

Estate No. 32-2594575

**IN THE MATTER OF THE PROPOSAL OF  
STAR NAVIGATION SYSTEMS GROUP LTD.  
OF THE CITY OF BRAMPTON, IN THE PROVINCE OF ONTARIO**

**NOTICE OF PROPOSAL TO CREDITORS**

Take notice that Star Navigation Systems Group Ltd. of the City of Brampton, in the Province of Ontario, has lodged with me a Proposal under the *Bankruptcy and Insolvency Act*.

Enclosed please find the following documents:

1. Report of the Trustee on the Financial Position of the Company and on the Proposal;
2. Proposal filed January 24<sup>th</sup>, 2020;
3. Statement of the Debtor's Assets and Liabilities (including a list of creditors); and
4. Proof of Claim and Voting Letter.

A General Meeting of Creditors will be held at A. Farber & Partners Inc., at 150 York St. Suite 1600, in Toronto, Ontario on February 14<sup>th</sup>, 2020 at 10:00 a.m.

The creditors or any class of creditors qualified to vote at the meeting may, by resolution, accept the Proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the Court, the Proposal is binding on all the creditors or the class of creditors affected.

Proofs of Claim, proxies and voting letters intended to be used at the meeting must be lodged with me prior thereto.

DATED AT TORONTO this 31<sup>st</sup> day of January, 2020.

**A. FARBER & PARTNERS INC.**

**The Trustee acting *in re* the proposal of  
Star Navigation Systems Group Ltd.**



**Per: Geanina Schmidt**

**IN THE MATTER OF THE PROPOSAL OF  
STAR NAVIGATION SYSTEMS GROUP LTD.**

**TRUSTEE'S REPORT TO CREDITORS**

**TO THE CREDITORS OF STAR NAVIGATION SYSTEMS GROUP LTD.**

This report is prepared in conjunction with the Proposal (the “**Proposal**”) under Part III, Division I, of the Bankruptcy and Insolvency Act (the “**BIA**”) of Star Navigation Systems Group Ltd. (the “**Company**”) which has been lodged with A. Farber & Partners Inc., a Licensed Insolvency Trustee (the “**Proposal Trustee**”), filed January 24, 2020, is made in relation to a Notice of Intention to Make a Proposal (the “**NOI**”) filed on behalf of the Company with the Official Receiver, Toronto, Ontario, on December 11, 2019 (the “**Filing Date**”) and forwarded by regular mail to all known creditors.

The following is an outline of the background and financial dealings of the Company, including relevant information that we feel will be of assistance to creditors in considering their position with respect to the Proposal.

The Proposal Trustee cautions the reader that the Proposal Trustee has conducted neither an audit nor an investigation of the books and records of the Company. Consequently, the Proposal Trustee cannot render an opinion as to the accuracy of the financial information contained in this Report. The information discussed herein has been obtained from the books and records of the Company and from discussions with management of the Company.

Capitalized terms used in this Report are the same as those referenced in the Proposal.

**A. Background**

Star is a leading-edge technology company focused on developing and providing (i) real-time worldwide tracking and monitoring systems and (ii) flat panel and LCD displays, and control units to the aviation industry for safety and efficiency. The Company is listed on the Canadian Securities Exchange but the listing was suspended on November 1, 2019.

Over the course of the last year, there has been an ongoing dispute between two groups of shareholders which is before the Court. Although a shareholder dispute is not part of the Proposal, the dispute is having an impact on the Company, most notably, the disputed change of management effective the NOI Filing Date, December 11, 2019. By order of the Court, the Proposal Trustee is dealing with the new management (“**Management**”). No further application or motion to alter the Management of the Company is scheduled before the Court prior to the Creditors’ Meeting.

## **B. Summary of Proposal**

This section contains a brief summary of the Proposal, the implementation of which is conditional upon the acceptance of the Proposal by the Unsecured Creditors and the approval of the Proposal by the Court.

The key terms of the Proposal include the following:

### *(a) Secured Creditors*

Secured Creditors will be permitted to realize on their security and to proceed fully in accordance with their rights subject to any arrangements made between the Company and the Secured

### *(b) Preferred Creditors*

Preferred Claims, if any, without interest, will be paid in priority to all Claims of Unsecured Creditors.

### *(c) Crown Claims*

The Company covenants and agrees to, within six months after the Implementation Date, pay in full all Crown Claims that were outstanding as at the Filing Date as required by the BIA. This payment of Crown Claims, if any, will be payable by the Company in addition to the Lump Sum Payment payable under Article 2 of the Proposal.

### *(d) Employee Creditors*

The Company covenants and agrees to pay in full all Employee Claims that were

outstanding as at the Filing Date. This payment of Employee Claims, if any, will be payable by the Company in addition to the Lump Sum Payment payable under Article 2 of the Proposal.

*(e) Unsecured Creditors*

The Company will pay the \$90,000 Lump Sum Payment which will first go to the Proposal Trustee fees and expenses after the Implementation Date and the Preferred Claims as provided for in s. 136 of the BIA. The remaining balance will be paid rateably to the Unsecured Creditors.

*(f) Voting on Proposal*

In order for the Proposal to be accepted by creditors, a majority in number and two thirds in value in each class present (personally or by proxy) at the meeting or voting by voting letter is required. The consequence of a rejected Proposal is an automatic deemed bankruptcy.

The description of the Proposal is a summary only, and readers are cautioned that in the event that there is inconsistency between this report and the Proposal, the terms of the Proposal shall govern.

### **C. Financial Position and Causes of Difficulties**

The Company continues to develop its technology solution but is not yet commercial where sales and collections of receivables can finance operations. According to the last audited financial statements for the year-ended June 30, 2018, sales were \$175,087 and expenses were \$2,625,145. The CEO at the time of the NOI filing, Mr. Kapadia advised that the Company was insolvent and needed to commence these NOI proceedings primarily due to the Company not collecting certain accounts receivable on the timetable expected by the Company, certain employees having not been paid for months and a Ministry of Labour garnishment on the bank account. In addition, the creditor list provided by the Company indicates it owes \$173,858 to CRA's for payroll source deduction arrears and the Company's public listing was suspended. In these circumstances, Mr. Kapadia was not prepared to extend further funding/deferred compensation to the Company without the NOI filing.

