

October 19, 2018

To the Creditors of 1732427 Ontario Inc. ("173" or the "Company")

Please take notice that on October 12, 2018, 173 filed a Proposal (the "Proposal") pursuant to s.50.4(1) of the *Bankruptcy and Insolvency Act (Canada)* ("BIA") and MNP Ltd has consented to act as Proposal Trustee. Please find enclosed the following:

- A. Notice of Proposal to Creditors dated October 12, 2018;
- B. A copy of the Proposal, filed on October 12, 2018;
- C. Statement of Affairs;
- D. Report of Trustee on Proposal;
- E. Proof of Claim Form;
- F. Proxy Form; and
- G. Voting Letter

Pursuant to the BIA all proceedings by creditors are stayed (stopped) as of July 2, 2018;

A meeting of creditors to consider the Proposal will be held at 11:00 a.m. on November 2, 2018, at The Lamplighter Inn & Conference Centre, in the Royal Palm Boardroom, located at 591 Wellington Road South, London, Ontario.


If you have any questions concerning the foregoing or require any additional information, please contact Jessie Hue at 416-515-5006 or by email at MessengerFreight@mnp.ca.

Yours truly,

MNP Ltd.

**Trustee acting in re: the Proposal of
1732427 Ontario Inc.**

Per:



David Adams, CIRP, LIT

District of: Ontario
Division No. 05 - London
Court No. 35-2395487
Estate No. 35-2395487

FORM 92
Notice of Proposal to Creditors
(Section 51 of the Act)

In the matter of the proposal of
1732427 Ontario Inc.
of the City of St. Thomas
in the Province of Ontario

Take notice that 1732427 Ontario Inc. of the City of St. Thomas in the Province of Ontario has lodged with us a proposal under the Bankruptcy and Insolvency Act.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed herewith.

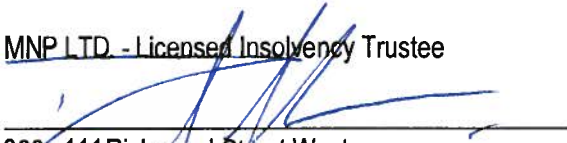
A general meeting of the creditors will be held at 591 Wellington Road South, London, ON on the 2nd day of November 2018 at 11:00 AM.

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 us prior to the commencement of the meeting.

Dated at the City of Toronto in the Province of Ontario, this 19th day of October 2018.

MNP LTD. - Licensed Insolvency Trustee


300- 111 Richmond Street West
Toronto ON M5H 2G4

Phone: (416) 596-1711 Fax: (416) 323-5242

(A form of proof of claim, a form of proxy and a voting letter should be enclosed with each notice.)

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE PROPOSAL OF 1732427 ONTARIO INC.
OF THE CITY OF ST. THOMAS, IN THE PROVINCE OF ONTARIO

PROPOSAL OF 1732427 ONTARIO INC.

The Debtor hereby submits the following Proposal to Unsecured Creditors pursuant to Part III of the BIA.

ARTICLE 1

DEFINITIONS

1.1 Definitions

In this Proposal:

- (a) "**Administrative Fees and Expenses**" means the proper fees, expenses, including legal fees and disbursements, of the Trustee and the Debtor, on and incidental to the negotiation, preparation, presentation, consideration and implementation of the Proposal, and all proceedings and matters relating to or arising out of the Proposal;
- (b) "**Approval Order**" means an Order of the Court approving the Proposal;
- (c) "**BIA**" means the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended and in force as at the Filing Date;
- (d) "**Business Day**" means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;
- (e) "**Canada Pension Plan**" means the Canada Pension Plan, R.S.C. 1985, c. C-8, as amended;
- (f) "**Claim**" means any right of any Person against the Debtor in connection with any indebtedness, liability or obligation of any kind of the Debtor which indebtedness, liability or obligation is in existence at the Filing Date, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, by



surety or otherwise and whether or not such a right is executory in nature, including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which exist prior to or as of the Filing Date;

- (g) **"Claim Determination Date"** means the date on which the validity of all proofs of claim filed by Creditors has been finally determined in accordance with the BIA;
- (h) **"Court"** means the Ontario Superior Court of Justice (in Bankruptcy and Insolvency);
- (i) **"Creditor"** means any Person, having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;
- (j) **"Creditors' Meeting"** means the meeting of the Unsecured Creditors called for the purpose of considering and voting upon the Proposal;
- (k) **"Creditors' Meeting Date"** means the date and time as may be called by the Trustee for the meeting of creditors to consider this Proposal, but in any event shall be no later than twenty-one (21) days following the Proposal Date;
- (l) **"Debtor"** means 1732427 Ontario Inc.;
- (m) **"Employee Creditors"** means 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 that date and before the Court approval of the Proposal, 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;
- (n) **"Employment Insurance Act"** means the Employment Insurance Act, S.C. 1996 c. 23, as amended;
- (o) **"Filing Date"** means 2 July 2018 (the date the Debtor filed Notices of Intention to Make a Proposal);
- (p) **"Implementation Date"** means the date upon which the conditions set forth in Article 6.4 have been satisfied;
- (q) **"Income Tax Act"** means the Income Tax Act, R.S.C. 1985, c. 1 (5th Supp.), as amended;
- (r) **"Official Receiver"** shall have the meaning ascribed thereto in the BIA;
- (s) **"Ordinary Creditors"** means Creditors with Proven Claims, except for those Claims:
 - (i) that the Trustee determines not to be a provable claim in accordance with Section 135 (1.1) of the BIA;



