

150 York Street
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Canada

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www.farberfinancial.com

Estate No. 31-2049632

**IN THE MATTER OF THE BANKRUPTCY OF
MONARCH BOOKS OF CANADA LIMITED
OF THE CITY OF NORTH YORK,
IN THE PROVINCE OF ONTARIO**

**NOTICE OF BANKRUPTCY AND FIRST MEETING OF CREDITORS
(Subsection 102(1) of the Act)**

TAKE NOTICE THAT:

1. Monarch Books of Canada Limited was deemed to have filed an assignment on January 6, 2016 and the undersigned, A. Farber & Partners Inc., was appointed as Trustee of the Estate of the Bankrupt by the Official Receiver, subject to affirmation by the creditors of the Trustee's appointment or substitution of another Trustee by the creditors.
2. The First Meeting of Creditors of the Bankrupt will be held on January 27, 2016 at 10:00 AM at the office of the Trustee located at:

Farber Financial Group
150 York Street, Suite 1600
Toronto ON M5H 3S5.
3. To be entitled to vote at the meeting, a creditor must lodge with the Trustee, before the meeting, a Proof of Claim and, where necessary, a proxy.
4. Enclosed with this Notice is a form of Proof of Claim, a form of proxy, and a list of creditors with claims amounting to twenty-five (\$25.00) dollars or more, showing the amounts of their claims.
5. Creditors must prove their claims against the Estate of the Bankrupt in order to share in any distribution of the proceeds realized from the Estate.

DATED at Toronto this 13th day of January, 2016.



A. FARBER & PARTNERS INC.

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2049632
Estate No. 31-2049632

☒ Original ☐ Amended

-- Form 78 --

Statement of Affairs (Business Bankruptcy) made by an entity
(Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the proposal of
Monarch Books of Canada Limited
of the City of North York, in the Province of Ontario

BANKRUPTCY
R.G.

To the bankrupt:


You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the bankruptcy, on the 6th day of January 2016. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

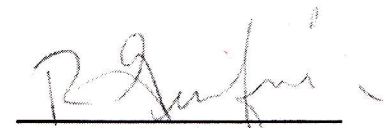
LIABILITIES (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	2,583,608.44
Balance of secured claims as per list "B"	0.00
Total unsecured creditors	2,583,608.44
2. Secured creditors as per list "B"	0.00
3. Preferred creditors as per list "C"	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00
Total liabilities	2,583,608.44
Surplus	NIL

ASSETS (as stated and estimated by the officer)	
1. Inventory	0.00
2. Trade fixtures, etc.	3,000.00
3. Accounts receivable and other receivables, as per list "E"	
Good	0.00
Doubtful	0.00
Bad	0.00
Estimated to produce	75,000.00
4. Bills of exchange, promissory note, etc., as per list "F" ..	0.00
5. Deposits in financial institutions	14,000.00
6. Cash	1,317,000.00
7. Livestock	0.00
8. Machinery, equipment and plant	0.00
9. Real property or immovable as per list "G"	0.00
10. Furniture	0.00
11. RRSPs, RRI's, life insurance, etc.	0.00
12. Securities (shares, bonds, debentures, etc.)	1.00
13. Interests under wills	0.00
14. Vehicles	0.00
15. Other property, as per list "H"	0.00
If bankrupt is a corporation, add:	
Amount of subscribed capital	0.00
Amount paid on capital	0.00
Balance subscribed and unpaid	0.00
Estimated to produce	0.00
Total assets	1,409,001.00
Deficiency	1,174,607.44

I, Ron Gurfinkel, of the City of Toronto in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 6th day of January 2016 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
before me at the City of Toronto in the Province of Ontario, on this 12th day of January 2016.


Annette Chopowick, Commissioner of Oaths
For the Province of Ontario
Expires Apr. 15, 2016


Ron Gurfinkel

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

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2049632
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FORM 78 -- Continued