**D. Interim Receiver**

Not applicable.

**E. Identification and Evaluation of Assets**

According to the Company's Statement of Affairs, as at January 24, 2020, the Company's assets and their estimated realizable values are listed below:

<b>Asset</b>	<b>Estimated Realizable Value (\$)</b>
Accounts Receivable	27,544.75
Inventory	15,000.00
Furniture	5,000.00
Investment in Subsidiary	1.00
Goodwill	1.00
<b>Total</b>	<b>47,546.75</b>

The Company's Statement of Affairs reflects a deficiency value of the assets in a bankruptcy scenario. The Proposal Trustee notes that this number is merely an estimate that accounts for projected realizations and the interests of secured/priority creditors. The Proposal Trustee notes that the Company's Statement of Affairs does not include an estimate for projected costs of realizations.

All the Company's assets, properties and undertakings appear to be encumbered in favour of the Secured Creditor and are likely subject to a CRA payroll deemed trust priority estimated at \$173,858 on the Statement of Affairs.

**F. Conduct of the Company**

Prior to the Filing Date, the books and records were being maintained by a third-party service. Management has taken back the books and records and is updating them to the Filing Date plus the transactions since that date which were primarily funded through an external lawyer's trust account (the "**Trust Account**"). The update of the Company's books and records is ongoing.

The Company continues to fund operations from advances by the Proposal Sponsor the Trust Account and advises that the funding will be provided directly to a Company bank account once the assignment of the Kapadia Debt (see Section I below) is complete.

Certain payroll amounts were paid to employees from the Trust Account in December 2019 and after the Filing Date on a gross basis, without deductions at source. The Company's CFO has calculated that there should have been December 2019 deductions at source of approximately \$21,000 which would normally have been due to be remitted by January 15, 2020. These deductions remain outstanding as at the date of this report but the Company advises that it is making arrangements to pay the December 2019 remittances by February 14, 2020. The Proposal Trustee will update the creditors on this payment at the Meeting of Creditors. The January 2020 payroll is being processed through the Company's books and records and the associated source deductions have been withheld. The January source deductions are due to be paid to CRA by February 15, 2020.

The cash-flow statements filed with the NOI and the Proposal show that the Company is not generating any significant funds on its own and operations are being funded by the Proposal Sponsor on an as-needed basis; accordingly, the above items are not considered a material adverse change on the cash-flow statements so long as the Proposal Sponsor continues funding operations on a timely basis.

#### **G. Creditors' Claims**

According to the Statement of Affairs, the Company's creditors consist of:

<b>Creditor Classification</b>	<b>Amount</b>
CRA - Payroll	\$173,858
Secured (Note 1)	\$65,223
Preferred	0
Unsecured – Non-Kapadia	\$947,305
Unsecured - Kapadia	<u>\$2,254,670</u>
<b>Total</b>	<b><u>\$3,441,056</u></b>

**Note 1 - Secured Creditors**

The Proposal Trustee obtained a *Personal Property Security Act (Ontario)* search on December 11, 2019 which showed the Secured Creditor registered its security on December 10, 2019. To date, the Proposal Trustee has not obtained a security opinion on the validity of the Secured Creditors' security which would include a review of alleged advances under that security.

**H. Previous Business Dealings with the Company**

Not applicable

**I. Informal Meetings with Major Creditors**

The largest creditor is Viraf Kapadia with secured debt of \$65,223 and unsecured debt of \$2,254,670 (the "**Kapadia Debt**") per the Statement of Affairs. Since the filing of the Proposal, the Proposal Sponsor (as defined in the Proposal) is negotiating a global resolution, which includes the assignment of the Kapadia Debt. If successful, the Proposal Sponsor advises that it will not file a claim or participate in the Proposal and the planned distributions therefrom in the event the Proposal is accepted by the creditors and approved by the Court.

**J. Remuneration of the Proposal Trustee**

The Proposal Trustee Expenses will be paid outside of this Proposal up until the Implementation Date. Thereafter, the Proposal Trustee Expenses will be paid from the Lump Sum Payment as set out in the Proposal. Prior to the Filing Date, the Proposal Trustee received a third-party deposit of \$25,000.00 to secure payment of the Proposal Trustee Expenses. The Proposal Trustee has also now received a further \$40,000 from the Proposal Sponsor for the Proposal Trustee Expenses including \$15,000 for the Proposal Trustee to retain legal counsel.

**K. Other**

Not applicable

## **L. Statement of Estimated Realization**

The Statement of Estimated Realizations is attached as Schedule A.

### Proposal Scenario

In the Proposal, it is expected that the Unsecured Creditors will receive the remaining funds from the \$90,000 Lump Sum Payment after payment of any Preferred Claims and the Proposal Trustee Expenses after the Implementation Date. The \$90,000 represents a dividend of approximately 9.6 % to the Unsecured Creditors after excluding the Kapadia Debt. If the Kapadia Debt is included, the expected dividend would be approximately 2.8% of the Unsecured Claims per the Statement of Affairs.

### Bankruptcy Scenario

If the Proposal is rejected by the Creditors, the Company is automatically deemed bankrupt. In a bankruptcy scenario, a shutdown of the business and a forced liquidation of the assets on behalf of CRA and/or the Secured Creditors would occur and, as noted above, there would be no funds available for the Unsecured Creditors.

## **M. Recommendations**

The Proposal Trustee recommends acceptance of the Proposal for the following reasons:

- (a) The Proposal will provide for a greater dividend to Unsecured Creditors than in a bankruptcy scenario;
- (b) The Proposal enables the continuation of employment for the Company's employees; and,
- (c) The quantum of the Proposal includes a sum certain in money and, prior to the meeting of creditors, the Lump Sum Payment is to be paid to the Proposal Trustee, in trust, pending approval of the Proposal by the creditors and the Court.