- (ii) that have been finally and conclusively disallowed in accordance with the BIA;
 - (iii) that are Claims by a Preferred Creditor; or
 - (iv) that are Claims by a Secured Creditor;
- (t) **"Ordinary Creditor Note"** means the promissory notes to be issued to Ordinary Creditors pursuant to this Proposal, substantially in the form attached hereto as Schedule "A";
- (u) **"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;
- (v) **"Preferred Creditors"** means Creditors with Proven Claims that are required by the BIA to be paid in priority to all other claims under a proposal made by a debtor save and except for Employee Creditors and Source Deduction Creditors;
- (w) **"Proof of Claim"** shall mean the proof of claim required by the BIA to be mailed to each known Creditor prior to the Creditors' Meeting;
- (x) **"Proposal"** means this proposal together with any amendments or additions thereto;
- (y) **"Proposal Date"** means the date of the filing of the Proposal with the Official Receiver;
- (z) **"Proven Claim"** of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the BIA;
- (aa) **"Secured Creditor"** means any Person holding a mortgage, hypothec, pledge, charge, lien or privilege on or against the property of the Company or any part thereof as security for a Claim, and **"Secured Creditors"** means all of them;
- (bb) **"Source Deduction Creditors"** means Her Majesty in Right of Canada or a Province for all amounts that were outstanding at the time of 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;

(cc) "Trustee" means MNP Ltd. or its duly appointed successor or successors;

(dd) "Unsecured Creditors" means the Preferred Creditors and any Creditor who is not a Secured Creditor; and

(ee) "Voting Letter" shall mean the voting letter required by subsection 51(1) of the BIA to be mailed to each known Creditor prior to the Unsecured Creditors' Meeting.

1.2 Articles of Reference

The terms "hereof", "hereunder", "herein" and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.3 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.4 Date for Any 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 which is a Business Day.

1.5 Time

All times expressed herein are local time in Toronto, Ontario, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time shall be deemed to be 5:00 p.m. local time in Toronto, Ontario, Canada.

1.6 Numbers



In the Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

1.7 Currency

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

1.8 Statutory References

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

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

CLASSIFICATION AND TREATMENT OF CREDITOR

2.1 Classes of Creditors

For the purposes of voting on the Proposal, there shall be one (1) class of Creditors. Class 1 will consist of the Unsecured Creditors.

2.2 Secured Creditors

The Claim of each Secured Creditor shall be paid by the Debtor in accordance with agreements between the Debtor and the Secured Creditor or as otherwise agreed between the Secured Creditor and the Debtor. For greater clarity, each Secured Creditor shall not be affected by the Proposal or the Proposal proceedings commenced by the Debtor under the BIA.

2.3 Administrative Fees and Expenses

The Administrative Fees and Expenses will be paid in full by the Debtor.

2.4 Preferred Creditors

The Proven Claims of the Preferred Creditors are to be paid in full in priority to the Proven Claims of the Unsecured Creditors in accordance with the BIA and the Proposal.

2.4 Unsecured Creditors



The Claims of all Ordinary Creditors shall be compromised on the Implementation Date and thereafter each Creditor with a Proven Claim shall receive an Ordinary Creditor Note in the amount of its Proven Claim as Ordinary Creditor, which Ordinary Creditor Note shall be issued as a single class and not in series and shall rank *pari passu* with all Ordinary Creditor Notes.

ARTICLE 3

PROCEDURE FOR VALIDATION OF CLAIMS

3.1 Filing of Proofs of Claim

Each Creditor must file a Proof of Claim as required by the BIA to vote on, or receive a distribution under, the Proposal.

3.2 Allowance or Disallowance of Claims by the Trustee

Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each Proof of Claim in accordance with the provisions of the BIA. The procedure for valuing Claims of the Unsecured Creditors and resolving disputes with respect to such Claims will be as set forth in the BIA.

ARTICLE 4

MEETING OF CREDITORS

4.1 Unsecured Creditors' Meeting

On the Creditors' Meeting Date, the Debtor shall hold the Creditors' Meeting in order for the Creditors to consider and vote upon the Proposal.

4.2 Time and Place of Meeting

Unless otherwise ordered by the Court, the Creditors' Meeting shall be held at a time and place to be established by the Official Receiver, or the nominee thereof, and confirmed in the notice of Creditors' Meeting to be mailed to Creditors pursuant to the BIA.