List "A"
Unsecured Creditors

Monarch Books of Canada Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	A. Guinness & Co	60 Bakersfield St. Toronto ON M3J 2W7	1.00	0.00	1.00
2	Bell Canada	PO Box 9000, Stn. Don Mills North York ON M3C 2X7	151.31	0.00	151.31
3	Brilliance Audio Attn: Natalie Fedewa	1704 Eaton Dr., PO Box 887 Grand Haven MI 49417-2870 USA	242,554.88	0.00	242,554.88
4	Canada Post Corporation	Commercial Remittance Process 2701 Riverside Dr. Ottawa ON K1A 1L7	1.00	0.00	1.00
5	Canadian Mass Media	120 Sinnot Rd. Toronto ON M1L 4N1	1.00	0.00	1.00
6	Canadian Springs	PO Box 4514 Stn. A Toronto ON M5W 4L7	95.14	0.00	95.14
7	Canpar	201 Westcreek Blvd., Suite 102 Brampton ON L6T 0G8	966.18	0.00	966.18
8	Cintas Canada Limited	1110 Flint Rd. Toronto ON M3J 2J5	72.63	0.00	72.63
9	Commerce Technologies	PO Box 15291, Stn. A Toronto ON M5W 1C1	1.00	0.00	1.00
10	Desjardins Card Services	PO Box 8601, Stn. Centre-Ville Montreal QC H3C 3V2	1.00	0.00	1.00
11	Enbridge	Payment Processing Dept. PO Box 644 Toronto ON M1K 5H1	1.00	0.00	1.00
12	Federal Express	PO Box 4626, Toronto Stn., A Toronto ON M5W 5B4	1.00	0.00	1.00
13	Glen Corporation Attn: Bob Athwal	100 Scarsdale Rd. Don Mills ON M3B 2R8	0.00	0.00	0.00
14	Gryphon House Inc. Attn: Amy Acocella	6848 Leons Way, PO Box 10 Lewisville NC 27023-0010 USA	7,022.27	0.00	7,022.27
15	Hi Software Inc.	7 Red Robin Rd., RR #2 Keswick ON L4P 3E9	1.00	0.00	1.00
16	Lerner Publishing Group Attn: David Wexler	241 First Avenue North Minneapolis MN 55401-1607 USA	81,209.89	0.00	81,209.89
17	Livingston International B Brokerage	PO Box 70 Fort Erie ON L2Z 5M6	1.00	0.00	1.00
18	MacEwan Consulting	98 Alameda Ave. Toronto ON M6C 3W6	1.00	0.00	1.00
19	McLeish Corr-A-Box	274 Humberline Dr. Rexdale ON M9W 5S2	1.00	0.00	1.00
20	NAEYC Resource Sales Attn: Amryl Prince	1313 L St. N.W., Suite 500 Washington DC 20005 USA	22,946.80	0.00	22,946.80
21	Pitney Bowes	PO Box 190 Orangeville ON L9W 2Z6	229.74	0.00	229.74
22	Popular Book Company Attn: T.C. Wong	15 Wertheim Court, Units 602-603 Richmond Hill ON L4B 3H7	1,807,000.00	0.00	1,807,000.00
23	Redleaf Press Attn: Sue Ostfield	10 Yorkton Court St. Paul MN 55117 USA	107,350.55	0.00	107,350.55

12-Jan-2016

Date



Ron Gurfinkel

District of: Ontario
Division No. 09 - Toronto
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FORM 78 -- Continued

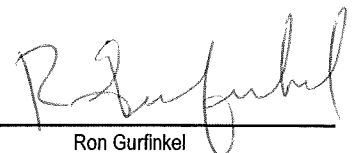
List "A"
Unsecured Creditors

Monarch Books of Canada Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
24	Riverstream Publishing Attn: Vince Douglas	2220 Bear Den Rd. Frederick MD 21701 USA	5,417.10	0.00	5,417.10
25	Rogers	PO Box 9100 Don Mills ON M3C 3P9	1.00	0.00	1.00
26	Ross Cartage	2 Select Ave., Unit 10 Toronto ON M1V 5J4	1,615.28	0.00	1,615.28
27	T Force Integrated Solutions	96 Disco Rd. Toronto ON M9W 0A3	2,785.29	0.00	2,785.29
28	Tiger Tales Attn: Jeannie Rubsam	5 River Road, Suite 128 Wilton CT 06897 USA	204,006.68	0.00	204,006.68
29	Toronto Hydro Electric System	PO Box 4490 Stn. A Toronto ON M5W 4H3	1.00	0.00	1.00
30	United Messengers	270 Drumlin Circle Concord ON L4K 3E2	66.39	0.00	66.39
31	UPS Canada	PO Box 4900, Stn. A Toronto ON M5W 0A7	85.56	0.00	85.56
32	Various Employee Claims	Various ON	100,000.00	0.00	100,000.00
33	Vic Safety Incorporated	377 Vaughan Valley Rd. Vaughan ON L4H 3B5	1.00	0.00	1.00
34	Waste Management	PO Box 4205, Stn. A Toronto ON M5W 5L4	1.00	0.00	1.00
35	Willson International Ltd.	2345 Argentinia Rd., Suite 201 Mississauga ON L5N 8K4	1.00	0.00	1.00
36	Xerox Canada	PO Box 4539, Stn. A Toronto ON M5W 4P5	15.75	0.00	15.75
37	York Transportation	165 Summerslea Rd. Brampton ON L6T 4P6	1.00	0.00	1.00
Total:			2,583,608.44	0.00	2,583,608.44