The Notice to Creditors of the meeting of creditors included in this package provides detailed instructions for the completion and submission of the Proof of Claim, Proxy and Voting Letter.

**DATED AT TORONTO** this 31st day of January, 2020.

**A. FARBER & PARTNERS INC.**

The Trustee acting *in re* the proposal of  
Star Navigation Systems Group Ltd.

A handwritten signature in black ink, appearing to read 'J. Hendriks', written in a cursive style.

Per: John Hendriks, CP, CA, CIRP, LIT  
Managing Director

## Schedule 'A'

Estate No 32-2594575

In the Matter of the Proposal of  
STAR NAVIGATION SYSTEMS GROUP LTD.

Statement of Estimated Realizations from Assets  
As at January 24, 2020  
(All amounts in CAD \$000's)

	Notes	Net Book Value	Estimated Proposal Realization	Estimated Bankruptcy Realization
<b>I. PROPOSAL SCENARIO</b>				
<b>Payments to Unsecureds in Proposal</b>				
Preferred Creditors	1	0	-	0
Unsecured Creditors	2	3,202	90	0
<b>Total Proposal Payments to Unsecureds</b>			<u>90</u>	
<b>II. BANKRUPTCY SCENARIO</b>				
<b>Assets:</b>				
Accounts Receivable	3	36		27
Inventory	3	150		15
Furniture	3	89		5
Intellectual Property	3	1		-
Goodwill	3	800		-
<b>Estimated Realizable Value</b>				<u>47</u>
<b>Less Priority Creditors:</b>				
CRA Deemed Trust - Source Deductions	4			173
Secured Creditor	5			62
Preferred Creditors - s. 136 of the Act	1			-
<b>Estimated Priority Creditors</b>				<u>235</u>
<b>Less Administration Fees and Expenses</b>	6		25	<u>50</u>
<b>Surplus/(Deficit) available for unsecured creditors</b>	7		<u>65</u>	<u>(238)</u>

**Notes**

- The Company estimates that there are no Preferred Creditors and advises that the rent and payroll are being paid after the NOI date.
- The Proposal provides that the \$90,000 Lump Sum will be paid to the Trustee prior to the Meeting of Creditors to be held in trust pending the Implementation Date.  
  
The Unsecured Creditors is from the Statement of Affairs excluding the debt to CRA which is recorded separately herein. The Proposal Sponsor is also negotiating a global resolution with Kapadia, which includes an assignment of Kapadia's secured and unsecured debt (\$65,223 and \$2,254,670, respectively on the Statement of Affairs), and, if successful, the Proposal Sponsor will not file a claim in the Proposal or participate in the distributions of the Lump Sum. The Company expects this matter to be resolved prior the Meeting of Creditors.
- Estimates are per the January 24, 2020 Statement of Affairs
- The Proposal provides that the Crown Claims for payroll amounts will be paid within six months of the Implementation Date as required under the Bankruptcy and Insolvency Act from funds outside of the Lump Sum.
- The Trustee has not yet reviewed the security and accounting thereof.

Further, CRA appears to have a priority payroll claim in excess of the estimated realizable value of the assets; accordingly, in a bankruptcy, there would be no funds available to the secured or unsecured creditors.

- Proposal Trustee fees and expenses are to be paid by the Company outside the funds available to Unsecured Creditors. Proposal Trustee fees and expenses after the Implementation Date are to be paid from the Lump Sum in priority to the Unsecured Creditors pursuant to s. 136 of the BIA.

In a bankruptcy, Bankruptcy Trustee fees and expenses are paid in priority to the Unsecured Creditors pursuant to s. 136 of the BIA

- Estimated amount to be distributed on a pro rata basis amongst unsecured creditors and subject to the Superintendent's Levy pursuant to s. 147(1) of the BIA

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY**

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

– and –

**IN THE MATTER OF THE PROPOSAL OF  
STAR NAVIGATION SYSTEMS GROUP LTD.**

**PROPOSAL**

Star Navigation Systems Group Ltd. (the “**Debtor**”) submits the following Proposal to its Unsecured Creditors pursuant to Part III of the BIA.

**ARTICLE 1 - INTERPRETATION**

**1.1 Definitions**

In this Proposal, capitalized terms shall have the following meanings:

- (a) “**BIA**” means the *Bankruptcy and Insolvency Act* (Canada);
- (b) “**Business Day**” means any day other than a Saturday or a Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein;
- (c) “**Canada Pension Plan**” means the *Canada Pension Plan*, R.S.C. 1985, c. C-8;
- (d) “**Certificate of Full Performance**” means the certificate that the Proposal Trustee shall provide to the Debtor and the Official Receiver upon performance of the Proposal, as set out in Section 7.1, pursuant to the provisions of the Act
- (e) “**Claim**” means any claim of a Creditor against the Debtor that is a “provable claim in bankruptcy” (as such term is defined in the BIA) including any indebtedness, liability, action, cause of action, suit, debt, due, account, bond, covenant, contract, counterclaim, demand, claim, right and obligation of any nature whatsoever of the Debtor to any Person, whether liquidated, unliquidated, fixed, contingent, matured, legal, equitable, secured, unsecured, present, future, known or unknown, and whether by guarantee, surety or otherwise, incurred or arising or relating to the period prior to the Filing Date;
- (f) “**Conditions Precedent**” means the conditions precedent to the implementation of the Proposal set out in Article 6;
- (g) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (h) “**Creditor**” means any Person holding one or more Claims;