4.3 Conduct of Meetings

The Official Receiver, or the nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only persons entitled to attend the Creditors' Meeting are those persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, the Secured Creditors and their respective legal counsel, if any, and the officers, directors, auditors and legal counsel of the Debtor, together with such representatives of the Trustee as the Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other person may be



admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Unsecured Creditors.

4.4 Adjournment of Meetings

The Creditors' Meeting may be adjourned in accordance with Section 52 of the BIA.

4.5 Voting by Creditors

To the extent provided for herein, each Creditor will be entitled to vote in their respective class to the extent of the amount that is equal to that Creditor's Claim. Any Proof of Claim in respect of a Claim that is not a Proven Claim as at the Creditors' Meeting Date will be marked as objected to in accordance with **subsection 108(3)** of the BIA.

4.6 Approval by Creditors

In order that the Proposal be binding, it must be approved by Creditors in accordance with the BIA.

ARTICLE 5

DISTRIBUTION

5.1 Payment of Employee Creditors

The Claims, if any, of the Employee Creditors shall be paid immediately after the making of the Approval Order in the ordinary course using proceeds from the operation of the Debtor's business.

5.2 Payment of Source Deduction Creditors

Unless Her Majesty agrees otherwise, the Proven Claims, if any, of the Source Deduction Creditors shall be paid within six (6) months after the making of the Approval Order using proceeds from the operation of the Debtor's business.

5.3 Payment of Ordinary Creditor Notes

The Debtor shall, within five days of the Claim Determination Date, deliver to the Trustee for distribution to Ordinary Creditors with Proven Claims the Ordinary Creditors Notes. The Ordinary Creditors Notes shall not bear interest and shall be payable by the Debtor on demand.

5.4 Levy

All payments shall be net of any applicable levy payable to the Office of the Superintendent of Bankruptcy as required by the BIA and the Trustee shall remit the amount of such levy to the Office of the Superintendent of Bankruptcy contemporaneous with the distributions to Unsecured Creditors. The Office of the Superintendent of Bankruptcy levy shall be paid in a manner similar



to payment to Creditors in that the Office of the Superintendent of Bankruptcy will be issued Ordinary Creditor Notes in accordance with section 147 of the BIA.

5.5 Certificate of Full Performance

Upon the receipt by the Trustee of the amounts contemplated in Article 2 and the delivery of the Ordinary Creditor Notes contemplated in this Article 5, this Proposal shall have been fully performed and the Trustee shall issue to the Debtor the certificate referred to in section 65.3 of the BIA.

5.6 Discharge of Trustee

Upon the payment by the Trustee of the amounts contemplated in this **Article 5**, the Trustee shall have discharged its duties as Trustee and the Trustee shall be entitled to apply for its discharge as Trustee. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Debtor and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.

ARTICLE 6

MISCELLANEOUS

6.1 Compromise Effective for all Purposes

The provisions of this Proposal will be binding upon each Creditor, their heirs, executors, administrators, successors and assigns, for all purposes.

6.2 Modification of Proposal

The Debtor may propose an alteration or modification to the Proposal prior to the vote taking place on the Proposal.

6.3 Consents, Waivers and Agreements

As at 12:01 a.m. on the Implementation Date, each Unsecured Creditor, 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 Unsecured Creditor and the Debtor that has occurred on or prior to the Implementation 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 Unsecured 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 shall be amended accordingly; and
- (d) subject to the terms of the Proposal, to have released the Debtor, the Trustee and all of their respective affiliates, employees, agents, directors, officers, shareholders, advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgements, 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; provided that nothing herein shall release the Debtor of its obligation to make the distributions to Unsecured Creditors contemplated in this Proposal.

6.4 Conditions to Proposal Implementation

The implementation of the Proposal by the Debtor will be conditional upon the fulfilment or satisfaction of the following conditions:

- (a) The acceptance of the Proposal by the Unsecured Creditors; and
- (b) The making of the Approval Order and the expiry of all appeal periods.

6.5 Effect of Proposal Generally

As at 12:01 a.m. on the Implementation Date, the treatment of all Claims under the Proposal shall be final and binding on the Debtor and all Unsecured Creditors (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns).

6.6 Conduct of Debtor's Business

Subject to any Order made by the Court, the Debtor shall remain in possession and control of its property and assets at all times, both before and after implementation of this Proposal.

ARTICLE 7

ADVOIDANCE OF TRANSACTION

7.1 Avoidance Proceedings



Sections 95 to 101 of the BIA will not apply in respect of the Debtor or this Proposal.

