

District of: British Columbia
Division No. 03 - Vancouver
Court No. B200171
Estate No. 11-2626936

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

In the matter of the proposal of
FHC Enterprises Ltd.
of the City of Vancouver, in the Province of British Columbia

Take notice that FHC Enterprises Ltd. of the City of Vancouver in the Province of British Columbia has lodged with me 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.

A general meeting of the creditors will be held on the 11th day of June 2020 at 2:00 PM.

**The meeting will be convened solely via teleconference.
To attend the meeting please call the number below at the appointed time:
1 (877) 252-9279 (conference ID: 302 862 778#).**

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.

Please see the attached correspondence in relation to meeting details, requirements prior to the meeting, and conduct at the meeting.

Dated at the City of Vancouver in the Province of British Columbia, this 29th day of May 2020.

MNP Ltd. - Licensed Insolvency Trustee

Suite 1600, MNP Tower, 1021 West Hastings Street
Vancouver BC V6E 0C3
Phone: (604) 639-0001 Fax: (604) 904-8628
vancouverpbmail@mnp.ca

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

May 29, 2020

To: Creditors of FHC Enterprises Ltd. (“FHC”)

Re: First Meeting of Creditors

FHC filed a Proposal to its creditors pursuant to the provisions of the *Bankruptcy and Insolvency Act* on May 21, 2020, and the First Meeting of Creditors (“**FMOC**”) to consider and vote on the Proposal will be held on June 11, 2020 at 2:00 pm Pacific Time.

In order to practice and maintain social distancing guidelines which are currently recommended during the COVID-19 pandemic, **the FMOC will be convened only by teleconference.** MNP’s office is currently not open to the public.

It is not mandatory to attend the FMOC by teleconference. Voting Letters filed with the Trustee will be counted at the FMOC assuming that the corresponding creditor’s proof of claim form is filed and admitted by the Trustee prior to the FMOC. We encourage creditors to file all forms with the Trustee’s office electronically at the following email address: vancouverpbmail@mnp.ca

Please review the following procedures with respect to the FMOC:

Meeting Details

1. Date: June 11, 2020
2. Time: 2:00 pm Pacific Time
3. Call in Details: 1(877) 252-9279
4. Conference ID: 302 862 778#

Requirements Prior to FMOC

1. This Notice of Proposal to Creditors includes a proof of claim form, form of proxy and a voting letter. In order to be entitled to vote at the meeting you must file a proof of claim with the Trustee prior to the date and time of the FMOC, and the Trustee must have accepted your claim for voting purposes.
2. The cut-off time for filing a proof of claim form, proxy, and voting letter with the Trustee is 11:00 am Pacific Time on the date of the FMOC to permit a reasonable review by the Trustee.
3. The Trustee will use its best efforts to review and register late filed proof of claims forms, proxies, and voting letters for the FMOC.

Registration

1. The Trustee will open the conference line 30 minutes in advance of the appointed meeting time. We encourage creditors to call in earlier than the appointed time to permit registration and attendance to be completed and to avoid a delay in proceeding with the FMOC.
2. Callers will be acknowledged on a “first come first served” basis and registration will include the following:
 - a) Please identify yourself by the creditor number beside your creditor name listed in the Form 78 Statement of Affairs which is attached;
 - b) Identify any additional individuals attending with you and their capacity in attending;
 - c) Confirmation of claim amount;
 - d) Confirmation of whether vote will be by way of voting letter already lodged with the Trustee or by voice at the FMOC;
 - e) Confirmation of any proxies that you may hold for other creditors; and
 - f) Whether you want your name to stand as a potential Inspector to the estate when a vote is taken during the FMOC to appoint Inspectors (details of this role will be provided during the FMOC).

Procedure at the FMOC

1. Please have your phone on mute unless you are speaking to prevent background noise that will interfere with properly conducting the FMOC.
2. The Proposal Trustee will act as Chair of the FMOC.
3. The Chair will call the FMOC to order and may need to immediately adjourn the meeting for a period of time to allow the registration process to be completed.
4. The Chair will reconvene the FMOC as soon as possible and resume with the agenda set for the FMOC.

If you have any questions, please contact Patty Wood directly at (604) 637-1535 or at patty.wood@mnp.ca

MNP Ltd.

In its capacity as Licensed Insolvency Trustee
In the Proposal Proceedings of FHC Enterprises Ltd
and not in its corporate capacity

Per: Patty E. Wood CPA, CGA, CIRP, LIT
Senior Vice President

ESTATE NO. 11-2626936
COURT NO. B200171
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY**

**IN THE MATTER OF THE PROPOSAL OF
FHC ENTERPRISES LTD.**

PROPOSAL

OF

FHC ENTERPRISES LTD.

DATED FOR REFERENCE MAY 21, 2020

**MADE PURSUANT TO PART III DIVISION 1 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED**

**ARTICLE I
DEFINITIONS & INTERPRETATION**

1.1 DEFINITIONS

In this Proposal, including the attached schedules:

“**Approval Order**” means the court order made in the Proposal Proceeding approving the Proposal and directing the implementation of the Proposal.

“**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended.

“**Business Day**” means a date other than a Saturday, Sunday or statutory holiday in British Columbia.