- (i) **“Creditors’ Meeting”** means the meeting of the Creditors held for the purpose of considering and voting upon the Proposal in accordance with the provisions of the BIA including, for greater certainty, any adjournments of such meeting;
- (j) **“Crown Claims”** means claims of Her Majesty in Right of Canada or a Province for all amounts that were outstanding as at the Filing Date and are of a kind that could be subject to a demand under,
  - (i) subsection 224(1.2) of the Income Tax Act;
  - (ii) any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the Income Tax Act and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or
  - (iii) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Income Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum,
    - (A) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Income Tax Act, or
    - (B) is of the same nature as a contribution under the Canada Pension Plan if the province is a province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;
- (k) **“Directors”** means the board of directors of the Debtor elected at the special meeting of shareholders held on December 11, 2019;
- (l) **“Employee Claims”** means claims of employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the BIA if the Debtor became bankrupt on the Filing Date, as well as wages, salaries, commissions or compensation for services rendered after the Filing Date and before the date of the Proposal Approval Order, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor's business during the same period;
- (m) **“Employment Insurance Act”** means the *Employment Insurance Act*, SC 1996, c 23;
- (n) **“Filing Date”** means December 11, 2019, being the date the Debtor filed its Notice of Intention to Make a Proposal under the BIA;
- (o) **“Implementation Date”** means the date two that is (2) Business Days following the date upon which the Conditions Precedent have been satisfied;
- (p) **“Income Tax Act”** means *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.);

- (q) **“Lump Sum Payment”** has the meaning ascribed to such term in Article 2;
- (r) **“Person”** means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (s) **“Preferred Creditor”** means any Creditor entitled to receive payment of any amount owed to it in priority to other Creditors as provided in s. 136 of the BIA;
- (t) **“Proposal”** means this Proposal made pursuant to the BIA, as further amended or supplemented from time to time;
- (u) **“Proposal Approval Order”** means an order of the Court approving this Proposal to be granted pursuant to the provisions of the BIA, the appeal period having expired and no appeal having been filed, or any appeal therefrom having been dismissed and such dismissal having become final;
- (v) **“Proposal Proceedings”** means the proposal proceedings commenced by the Debtor on the Filing Date bearing Estate/Court File No. 32-2594575;
- (w) **“Proposal Sponsor”** means Barney Lassche, as agent for a syndicate of shareholders of the Debtor;
- (x) **“Proposal Trustee Expenses”** means the proper fees, expenses and disbursements of the Proposal Trustee and its counsel incurred in connection with the Proposal and the Proposal Proceedings;
- (y) **“Proposal Trustee”** means A. Farber & Partners Inc.;
- (z) **“Proven Claim”** or **“Proven Claims”** means all or any portion of a Claim that is accepted by the Proposal Trustee for voting and distribution purposes in accordance with the procedure set out in section 135 of the BIA or pursuant to an order of the Court;
- (aa) **“Required Majority”** means a majority in number representing two-thirds in value of all Proven Claims of Creditors entitled to vote, who are present and voting at the Creditors’ Meeting (whether in person, by proxy or by voting letter) in accordance with the voting procedures set out in the BIA;
- (bb) **“Secured Creditor”** has the meaning ascribed to the term “secured creditors” under Section 2 of the BIA;
- (cc) **“Superintendent’s Levy”** has the meaning attributed to it in section 147 of the BIA and is payable to the Superintendent in Bankruptcy;
- (dd) **“Unsecured Creditor”** means any Creditor other than Preferred Creditors and Secured Creditors whose Claims arose prior to the Filing Date.

## 1.2 Headings

The division of the Proposal into parts, paragraphs and sub-paragraphs, and the insertion of headings herein, is for convenience of reference only and is not to affect the construction or interpretation of this Proposal. Unless otherwise provided in this Proposal, references herein to

parts, paragraphs and subparagraphs are references to parts, paragraphs and subparagraphs of this Proposal.

### **1.3 Number, etc.**

In this Proposal, where the context requires, a word importing the singular includes the plural and vice versa, and a word importing gender includes the masculine, feminine and neuter genders. The term “including” means “including, without limitation”.

### **1.4 Date for Action**

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

### **1.5 Time**

All times expressed in this Proposal are local time in Toronto, Ontario.

### **1.6 Section References**

In this Proposal, a reference to a section, clause or paragraph shall, unless otherwise stated, refer to a section, clause or paragraph of this Proposal.

### **1.7 Statutory References**

Any reference in this Proposal to a statute includes all regulations made thereunder and all amendments to such statutes or regulations in force from time to time.

### **1.8 Monetary References**

All references to currency and to “\$” are to Canadian dollars, unless otherwise indicated.

### **1.9 Successors and Assigns**

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

## **ARTICLE 2 – PURPOSE OF THE PROPOSAL**

The purpose of this Proposal is to effect a compromise of the Claims of Unsecured Creditors against the Debtor with the expectation that Unsecured Creditors will derive a greater benefit from this Proposal than they would recover in a bankruptcy. This Proposal is not being made to Secured Creditors.

In order to make this Proposal, the Debtor has secured funding in the amount of \$90,000 (the “**Lump Sum Payment**”) from the Proposal Sponsor, which will be distributed by the Trustee in accordance with the terms of this Proposal.

The Lump Sum Payment will provide Unsecured Creditors a greater recovery than a bankruptcy and will not otherwise be available to Creditors for recovery if the Proposal is not accepted by the Required Majority of Unsecured Creditors.

## **ARTICLE 3 – CLASSIFICATION**

### **3.1 Classes of Creditors**

For the purpose of voting on the Proposal, Unsecured Creditors shall vote as a single class. Secured Creditors and Preferred Creditors shall not be entitled to vote on the Proposal.

## **ARTICLE 4 – TREATMENT OF CREDITORS**

### **4.1 Secured Creditors**

Proven Claims of Secured Creditors shall be paid in accordance with the respective agreement(s) between each Secured Creditor and the Debtor or as otherwise agreed between a Secured Creditor and the Debtor.

### **4.2 Preferred Creditors**

Proven Claims of Preferred Creditors are to be paid from the Lump Sum Payment in full, without interest, in priority to all Claims of Unsecured Creditors in satisfaction of such claims.

### **4.3 Unsecured Creditors**

After payment of the Preferred Claims that are Proven Claims, the Proposal Trustee shall distribute the balance of the Lump Sum Payment rateably among Unsecured Creditors with Proven Claims in full and final satisfaction of such claims.