ARTICLE 8

GENERAL

8.1 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 telecopier (except for Proofs of Claim which may only be sent by personal delivery, telecopier or registered mail) addressed to the respective parties as follows:

- (a) if to the Debtor:

1732427 Ontario Inc.
150 Dennis Road
St. Thomas, ON N5P0B6
Attention: Louise Vonk

E-mail : louise@messengerfreight.ca

- (b) if to an Unsecured Creditor, to the address or telecopier number for such Unsecured Creditor specified in the Proof of Claim filed by such Unsecured Creditor or, if no proof of Claim has been filed, to such other address or telecopier number at which the notifying party may reasonably believe that the Unsecured Creditor may be contacted; and

- (c) if to the Trustee:

MNP Ltd.
300-111Richmond St W
Toronto, ON M5H 2G4

Attention: Sheldon Title
Telecopier: 416-323-5240
E-mail: sheldon.title@mnp.ca

or to such other address or telecopier number 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 telecopier 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 telecopier or 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 to 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.

8.2 Foreign Currency Obligations

For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the Filing Date.

8.3 Applicable 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.

8.4 Non Severability

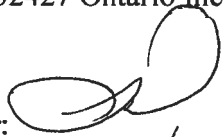
It is intended that all provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatever,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

8.5 Deeming Provisions

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

DATED at the City of London, in the Province of Ontario, this 12th day of October 2018

1732427 Ontario Inc.

Per: 
Name: Louise Van
Title: President

I have authority to bind the corporation.

**DEMAND PROMISSORY NOTE
(Ordinary Creditors)**

AMOUNT: \$ _____

DUE: ON DEMAND

This Ordinary Creditor Note is provided under and pursuant to the terms of a Proposal made by 1732427 Ontario Inc., dated October 12, 2018, pursuant to Part III of the *Bankruptcy and Insolvency Act* (the "Proposal") and is subject to the terms thereof. Any capitalized terms used and not defined herein shall have the meaning ascribed to them in the Proposal. In the event of any conflict between the terms of this Ordinary Creditor Note and the terms of the Proposal, the terms of the Proposal will prevail.

1732427 Ontario Inc. ("173 ONT"), a corporation incorporated and existing under the laws of the Province of Ontario, hereby promises to pay to _____ (the "Holder") the principal amount as set out above. No interest shall be payable under this Ordinary Creditor Note.

All payments in respect of this Ordinary Creditor Note shall be made in lawful currency of Canada by certified cheque to the Holder at principal office of 173 ONT, currently located at the City of St. Thomas, or at such other address as the Holder of this Ordinary Creditor Note may designate to 173 ONT, without set-off or counterclaim and without deduction or withholding for or on account of any present or future taxes, levies, duties, imposts or other charges of any kind.

173 ONT hereby waives presentment, demand, dishonour, notice of dishonour, protest, noting of protest and notice of any other kind.

This Ordinary Creditor Note shall be deemed to have been made and issued at St. Thomas, Canada and shall be governed by and construed, performed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

IN WITNESS WHEREOF, 173 ONT has caused this Ordinary Creditor Note to be duly executed and sealed on this ____ day of _____, 2018.

1732427 ONTARIO INC.

By: _____
Name: LOUISE VONK,
Title: President

District of: Ontario
 Division No. 05 - London
 Court No. 35-2395487
 Estate No. 35-2395487

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
 1732427 Ontario Inc.
 of the City of St. Thomas
 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 2nd day of July 2018. 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"	2,357,686.74	1. Inventory	0.00
Balance of secured claims as per list "B"	0.00	2. Trade fixtures, etc.	0.00
Total unsecured creditors	2,357,686.74	3. Accounts receivable and other receivables, as per list "E"	
2. Secured creditors as per list "B"	6,794,173.41	Good	0.00
3. Preferred creditors as per list "C"	0.00	Doubtful	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00	Bad	0.00
Total liabilities	9,151,860.15	Estimated to produce	0.00
Surplus	NIL	4. Bills of exchange, promissory note, etc., as per list "F"	0.00
		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"	7,000,000.00
		10. Furniture	0.00
		11. RRSPs, RRFs, 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"	0.00
		If debtor is a corporation, add:	
		Amount of subscribed capital	100.00
		Amount paid on capital	100.00
		Balance subscribed and unpaid	0.00
		Estimated to produce	0.00
		Total assets	7,000,000.00
		Deficiency	2,151,860.15

I, Louise Vonk, of the City of St Thomas 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 12th day of October 2018 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 London in the Province of Ontario, on this 12th day of October 2018.