12-Jan-2016

Date


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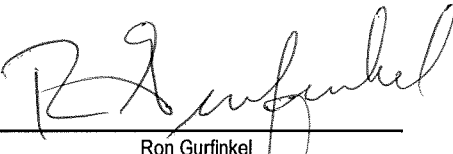
List "B"
Secured Creditors

Monarch Books of Canada Limited

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
		Total:	0.00			0.00	0.00	0.00

12-Jan-2016

Date


Ron Gurfinkel

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FORM 78 -- Continued

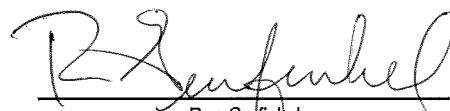
List "C"
Preferred Creditors for Wages, Rent, etc.

Monarch Books of Canada Limited

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

12-Jan-2016

Date


Ron Gurfinkel

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FORM 78 -- Continued

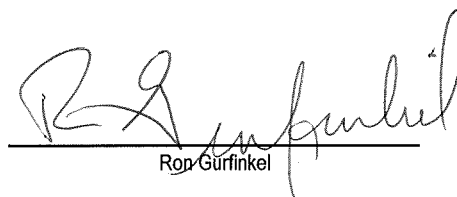
List "D"
Contingent or Other Liabilities

Monarch Books of Canada Limited

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

12-Jan-2016

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Ron Gurfinkel

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FORM 78 -- Continued

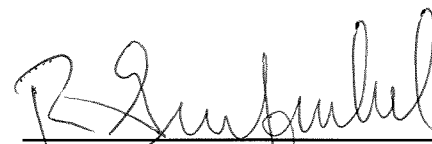
List "E"
Debts Due to the Bankrupt

Monarch Books of Canada Limited

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Various	Various ON	Accounts Receivables	0.00 0.00 0.00		01-Jan-1989	75,000.00	Accounts Receivables
Total:				0.00 0.00 0.00			75,000.00	

12-Jan-2016

Date


Ron Gurfinkel

District of: Ontario
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FORM 78 -- Continued

List "F"

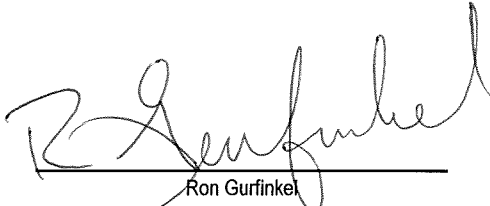
Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

Monarch Books of Canada Limited

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

12-Jan-2016

Date


Ron Gurfinkel

District of: Ontario
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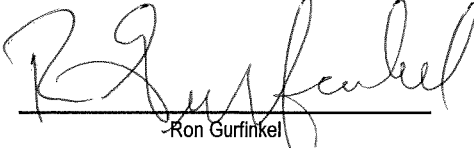
FORM 78 -- Continued

List "G"
Real Property or Immovables Owned by Bankrupt
Monarch Books of Canada Limited

Description of property	Nature of bankrupt interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

12-Jan-2016

Date


Ron Gurfinkel

District of: Ontario
Division No. 09 - Toronto
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FORM 78 -- Concluded

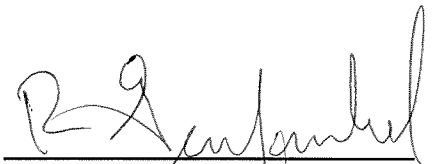
List "H"
Property

Monarch Books of Canada Limited
FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.		Various trade fixtures	38,000.00	3,000.00
(c) Cash in financial institutions	CIBC 1 Eglinton Ave., E., Suite 201 Toronto ON M4P 3A1	00412 66 04110	14,000.00	14,000.00
(d) Cash on hand		Cash on hand	1,317,000.00	1,317,000.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life Insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities		CIBC Investment	23,000.00	1.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other			0.00	0.00
			Total:	1,334,001.00

12-Jan-2016

Date


Ron Gurfinkel

All notices or correspondence regarding this claim must be forwarded to the following address:

IN THE MATTER OF THE **Bankruptcy of Monarch Books of Canada Limited**, of **North York, Ontario** and the claim of _____, creditor.

I, _____ (name of creditor or representative of the creditor),
of _____ (city and province) do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am _____ (state position or title) of _____ (name of creditor or representative of the creditor)).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of **Bankruptcy**, namely the **6th day of January, 2016**, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)
4. (Check and complete appropriate category.)