## **ARTICLE 5 – DISTRIBUTION OF PROCEEDS**

### **5.1 Payment of Lump Sum Payment by Proposal Sponsor**

The Proposal Sponsor shall pay to the Proposal Trustee, in trust, by wire transfer, an amount equal to the Lump Sum Payment at least two (2) Business Days prior to the date of the Creditors' Meeting. The Lump Sum Payment is not, and shall not be deemed to be, property of the Debtor.

If any of the Conditions Precedent are not satisfied, the Proposal Trustee shall immediately return to the Proposal Sponsor the Lump Sum Payment by wire transfer of immediately available funds, and the Lump Sum Payment shall not be available to Creditors for distribution.

### **5.2 Payment of Proposal Trustee Expenses**

The Proposal Trustee Expenses shall be paid as follows:

- (a) the Debtor shall pay the Proposal Trustee Expenses until the Implementation Date and such Proposal Trustee Expenses shall not be deducted from the Lump Sum Payment; and
- (b) on and after the Implementation Date, the Proposal Trustee Expenses shall be deducted from the Lump Sum Payment in priority to all other Claims in accordance with Subsection 60(1) of the BIA.

The Proposal Trustee Expenses will be subject to Court approval upon completion of the Proposal.

### **5.3 Crown Claims**

In accordance with the BIA, the Debtor shall, within six months after the Implementation Date, pay in full all Crown Claims. The payment of Crown Claims, if any, will not be deducted from the Lump Sum Payment and will be paid in addition to the Lump Sum Payment.

### **5.4 Employee Claims**

In accordance with the BIA, the Debtor shall pay Employee Claims, if any, immediately following the issuance of the Proposal Approval Order. The payment of Employee Claims, if any, will not be deducted from the Lump Sum Payment and will be paid in addition to the Lump Sum Payment.

### **5.5 Superintendent's Levy**

The Superintendent's Levy shall be deducted and paid from all amounts payable from Lump Sum Payment in respect of the Preferred Claims and Unsecured Claims that are Proven Claims.

### **5.6 Distribution to Preferred Creditors**

Following payment of the Proposal Trustee Expenses, the Proposal Trustee shall distribute an amount from the Lump Sum Payments sufficient to satisfy in full the Proven Claims of Preferred Creditors in accordance with Section 4.2 on or before any applicable deadlines set out in the BIA.

### **5.7 Distribution to Unsecured Creditors**

After the payments under Sections 5.2 and 5.6 are made, the Proposal Trustee shall distribute the balance of the Lump Sum Payment on account of, and following the final determination of all of, the Proven Claims of Unsecured Creditors.

## **ARTICLE 6 – CONDITIONS PRECEDENT TO PROPOSAL**

The Proposal shall be deemed to have been implemented upon the satisfaction of the following Conditions Precedent:

- (a) Acceptance of the Proposal by the Required Majority of Unsecured Creditors; and
- (b) Issuance of the Proposal Approval Order.

## **ARTICLE 7 – MISCELLANEOUS**

### **7.1 Performance of the Proposal**

Upon (i) payment to the Proposal Trustee by the Proposal Sponsor of the Lump Sum Payment, (ii) payment by the Debtor of the Employee Claims and Crown Claims (if any), and (iv) payment by the Debtor of the Proposal Trustee Expenses up to the Implementation Date, the Debtor, its successors and assigns and its directors and officers, shall be deemed to have satisfied the terms of the Proposal and the Proposal Trustee shall provide the Certificate of Full Performance.

### **7.2 Compromise Effective for All Purposes**

The distributions contemplated hereunder will be binding upon each Creditor, other than Secured Creditors, its heirs, executors, administrators, successors and assigns, for all purposes.



### **7.3 Goods or Services Provided After Filing Date**

All post-filing claims shall be paid in full in the ordinary course of business by the Debtor. The Debtor agrees that the Trustee shall not in any case be responsible for ensuring that payment is duly made to all those persons supplying goods or services to the Debtor on or after the Filing Date. All creditors hereby release and forever discharge the Trustee from any and all liability relating to the Debtor's non-payment of any liabilities under this paragraph.

### **7.4 Amendment**

This Proposal may be amended by the Debtor with the consent of the Trustee at any time prior to the conclusion of the Creditors' Meeting, provided that any amendment made pursuant to this paragraph shall not reduce the rights and benefits given to the Unsecured Creditors under the Proposal before any such amendment, and provided further that any and all amendments shall be deemed to be effective as of the Filing Date.

### **7.5 Consents, Waivers, Agreements and Release**

As at 12:01 a.m. on the Implementation Date, all Creditors, other than Secured Creditors, will be deemed:

- (a) to have executed and delivered to the Debtor all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) to have waived any default by the Debtor in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor that has occurred on or prior to the Filing Date;
- (c) to have agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor as at the Implementation Date (other than those entered into by the Debtor on, or with effect from, the Implementation Date) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement; and
- (d) to have released the Debtor, the Trustee and all of their respective affiliates, employees, agents, officers, Directors, partners, advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with the matters herein.

## 7.6 Notices

Any notices or communication to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by electronic transmission, addressed to the respective parties as follows:

(a) if to the Debtor:

Star Navigation Systems Group Ltd.  
2970 Lakeshore Blvd. W.  
Toronto, ON M8V 1J7

Attention: Peter Clausi

Telephone: (416) 890-1232  
Email: pclausi@star-navigation.com

with a copy to:

Miller Thomson LLP  
40 King Street West, Suite 5800  
Toronto, ON M5H 3S1

Attention: Bobby Sachdeva

Telephone: (905) 532-6670  
Email: bsachdeva@millerthomson.com

(b) if to the Proposal Trustee:

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

Attention: John Hendriks

Telephone: (416) 496-3701  
Email: jhendriks@farbergroup.com

or to such other address or electronic mail address as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by electronic mail, and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in the case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

## 7.7 Governing Law

This Proposal shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

## 7.8 Severability

It is intended that all provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect

## 7.9 Deeming Provisions

In this Proposal the deeming provisions are not rebuttable and are conclusive and irrevocable.