 Sheldon Title, Commissioner of Oaths
 For the Province of Ontario
 Expires



 Louise Vonk

**Holly Ann Tomabuono, a Commissioner, etc.,
 Province of Ontario, for MNP Ltd.
 Expires August 3, 2020.**

District of: Ontario
 Division No. 05 - London
 Court No. 35-2395487
 Estate No. 35-2395487


FORM 78 – Continued

List "A"
 Unsecured Creditors
 1732427 Ontario Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	1787930 Ontario Inc.	150 Dennis Road St. Thomas ON N5P 0B6	687,429.00	0.00	687,429.00
2	CRA - Tax - Ontario Attn: Quebec Insolvency Intake Centre	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9	0.00	0.00	0.00
3	Feldman Lawyers	390 Bay Street Toronto ON M5H 2Y2	11,310.74	0.00	11,310.74
4	Ministry of Finance - ON PST, EHT & Other Taxes Attn: Mrs. Asta Alberry	Ministry of Revenue 33 King Street West 6th Floor Oshawa ON L1H 8H5	0.00	0.00	0.00
5	Shareholder Loan	150 Dennis Road St. Thomas ON N5P 0B6	1,658,947.00	0.00	1,658,947.00
6	Workplace Safety and Insurance Board Attn: c/o Collection Services	200 Front St W Toronto ON M5V 3J1	0.00	0.00	0.00
Total:			2,357,686.74	0.00	2,357,686.74

12-Oct-2018

Date



Louise Vonk

District of: Ontario
 Division No. 05 - London
 Court No. 35-2395487
 Estate No. 35-2395487

FORM 78 – Continued

List "B"
 Secured Creditors

1732427 Ontario Inc.

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	Bank of Nova Scotia Attn: Tim Hogan	c/o Harrison Pensa LLP 450 Talbot Street PO Box 3237 London ON N6A 4K2	6,069,173.41	Real Property or Immovable - Building and Land - St. Thomas - 150 Dennis Road	19-Feb-2016	6,069,173.41	205,826.59	
2	Corporation of the City of St. Thomas Attn: Tracy Johnson	PO Box 520 545 Talbot St. St Thomas ON N5P 3V7	725,000.00	Real Property or Immovable - Building and Land - St. Thomas - 150 Dennis Road	10-Oct-2018	725,000.00		
Total:			6,794,173.41			6,794,173.41	205,826.59	0.00

12-Oct-2018

Date



Louise Vonk

District of: Ontario
Division No. 05 - London
Court No. 35-2395487
Estate No. 35-2395487

FORM 78 - Continued

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

1732427 Ontario Inc.

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-Oct-2018

Date



Louise Vonk

District of: Ontario
Division No. 05 - London
Court No. 35-2395487
Estate No. 35-2395487

FORM 78 - Continued

List "D"
Contingent or Other Liabilities

1732427 Ontario Inc.

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-Oct-2018

Date



Louise Vonk

District of: Ontario
Division No. 05 - London
Court No. 35-2395487
Estate No. 35-2395487

FORM 78 – Continued

List "E"
Debts Due to the Debtor
1732427 Ontario Inc.

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
				0.00				
			Total:	0.00			0.00	
				0.00				

12-Oct-2018

Date



Louise Vonk

District of: Ontario
Division No. 05 - London
Court No. 35-2395487
Estate No. 35-2395487

FORM 78 - Continued

List "F"

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

1732427 Ontario Inc.

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-Oct-2018

Date



Louise Vank

District of: Ontario
 Division No. 05 - London
 Court No. 35-2395487
 Estate No. 35-2395487

FORM 78 – Continued

List "G"
 Real Property or Immovables Owned by Debtor

1732427 Ontario Inc.

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Building and Land - St. Thomas - 150 Dennis Road	100% interest	1732427 Ontario Inc.	7,000,000.00	Corporation of the City of St. Thomas PO Box 520 545 Talbot St. St Thomas ON N5P 3V7 725,000.00 Bank of Nova Scotia c/o Harrison Pensa LLP 450 Talbot Street PO Box 3237 London ON N6A 4K2 6,069,173.41	205,826.59
Total:			7,000,000.00		205,826.59

12-Oct-2018

Date



Louise Vonk

District of: Ontario
Division No. 05 - London
Court No. 35-2395487
Estate No. 35-2395487

FORM 78 - Concluded

List "H"
Property

1732427 Ontario Inc.

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.			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			0.00	0.00
(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
			Total:	0.00

12-Oct-2018

Date



Louise Vank

District of ONTARIO
Division 05-London
Estate #: 35-2395487
Court # 35-2395487

SUPERIOR COURT OF JUSTICE (IN BANKRUPTCY)

**IN THE MATTER OF THE PROPOSAL OF
1732427 ONTARIO INC.
OF THE CITY OF ST. THOMAS,
IN THE PROVINCE OF ONTARIO**

REPORT OF TRUSTEE TO THE CREDITORS
(Section 50(5) of the Bankruptcy and Insolvency Act)

Enclosed are the following documents:

- ♦ Notice of Proposal to Creditors;
- ♦ Proposal under Part III, Division I, of the *Bankruptcy and Insolvency Act* (the “**BIA**”), dated October 12, 2018 (the “**Proposal**”) lodged with MNP Ltd. (the “**Trustee**”) by 1732427 Ontario Inc. (“**173 ONT**” or the “**Company**”) and filed with the Official Receiver on October 12, 2018;
- ♦ a statement of affairs, detailing the Company’s assets and liabilities as July 2, 2018 (“**SOA**”);
- ♦ a proof of claim form;
- ♦ voting letter if you wish to vote in advance of the meeting; and
- ♦ general proxy.

