060	3,607,283	3,781,465	1,388,754	1,163,811	655,375	269,893	(1,516,096)	(1,943,590)	(2,461,808)	(2,523,519)	(3,594,644)
Closing cash (operating loan)	2,448,060	3,607,283	3,781,465	1,388,754	1,163,811	655,375	269,893	(1,516,096)	(1,943,590)	(2,461,808)	(2,523,519)	(3,594,644)	(3,732,769)

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

A. Farber & Partners Inc.

Quality Meat Packers Limited

Per: John Hendriks, CPA CA CIRP
Vice President

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

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

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

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

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

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

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

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

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

QUALITY MEAT PACKERS LIMITED



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

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

TRUSTEE'S REPORT ON CASH-FLOW STATEMENT

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

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

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

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

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

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

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

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

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



Per: John Hendriks, CPA, CA, CIRP

QUALITY MEAT PACKERS LIMITED

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

NOTES

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

HYPOTHETICAL ASSUMPTIONS

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

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

PROBABLE ASSUMPTIONS

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

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

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

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

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

A handwritten signature in black ink, appearing to read "John Hendriks", written over a horizontal line.

Per: John Hendriks, CPA, CA, CIRP

QUALITY MEAT PACKERS LIMITED

A handwritten signature in black ink, appearing to read "Sheldon Garfinkle", written over a horizontal line.

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

Appendix E

TORONTO ABATTOIRES LIMITED
Projected Cash Flow

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

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

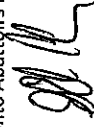
This Statement of Projected Cash Flow, prepared in accordance with s.s.50(6) and/or s.s.50.4(2) of the Bankruptcy and Insolvency Act, should be read in conjunction with the Trustee's report on the reasonableness of the cash flow statement.

A. Farber & Partners Inc.



Per: John Hendriks, CPA CA CIRP
 Vice President

Toronto Abattoirs Limited



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

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

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

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

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

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

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

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

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

TORONTO ABATTOIRS LIMITED



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

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

TRUSTEE'S REPORT ON CASH-FLOW STATEMENT

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

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

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

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

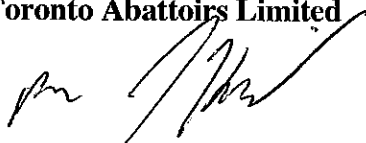
- (a) the hypothetical assumptions are consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are suitably supported and consistent with the plans of the insolvent person or provide a reasonable basis for the projection, given the hypothetical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

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

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

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

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



Per: John Hendriks, CPA, CA, CIRP

TORONTO ABATTOIRS LIMITED

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

NOTES

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

HYPOTHETICAL ASSUMPTIONS

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

1. None

PROBABLE ASSUMPTIONS

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

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

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

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

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



Per: John Hendriks, CPA, CA, CIRP

TORONTO ABATTOIRS LIMITED



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

Appendix F

IN THE MATTER OF THE PROPOSALS OF

QUALITY MEAT PACKERS LIMITED

AND

TORONTO ABATTOIRS LIMITED

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

NOTICE OF MATERIAL ADVERSE CHANGE

(Subsection 50.4(7)(b) of the *Act*)

TAKE NOTICE THAT:

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

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

DATED at Toronto this 22 day of April, 2014

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



John Hendriks, CPA, CA, CIRP
Vice-President

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

SECOND REPORT OF THE PROPOSAL TRUSTEE

DATED MAY 2, 2014

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