**IN WITNESS WHEREOF** the Debtor agrees to the terms of this Proposal:

**Debtor:**

)  
)  
)  
)  
)  
)  
)  
)

**STAR NAVIGATION SYSTEMS GROUP  
LTD.**

Per: \_\_\_\_\_

Name: **Peter Clausi**

Authorized Signing Officer

I have the authority to bind the corporation

January 24, 2020.

District of: Ontario  
Division No. 09 - Mississauga  
Court No. 32-2594575  
Estate No. 32-2594575

☒ Original ☐ Amended

-- Form 78 --

Statement of Affairs (Business Proposal) 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  
Star Navigation Systems Group Ltd.  
of the City of Brampton, in the Province of Ontario

To the debtor:

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 filing of your proposal (or notice of intention, if applicable), on the 24th day of January 2020. 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)		ASSETS (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A" .....	3,375,833.40	1. Inventory .....	15,000.00
Balance of secured claims as per list "B" .....	17,677.10	2. Trade fixtures, etc. ....	0.00
Total unsecured creditors .....	3,393,510.50	3. Accounts receivable and other receivables, as per list "E"	
2. Secured creditors as per list "B" .....	47,546.75	Good .....	0.00
3. Preferred creditors as per list "C" .....	9,700.00	Doubtful .....	0.00
4. Contingent, trust claims or other liabilities as per list "D"		Bad .....	0.00
estimated to be reclaimable for .....	0.00	Estimated to produce .....	27,544.75
Total liabilities .....	3,450,757.25	4. Bills of exchange, promissory note, etc., as per list "F" ...	0.00
Surplus .....	NIL	5. Deposits in financial institutions .....	0.00
		6. Cash .....	0.00
		7. Livestock .....	0.00
		8. Machinery, equipment and plant .....	0.00
		9. Real property or immovable as per list "G" .....	0.00
		10. Furniture .....	5,000.00
		11. RRSPs, RRIFs, life insurance, etc. ....	0.00
		12. Securities (shares, bonds, debentures, etc.) .....	0.00
		13. Interests under wills .....	0.00
		14. Vehicles .....	0.00
		15. Other property, as per list "H" .....	2.00
		If debtor 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 .....	47,546.75
		Deficiency .....	3,403,210.50

I, Randy Koroll, 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 24th day of January 2020 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 24th day of January 2020.

  
Asim Iqbal

  
Randy Koroll

District of: Ontario  
Division No. 09 - Mississauga  
Court No. 32-2594575  
Estate No. 32-2594575

FORM 78 -- Continued

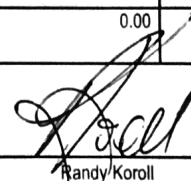
List "A"  
Unsecured Creditors

Star Navigation Systems Group Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	10789291 Canada Inc.	621 Via Campanile Woodbridge ON L4H 0X1	54,616.00	0.00	54,616.00
2	Adlink Tech Inc. / Ampro Adlink Technology Inc.	5215 Hellyer Ave., #110 San Jose CA 95138 USA	15,400.00	0.00	15,400.00
3	ARM Collection Agency USD to CAD	795, 5e Rue de la Pointe Shawinigan QC G9N 1G2	1,672.00	0.00	1,672.00
4	Batth Harmanjeet	53 Executive Court Brampton ON L6R 0L4	10,833.00	0.00	10,833.00
5	Branson Corporate Services	77 King St. W. Suite 2905, P.O. Box 121 Toronto ON M5K 1H1	29,000.00	0.00	29,000.00
6	BSI British Standards Institute	Suite 108, 6205b Airport Road Mississauga ON L4V 1E3	46,000.00	0.00	46,000.00
7	Capital Transfer Agency A	390 Bay Street, Suite 920 Toronto ON M5H 2Y2	979.00	0.00	979.00
8	Capital Transfer Agency B	390 Bay Street, Suite 920 Toronto ON M5H 2Y2	2,907.32	0.00	2,907.32
9	Chirag Chokshy	#505-41 Garfella Drive Etobicoke ON M9V 2G3	2,275.00	0.00	2,275.00
10	CRA - Tax - Ontario 890984354RP0001 (Deemed Trust)	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9	173,858.00	0.00	173,858.00
11	David Lynch	2-1821 Ambrosi Road Kelowna BC V1Y 4R8	15,000.00	0.00	15,000.00
12	Durigraj (Terry) Patan	593 Silverthorn Cres. Mississauga ON L5R 1W7	7,000.00	0.00	7,000.00
13	ECI Solutions USD to CAD	4400 Alliance Gateway Freeway, Suite 154 FT Worth TX 76177 USA	26,221.00	0.00	26,221.00
14	Eulix Digital Printing	1645 Bonhill Road, Unit #6 Mississauga ON L5T 1C1	3,185.00	0.00	3,185.00
15	Fernando Dion	1102-2440 Hurontario Street Mississauga ON L5B 1N2	9,497.50	0.00	9,497.50
16	Fizra Arif	1501-60 Pavane Linkway Toronto ON M3C 1A2	19,250.00	0.00	19,250.00
17	GFL	100 New Park Place #500 Vaughan ON L4K 0H9	230.86	0.00	230.86
18	Gurdip Panaich	-- -- --	15,000.00	0.00	15,000.00
19	Gus Nariman	-- -- --	84,000.00	0.00	84,000.00
20	Hardy, Normand, & Associates S.E.N.C.R.L.	7875, Louis-H.-Lafontaine Blvd, Suite 200 Anjou QC H1K 4E4	12,939.00	0.00	12,939.00
21	Henkel Corporation	P.O. Box 281666 Atlanta GA 30384-1666 USA	651.00	0.00	651.00
22	Henkel Corporation USD to CAD	P.O. Box 281666 Atlanta GA 30384-1666 USA	796.00	0.00	796.00
23	Hiba Zaidi	Unit 4509, 8 Eglinton Ave East Toronto ON M4P 0C1	642.86	0.00	642.86

24-Jan-2020

Date

  
Randy Koroll

District of: Ontario  
 Division No. 09 - Mississauga  
 Court No. 32-2594575  
 Estate No. 32-2594575