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

In preparing this Report and making the comments herein, the Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the Company’s books and records, discussions with employees and management and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report, the Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook.

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

SECTION A - Background

173 ONT owns an approximately 130,000 square foot industrial building, situated on approximately 14 acres of land, located at 150 Dennis Road, St. Thomas, Ontario (the “**Property**”). 173 ONT’s serves as a holding company for the Property.

1787930 Ontario Inc. cob as Messenger Freight (“**Messenger**”, and together with 173 ONT, the “**Companies**”), a related company to 173 ONT, is an Ontario corporation that carries on business out of the Property and from rented premises in Cambridge, Ontario. Messenger is a transportation and logistics company. Messenger provides warehousing and storage services to its customers, as well as providing repacking and sorting.

Each of Messenger and 173 ONT filed a Notice of Intention to Make a Proposal on July 2, 2018, and each obtained an extension of time within which to file a Proposal from the Court.

On October 12, 2018, the Company filed a Proposal pursuant to the BIA, as a means of: (i) stabilizing the Companies; (ii) consider the possibility of a refinancing, and (iii) offering its creditors a dividend that would be higher than its creditors would receive in the event of a bankruptcy.

The Trustee is maintaining a website at <https://mnpdebt.ca/en/corporate/engagements/1787930-ontario-inc> with publicly available information on the Companies’ proposal proceedings.

SECTION B - Summary of the Proposal

This section contains a summary of the Proposal, the terms of which would be effective only if the Proposal is accepted by the creditors and approved by the Court, in accordance with the provisions of the BIA.

As set out in the Proposal, the Proposal provides for the following:

- (i) Conditional on the approval of the Proposal by the Unsecured Creditors of 173 ONT and the making of the Approval Order, 173 ONT will, within five days of the Claim Determination Date, deliver to the Trustee for distribution to Ordinary Creditors with Proven Claims the Ordinary Creditors Notes, which notes are non-interest bearing and payable by the Debtor on demand
- (ii) Secured Creditors will be paid in accordance with existing arrangements, or as may be arranged with them and are not affected by this Proposal;
- (iii) Payment of the proper fees and expenses of the Trustee, including legal fees, in connection with the Proposal shall be paid by the Company;
- (iv) Preferred creditors directed by the BIA to be paid before the claims of unsecured creditors, are as follows:
 - (a) Claims of preferred creditors, if any, are to be paid in full (without interest);
 - (b) Federal and Provincial Crown claims, as such claims are defined in s.60(1.1) of the BIA, are to be paid within six months following court approval of the Proposal;
 - (c) Notwithstanding paragraph (a), amounts owing to employees and former employees equal to amounts they would be qualified to receive under section 136(1)(d) of the BIA if the Company became bankrupt on the date of Court approval of the Proposal, are to be paid immediately upon approval of the Proposal by the Court.

The Trustee is unaware of any preferred claims that rank ahead of the claims of Unsecured Creditors, save and except for the Administrative Fees and Expenses.

(v) Sections 95-101 of the BIA will not apply in respect of this Proposal.

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

SECTION C - Financial Position and Causes of Difficulties

173 ONT's financial difficulties are attributable to the financial challenges impacting Messenger's business. 173 ONT's ability to keep current in its remittances of property taxes and its mortgage is dependent on Messenger's generating sufficient cash flow to satisfy these obligations.

173 ONT and Amber Energy Co-operative Inc. ("**Amber**" or the "**Tenant**") entered into a lease agreement dated January 9, 2018 (the "**Lease**"), wherein the Tenant has a leasehold interest in the Property. The Tenant has installed and operates on the Property an electricity grid connected photovoltaic solar power plant consisting of, among other equipment and accessories, solar panels, transmissions and distribution lines, transformers and inverters.

On August 21, 2017, CPE Inc. issued a statement of claim against Amber claiming, *inter alia*, that it be entitled to a lien against the Property and claim from Amber the sum of \$3,277,000 pursuant to the *Construction Lien Act* (the "**Construction Lien Claim**"). CPE Inc. supplied engineering, procurement and construction services to Amber that is the basis of the Construction Lien Claim. 173 ONT incurred legal fees related to addressing the Construction Lien Claim. After the filing of the NOI, CPE Inc. released the certificate of action against the Property.

SECTION D - Interim Receiver

Not Applicable.

SECTION E - Identification and Evaluation of Assets

According to the SOA, 173 ONT's sole asset is its 100% ownership of the Property, which Property is valued at \$7,000,000. The Trustee has not sought an independent appraisal of the Property.

SECTION F - Conduct of the Company

The conduct of the Company does not appear to be subject to censure.