- ☐ **A. UNSECURED CLAIM OF \$ _____**
That in respect of this debt, I do not hold any assets of the debtor as security and (check appropriate description):
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.
- ☐ Regarding the amount of \$ _____, I do not claim a right to a priority.
(Set out on attached sheet details to support priority claim.)

- ☐ **B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____**
That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

- ☐ **C. SECURED CLAIM OF \$ _____**
That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows: (Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

- ☐ **D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____**
That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____.
(Attach a copy of sales agreement and delivery receipts.)

- ☐ **E. CLAIM BY WAGE EARNER OF \$ _____**
- ☐ That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____
- ☐ That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____

- ☐ **F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____**
- ☐ That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____
- ☐ That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____

- ☐ **G. CLAIM AGAINST DIRECTOR \$ _____**
(To be completed when a proposal provides for the compromise of claims against directors.)
That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

- ☐ **H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____**
That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, the credits that I have allowed to and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or party to with the debtor within the three months (*or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months*) immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act: (*Provide details of payments, credits and transfers at undervalue.*)

7. (*Applicable only in the case of the bankruptcy of an individual*)

- ☐ Whenever the trustee reviews the financial situation of a bankrupt to re-determine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- ☐ I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address. (*Applicable only in the case of the bankruptcy of an individual.*)

Dated at _____ this _____ day of _____ 2016.

Witness: _____

Creditor: _____

Phone Number: _____

Fax Number: _____

Email: _____

NOTES: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

If a copy of this Form is sent electronically by means such as email, the name and contact information of the sender, prescribed in Form 1.1 must be added at the end of the document.

WARNING: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

General

The *signature of a witness* is required.

This document **must be signed** personally by the individual completing the declaration.

Give the complete address where all notices or correspondence is to be forwarded.

For your claim to be valid, you must provide **supporting documentation** (*i.e., invoice or statement of account*). The amount on the **statement of account** must correspond to the amount indicated on the proof of claim (*see Item 3 below*).

Item 1 – Creditor must state full and complete legal name of company or firm. If the individual completing the proof of claim is not the creditor himself, he must state his position or title.

Item 3 – The statement of account must be complete. **A detailed statement of account of the last three months** must be attached to the proof of claim and **must** show the date, the number and the amount of all the invoices or charges, together with the date, the number and the amount of all credits or payments.

Item 4 – Please **strike out** those phrases that do not apply.

- An unsecured creditor must indicate whether he does or does not claim a right to a priority. A schedule must be attached to support priority claims.
- If you are filing as a secured creditor, a certified copy of the security documents must be attached to the proof of claim.
- If making a claim as a farmer, fisherman or aqua culturist, attach a copy of sales agreement and delivery documents.

Item 5 – All claims must indicate if they **are or are not related** to the debtor, as defined in Section 4 of the Bankrupt Act, by striking out **“are” or “are not.”** If you are related by blood or marriage to the debtor, you should consider yourself to be a related person. If the bankrupt is a corporation, you would be considered to be related to it if you were a shareholder or if your company was controlled by the same shareholders as the bankrupt corporation.

Item 6 – All Claimants must attach a detailed list of all payments or credits received or granted as follows:

- **within the three (3) months preceding** the bankruptcy or the proposal, in case where the claimant and the debtor are not related.
- **within the twelve (12) months preceding** the bankruptcy or proposal, in the case where the claimant and the debtor are related.

PROXY

All signatures must be witnessed.

A creditor may vote either in person or by proxy.

A debtor may not be appointed a proxy to vote at any meeting of his creditors.

The trustee may be appointed as a proxy for any creditor.

In order for a duly authorized person to have a right to vote he must himself be a creditor or be holder of a properly executed proxy.

The name of the creditor must appear in the proxy.

Completed forms can be sent by:

Mail: **Allison Palmer**
A. Farber & Partners Inc., Trustee
150 York Street, Suite 1600
Toronto, ON M5H 3S5

Fax: 416 496-3839

Email: Allison Palmer at apalmer@farberfinancial.com

Note: As an original claim is not necessary, multiple copies of your claim do not need to be sent. One copy of your claim and supporting documentation, either by mail, fax or email, would suffice.

GENERAL PROXY

IN THE MATTER OF THE **Bankruptcy of Monarch Books of Canada Limited** an insolvent person. I (*or We*), _____

(*name of creditor*), of _____ (*name of city, town or village*), a creditor in the
above matter, hereby appoint _____ or, _____ to be my (*or*
our) general proxy in the above except as to the receipt of dividends, with (*or without*) power to appoint another general proxy in his or her
place.

Dated at _____ this _____ day of _____, 2016.

Witness

Individual Creditor (Telephone no.)

Name of Corporate Creditor

Witness

Per: _____
Name and Title of Signing Officer (Telephone no.)