FORM 78 -- Continued

List "A"  
 Unsecured Creditors

Star Navigation Systems Group Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
24	Ibrahim Al Hamer	-- -- --	84,000.00	0.00	84,000.00
25	International Cargo	11 Sprinwood Heights Crescent Brampton ON L6P 2C3	585.00	0.00	585.00
26	Intrado Digital Media Canada Inc. (West Canada Holdings ULC)	25 York Street, Suite 900 Toronto ON M5J 2V5	9,545.40	0.00	9,545.40
27	Jean Louis Larmor	229 Avenue Clarke Westmount QC H3Z 2E3	54,000.00	0.00	54,000.00
28	Jeannot Inc.	Place Du Canada 1010 De La Gauchetiere West, Suite 950 Montreal QC H3B 2N2	10,000.00	0.00	10,000.00
29	Jll Accrual	229 Avenue Clarke Westmount QC H3Z 2E3	144,334.00	0.00	144,334.00
30	Junaid Malik	5312 Lismic Boulevard Mississauga ON L5V 1P5	33,000.00	0.00	33,000.00
31	Karthikeyan Retnaganthan	237 Melrose Avenue Toronto ON M5M 1Y9	10,415.00	0.00	10,415.00
32	Kjr Mach Infinity Inc.	5360 Bellagio Crescent Mississauga ON L5V 0C9	33,900.00	0.00	33,900.00
33	Lazertech	33 Melford Drive, Unit #1 Scarborough ON M1B 2G6	3,000.00	0.00	3,000.00
34	Manulife	200 Bloor Street East Toronto ON M4W 1E5	2,800.00	0.00	2,800.00
35	McCarthy Tetrault	66 Wellington St W, Suite 5300 Toronto ON M5K 1E6	4,143.48	0.00	4,143.48
36	Metocean USD to CAD	21 Thomhill Drive Dartmouth NS B3B 1R9	454.00	0.00	454.00
37	Ministry of Finance - ON PST, EHT & Other Taxes Attn: Mrs. Asta Alberry A	Ministry of Revenue 33 King Street West 6th Floor Oshawa ON L1H 8H5	4,782.00	0.00	4,782.00
38	Ministry of Finance - ON PST, EHT & Other Taxes Attn: Mrs. Asta Alberry B	Ministry of Revenue 33 King Street West 6th Floor Oshawa ON L1H 8H5	247.00	0.00	247.00
39	Ministry of Labour Garnishment	410 - 70 Foster Drive Sault Ste. Marie ON P6A 6V4	9,000.00	0.00	9,000.00
40	Mouser Electronics A	1000 North Main Street Mansfield TX 76063 USA	300.00	0.00	300.00
41	Mouser Electronics B	1000 North Main Street Mansfield TX 76063 USA	1,185.59	0.00	1,185.59
42	Nighat Fatima	9 Allendale Road Brampton ON L6W 2Y7	24,000.00	0.00	24,000.00
43	Patmark Consultants LLP / Aditya & Co INR to CAD	Hubtown Solaris, 121, 1st Floor, NS Phadke Marg, JN. Telli Gully & E-W Bridge Andheri (E) Mumbai 400 069 India	1,590.00	0.00	1,590.00
44	Ping Shen	75 Eaton Street Georgetown ON L7G 5T1	15,000.00	0.00	15,000.00
45	RMF Designs	5675 Timberlea Blvd. Mississauga ON L4W 2S4	19,049.70	0.00	19,049.70

24-Jan-2020

Date

  
 Randy Koroll

District of: Ontario  
Division No. 09 - Mississauga  
Court No. 32-2594575  
Estate No. 32-2594575

FORM 78 -- Continued

List "A"  
Unsecured Creditors

Star Navigation Systems Group Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
46	Rob Hancock Designated Aviation Rep / 1319309 Ontario Inc. / Westfield Consultants	2144 Grosvenor Street Oakville ON L6H 5L2	12,000.00	0.00	12,000.00
47	Roger Peacock	403 Davisville Ave Toronto ON M4S 1H4	13,500.00	0.00	13,500.00
48	Rovatec	4 Bayfield Court Caledon ON L7C 1C7	2,745.00	0.00	2,745.00
49	Russell Designated Aviation Rep / 2052065 Ontario Inc.	976 Essa Cres Pickering ON L1W 2J1	6,000.00	0.00	6,000.00
50	Scaleyourbiz.com c/o Bilal Asad / 2570211 Ontario Inc. USD to CAD	105 Trammel Drive Woodbridge ON L4H 0W3	3,465.00	0.00	3,465.00
51	Sunaik Corp.	-- -- --	17,000.00	0.00	17,000.00
52	TD Canada Trust Visa Attn: CC&R Insolvency and Credit Counselling Visa	4720 Tahoe Blvd, 3rd Flr, Bldg 1 Mississauga ON L4W 5P2	5,000.00	0.00	5,000.00
53	TD Canada Trust Attn: CC&R Insolvency and Credit Counselling Overdraft	4720 Tahoe Blvd, 3rd Flr, Bldg 1 Mississauga ON L4W 5P2	50,000.00	0.00	50,000.00
54	Transport Canada	4900 Yonge Street, Unit 400 North York ON M2N 6A5	4,100.00	0.00	4,100.00
55	Ups Brokerage	P.O. Box 4900, Station A Toronto ON M5W 0A7	214.54	0.00	214.54
56	Versatile Spray Paint	102 Healey Rd Caledon ON L7E 5A7	452.00	0.00	452.00
57	Viraf S Kapadia	4117 Mississauga Road Mississauga ON L5L 2S5	2,254,670.15	17,677.10	2,272,347.25
58	Wifi Computers Canada	105 Father Tobin Rd, Unit 3 Brampton ON L6R 0W9	2,610.00	0.00	2,610.00
59	Workplace Safety and Insurance Board Attn: c/o Collection Services A	200 Front St W Toronto ON M5V 3J1	6,000.00	0.00	6,000.00
60	Workplace Safety and Insurance Board Attn: c/o Collection Services B	200 Front St W Toronto ON M5V 3J1	792.00	0.00	792.00
<b>Total</b>			<b>3,375,833.40</b>	<b>17,677.10</b>	<b>3,393,510.50</b>