SECTION G - Creditors' Claims

Per the SOA, the Company's creditors consist of:

<u>Creditor Classifications</u>	<u>SOA Amount</u>
Secured	\$ 6,794,173
Preferred	0
Unsecured	2,357,687
TOTAL	<u>\$ 9,151,860</u>

The secured claims include the claims of the City of St. Thomas for unpaid municipal taxes imposed on the Property and a mortgage registered against the Property in favour of Bank of Nova Scotia.

173 ONT's unsecured creditor claims include \$11,310 due to its legal counsel in responding to the Construction Lien Claim, with the balance due to related parties, including Messenger.

SECTION H - Previous Business Dealings with the Company

Not applicable

SECTION I - Informal Meeting with Major Creditors

During the NOI, the Companies and the Trustee have had ongoing discussions with BNS.

SECTION J - Remuneration of Trustee

The Trustee's fees and expenses related to the administration of the Proposal, including those of its and 173 ONT's legal counsel, will be paid by the Company.

On July 31, 2018, the Court ordered an Administration Charge of \$75,000 in favour of the Trustee, counsel to the Trustee and counsel to the Companies.

SECTION K - Other

Not applicable.

SECTION L - Statement of Estimated Realizations

In the event of 173 ONT's bankruptcy, the realizations of the Property, as valued on the SOA, would likely be insufficient to satisfy the claims of 173 ONT's secured creditors after deducting the costs of realization and professional fees.

Preferences and Transactions at Undervalue

The Proposal provides that sections 95-101 are not applicable. Accordingly, and to assess the appropriateness of the inclusion of this clause, the Trustee has undertaken a review of the Company's books and records in order to enable it to be in a position to report to the creditors on any potential preferences or transfers at undervalue identified.

The Trustee is advised that 173 ONT did not maintain its own bank account. The receipts and expenses related to the Property are funded by Messenger.

The Trustee is unaware of any preferential transactions and/or transactions at undervalue that may be worthy of challenge.

SECTION M - Recommendations

Based on the above, the Trustee recommends the acceptance of the Proposal as the Proposal contemplates a higher distribution to the Unsecured Creditors than a bankruptcy.

SECTION N - Technical Requirements for a Successful Proposal

This Proposal will become effective only if it is accepted by a resolution of the Unsecured Creditors and approved by the Court. To obtain Creditor approval, a simple majority in the number of Unsecured Creditors voting, with this majority representing at least 2/3 of the dollar value of the Unsecured Creditors voting, must vote in favour of the Proposal. If the Unsecured Creditors do not accept the Proposal, then the Company will be deemed to have made an assignment in bankruptcy and a meeting of creditors in the matter of the bankruptcy will immediately take place.

If the Unsecured Creditors vote to accept the Proposal, Court approval of the Proposal must then be sought. If the Court does not approve the Proposal, the Company would be deemed to have made an assignment in bankruptcy and the Trustee will then call a meeting of creditors in the matter of the bankruptcy.

When completing the Proof of Claim form submitted herewith, Creditors should include all outstanding amounts as at July 2, 2018, the date of the filing of the NOI. It is expressly noted and should be clearly understood that the Trustee, in its capacity as Trustee, assumes no personal liability for any claims that Creditors may have against 173 ONT either before or after the filing of the Proposal.

Creditors may attend, in person or by proxy, the meeting to consider the Proposal, which will be held at Best Western Plus Lamplighter Inn & Conference Centre, located at 591 Wellington Road South, London, ON on November 2, 2018 at 11:00 am (Toronto Time).

Creditors who do not wish to attend or be represented at the meeting but who wish to vote, may forward their Proofs of Claim and voting letters by either email to messengerfreight@mnp.ca or fax to (416) 323-5242, to the Trustee so as to be received prior to 11:00 am (Toronto Time) on November 2, 2018.

If you should have any questions or comments on the Proposal or this report, please do not hesitate to contact the undersigned.

Dated at Toronto, Ontario, the 19th day of October 2018.

MNP LTD.

*Trustee acting in re the Proposal of
1732427 Ontario Inc., and not in its
personal capacity*

Per:



Sheldon Title, CPA, CA, CIRP, LIT

Encl.

District of: Ontario
Division No. 05 - London
Court No. 35-2395487
Estate No. 35-2395487

FORM 31
Proof of Claim
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

In the matter of the proposal of
1732427 Ontario Inc.
of the City of St. Thomas
in the Province of Ontario

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

In the matter of the proposal of 1732427 Ontario Inc. of the City of St. Thomas in the Province of Ontario and the claim of
_____, creditor.

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

1. That I am a creditor of the above named debtor (or I am _____ (position/title) of _____
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 proposal, namely the 2nd day of July 2018, 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 \$ _____

(other than as a customer contemplated by Section 262 of the Act)

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 an 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 81.6 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/am not) (or the above-named creditor _____ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and _____ (have/has/have not/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, and 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 a 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 Section 2 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 redetermine 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.

Dated at _____, this _____ day of _____, _____.