24-Jan-2020

Date

  
Randy Koroll

District of: Ontario  
Division No. 09 - Mississauga  
Court No. 32-2594575  
Estate No. 32-2594575

FORM 78 -- Continued

List "B"  
Secured Creditors

Star Navigation Systems Group Ltd.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	Viraf S Kapadia	4117 Mississauga Road Mississauga ON L5L 2S5	65,223.85	Debts Due - Business - A/R - Various Customers Business Assets - Stock In Trade - Inventory Furniture - Office Furniture and Computer Equipment Other - Goodwill Other - Investment in Subsidiary Debts Due - Business - CRA - Sales Tax Refund		27,543.75 15,000.00 5,000.00 1.00 1.00 1.00		17,677.10
Total:			65,223.85			47,546.75	0.00	17,677.10

24-Jan-2020

Date



Randy Koroll



District of: Ontario  
Division No. 09 - Mississauga  
Court No. 32-2594575  
Estate No. 32-2594575

FORM 78 -- Continued

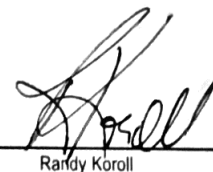
List "C"  
Preferred Creditors for Wages, Rent, etc.

Star Navigation Systems Group Ltd.

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
1	W.Ralston (Canada) Inc. Landlord	135 East Drive Brampton ON L6T 1B5		-	9,700.00	0.00	9,700.00
Total:					9,700.00	0.00	9,700.00

24-Jan-2020

Date

  
Randy Koroll

District of: Ontario  
Division No. 09 - Mississauga  
Court No. 32-2594575  
Estate No. 32-2594575

FORM 78 -- Continued

List "D"  
Contingent or Other Liabilities

Star Navigation Systems Group Ltd.

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		

24-Jan-2020  
Date

  
Randy Koroll

District of: Ontario  
Division No. 09 - Mississauga  
Court No. 32-2594575  
Estate No. 32-2594575

FORM 78 -- Continued

List "E"  
Debts Due to the Debtor

Star Navigation Systems Group Ltd.

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	A/R - Various Customers	A/R - Various Customers --	A/R - Various Customers	0.00 0.00 0.00		09-Feb-1993	27,543.75	A/R - Various Customers
2	CRA - Sales Tax Refund	-- --	CRA - Sales Tax Refund	0.00 0.00 0.00		09-Feb-1993	1.00	CRA - Sales Tax Refund
Total				0.00 0.00 0.00			27,544.75	

24-Jan-2020

Date



Randy Koroll

District of: Ontario  
Division No. 09 - Mississauga  
Court No. 32-2594575  
Estate No. 32-2594575

FORM 78 -- Continued

List "F"

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

Star Navigation Systems Group Ltd.

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	

24-Jan-2020

Date

  
Randy Koroll

District of Ontario  
 Division No. 09 Mississauga  
 Court No. 32-2594575  
 Estate No. 32-2594575

FORM 10 - Continued

LIST 10

Real Property - Immovable Personalty Table

See Navigation System Group 10

Description of property	Value of debtor's interest	In whose name does title exist	Total value	Particulars of mortgages, liens, or other encumbrances (name address amount)	Equity or surplus
Total			0.00		0.00

24-Jan-2025

Date

  
 Date: 2025

District of: Ontario  
Division No. 09 - Mississauga  
Court No. 32-2594575  
Estate No. 32-2594575

FORM 78 -- Concluded

List "H"  
Property

Star Navigation Systems Group Ltd.

FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade		Inventory	150,000.00	15,000.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture		Office Furniture and Computer Equipment	89,438.00	5,000.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other		Investment in Subsidiary	1.00	1.00
		Goodwill	80,000.00	1.00
			<b>Total:</b>	<b>20,002.00</b>

24-Jan-2020

Date



Randy Koroll

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

IN THE MATTER OF THE **PROPOSAL** of **STAR NAVIGATION SYSTEMS GROUP LTD.**, of **BRAMPTON, 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 the **notice of intention to make a proposal**, namely the **11<sup>th</sup> day of December, 2019**, 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 \_\_\_\_\_ 20\_\_\_\_\_.

Witness Signature: \_\_\_\_\_  
(Required)

Creditor Signature: \_\_\_\_\_  
(Required)

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: **Ms. Geanina Schmidt**  
A. Farber & Partners Inc., Trustee  
150 York Street, Suite 1600  
Toronto, ON M5H 3S5

Fax: 416 496-3839

Email: [gschmidt@farbergroup.com](mailto:gschmidt@farbergroup.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 **PROPOSAL** of **STAR NAVIGATION SYSTEMS GROUP LTD.**

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 \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor (Telephone no.)

\_\_\_\_\_  
Name of Corporate Creditor

\_\_\_\_\_  
Witness

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

**IN THE MATTER OF THE PROPOSAL OF  
STAR NAVIGATION SYSTEMS GROUP LTD.  
OF THE CITY OF BRAMPTON, IN THE PROVINCE OF ONTARIO**

**VOTING LETTER**

I, \_\_\_\_\_, creditor (or  
I, \_\_\_\_\_, representative  
of \_\_\_\_\_, creditor), of \_\_\_\_\_  
(*name of city*), a creditor in the above matter for the sum of \$ \_\_\_\_\_  
hereby request the Trustee acting with respect to the Proposal of **STAR  
NAVIGATION SYSTEMS GROUP LTD.** to record my vote \_\_\_\_\_ ("*For*" or  
"*Against*") the acceptance of the Proposal filed on the **24th** day of **January**,  
**2020**.

**DATED AT** \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Individual Creditor Signature

\_\_\_\_\_  
Name of Corporate Creditor

\_\_\_\_\_  
Witness Signature

Per: \_\_\_\_\_  
Name and Title of Signing Officer