Witness

Creditor

Phone Number: _____
Fax Number : _____
E-mail Address : _____

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

WARNINGS: 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 20(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

District of: Ontario
Division No. 05 - London
Court No. 35-2395487
Estate No. 35-2395487

FORM 36
Proxy
(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

In the matter of the proposal of
1732427 Ontario Inc.
of the City of St. Thomas
in the Province of Ontario

I, _____, of _____, a creditor in the above matter, hereby
appoint _____, of _____, to be
my proxyholder in the above matter, except as to the receipt of dividends, _____ (with or without)
power to appoint another proxyholder in his or her place.

Dated at _____, this _____ day of _____, _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

MNP LTD. - Licensed Insolvency Trustee

300 - 111 Richmond Street West
Toronto ON M5H 2G4
Phone: (416) 596-1711 Fax: (416) 323-5242

District of: Ontario
Division No. 05 - London
Court No. 35-2395487
Estate No. 35-2395487

FORM 37

Voting Letter
(Paragraph 5(1)(f) of the Act)

In the matter of the proposal of
1732427 Ontario Inc.
of the City of St. Thomas
in the Province of Ontario

I, _____, creditor (or I, _____, representative
of _____, creditor), of _____, a creditor in the above matter
for the sum of \$ _____, hereby request the trustee acting with respect to the proposal of 1732427
Ontario Inc., to record my vote _____ (for or against) the acceptance of the proposal as made on
the _____ day of _____.

Dated at _____, this _____ day of _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:
MNP LTD. - Licensed Insolvency Trustee
Per:

Sheldon Title - Licensed Insolvency Trustee
300 - 111 Richmond Street West
Toronto ON M5H 2G4
Phone: (416) 596-1711 Fax: (416) 323-5242

CHECKLIST FOR PROOFS OF CLAIM

This checklist is provided to assist you in preparing the accompanying proof of claim form and, where required, proxy form in a complete and accurate manner. Please specifically check each requirement.

Under Section 109 of the Bankruptcy and Insolvency Act only those creditors who have filed their claims in the proper form with the trustee, before the time appointed for the meeting, are entitled to vote at the meeting.

Section 124 states that every creditor shall prove his claim and the creditor who does not prove his claim is not entitled to share in any distribution that may be made.

General

- ◆ The signature of a witness is required;
- ◆ The claim must be signed personally by the individual completing this declaration;
- ◆ Give the complete address where all notices or correspondence is to be forwarded
- ◆ The amount of the statement of account must correspond to the amount indicated on the proof of claim.
- ◆ It is permissible to file a proof of claim by fax or by email.

Paragraph 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/she must state his/her position or title.

Paragraph 3

- ◆ The statement of account must be complete;
- ◆ A detailed statement of account 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. A statement of account is not complete if it begins with an amount brought forward.

Paragraph 4

- ◆ Subparagraph 4.A must be completed by an unsecured creditor and must indicate if priority is claimed pursuant to Section 136.
- ◆ Subparagraph 4.B must be completed by a landlord only in a Proposal, for any claim related to disclaimer of lease. The amount of the claim is to be calculated according to the terms of the proposal. Provide details of calculation.
- ◆ Subparagraph 4.C must be completed by a secured creditor. A certified true copy of the security instrument as registered must be provided.
- ◆ Subparagraph 4.D must be completed a farmer, fisherman or aquaculturist creditor. A copy of the sales agreement and delivery documents must be provided.
- ◆ Subparagraph 4.E applies if you are a wage earner (ie, a clerk, servant, travelling salesperson, labourer or worker who is owed wages, salaries, commissions or compensation by a bankrupt (subsection 81.3) or by a "person" that is subject to a receivership (subsection 81.4) for services rendered during the six months immediately before the date of bankruptcy or receivership).
- ◆ Subparagraph 4.F is to be completed only in a Proposal, and only if the proposal provides for the compromise of claims against Directors. Provide full details including calculations.
- ◆ Subparagraph 4.G applies if you are a "customer" of a bankrupt securities firm (as contemplated by Section 262 of the Bankruptcy and Insolvency Act).

Paragraph 5

- ◆ All claimants must indicate if he or she is related or not to the debtor, as defined in Section 4 of the Bankruptcy and Insolvency Act, by striking out "AM" or "IS" or "AM NOT" or "IS NOT".

Paragraph 6

- ◆ All claimants must attach a detailed list of all payments or credits received or granted, as follows:
 - a) Within the three (3) months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are not related;
 - b) Within the twelve (12) months preceding the bankruptcy or proposal, in the case where the claimant and the debtor are related.

- APPOINTING PROXY -

Note: The Bankruptcy and Insolvency Act permits a proof of claim to be made by a duly authorized agent of a creditor but this does not give such a person power to vote at the first meeting of creditors or to act as the proxy of the creditor.

General

- ◆ A creditor may vote either in person or by proxy;
- ◆ A debtor may not be appointed as 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 the holder of a properly executed proxy. The name of the creditor must appear in the proxy.