“**Claim**” means a claim for an amount alleged by a person to be owed to it, or any obligation, enforceable right, duty or liability, contingent or otherwise, (including any claim whether contingent or accrued on behalf of Her Majesty the Queen in right of the Dominion of Canada or any Province or any municipality), or any cause of action against the Company or its respective assets and property calculated either as at the Filing Date or in the case of claims under executory



contracts arising subsequent to the Filing Date as a result of the termination of such contracts as at the date of such termination.

“**Classes**” means the classes of Creditors created under the Proposal.

“**Company**” means FHC Enterprises Ltd., an Insolvent Person incorporated under the laws of British Columbia.

“**Court**” means the Supreme Court of British Columbia.

“**CRA**” means Her Majesty the Queen in Right of Canada as represented by the Minister of National Revenue.

“**Creditor**” means a person having a Proven Claim.

“**Disallowed Claimant**” means a person filing a Proof of Claim with the Trustee which is disallowed in whole or in part by the Trustee until either:

- (a) The time period for disputing the Trustee’s disallowance established in the Proposal expires without the filing of a motion to Court by such Disallowed Claimant, in which case the Disallowed Claimant shall not have a claim; or
- (b) A motion has been filed by the Disallowed Claimant disputing the disallowance and either:
 - (i) The Court has upheld the Trustee’s disallowance in which case the Disallowed Claimant shall not have a Claim; or
 - (ii) The Court has varied either in whole or in part, the Trustee’s disallowance, in which the case the amount established by the Court will become a Claim.

“**Filing Date**” means March 6, 2020, the date when the Notice of Intention to Make a Proposal was filed.

“**General Creditors**” means:

- a) Any Creditor who is not a Secured Creditor;
- b) Any Creditor who has any deficiency claim in connection with any security, mortgage, charge or encumbrance;
- c) Any Secured Creditor who has elected to file a proof of claim as an unsecured creditor under section 50.1(3) of the BIA.

“**Implementation Date**” means the first Business Day after the date the Court approves the Proposal.

“**Insolvent Person**” means that definition set out in Section 2 (1) of the BIA.

“Meeting” means the meeting of the General Creditors to be held pursuant to Section 51(1) of the BIA for the purpose of considering, and if thought fit, voting to approve the Proposal, as same may be amended at any such Meeting, and agreeing to the compromise and arrangement constituted thereby, and any adjournment thereof.

“Post Filing Creditor Claims” means all claims of Post Filing Creditors for amounts alleged to be owed to them arising after the Filing Date.

“Post Filing Creditor” means any person who has supplied goods or services to or who has an entitlement to receive sales or excise taxes, source deductions or assessments and premiums from the Company arising subsequent to the Filing Date in relation to any unpaid amounts relating thereto and extends to include the federal or provincial Crown for amounts owed in respect of federal or provincial sales or excise taxes collected subsequent to the Filing Date, or amounts owing in respect of source deductions on account of employee income tax, Canada Pension Plan contributions and Employment Insurance premiums arising subsequent to the Filing Date, and amounts payable to any Workers’ Compensation authority whether as to premiums or assessments accruing due subsequent to the Filing Date.

“Preferred Creditors” means all creditors entitled to priority over the General Creditors pursuant to section 136 of the BIA.

“Proof of Claim” means the prescribed form of document required under the BIA to evidence the Claim of a Creditor under Part III of the BIA prior to the date of the Meeting.

“Proposal” means this Proposal among the Company and the Creditors, as from time to time amended, modified or supplemented pursuant to an order of the Court, or pursuant to an agreement among the Company and any of the Creditors or Class, as provided for herein or pursuant to any Meeting of the Classes, and may be referred to as being the Proposal of the Company dated for reference May 21, 2020.

“Proposal Fund” has the meaning given to it in Article III.

“Proposal Proceeding” means the proceeding commenced by the Company under the BIA in Action No. 11- 2626936 in the Vancouver Registry of the Court.

“Proven Claim” means a Claim that has been filed with the Trustee in accordance with the Proposal and has either been accepted and allowed by the Trustee and the Company or has been allowed by the Court, in whole or in part.

“Related Parties” mean 0988474 BC Ltd. and 1007070 BC Ltd. as General Creditors.

“Secured Creditor” means those creditors holding perfected valid security interests against assets or property of the Company or holding a valid mortgage, charge or encumbrance in the assets or property of the Company.



“Trustee” means MNP Ltd., appointed as Licensed Insolvency Trustee in the Proposal Proceedings.

ARTICLE II PURPOSE AND EFFECT OF THE PROPOSAL

2.1 PURPOSE OF THE PROPOSAL

The purpose of the Proposal is to permit the Company to settle payment of its liabilities arising before the Filing Date and to compromise the indebtedness owed to General Creditors of the Company on a fair and equitable basis.

2.2 TRUSTEE UNDER THE PROPOSAL

The Trustee shall act as the administrator for all purposes connected with the Proposal including management of the claims process, administration of the Meeting and any adjournments thereto and distribution of dividends to Creditors.

ARTICLE III CREDITOR CLASSES AND PAYMENTS

3.1 CLASSES OF CREDITORS

There will be two Classes of Creditors for the purpose of considering and voting upon the Proposal consisting of the Secured Creditors and General Creditors.

3.2 SECURED CREDITORS

Secured Creditors including Royal Bank of Canada shall be paid in accordance with the present arrangements existing between the Company and respective Secured Creditors, as amended from time to time, or as may be arranged in the future between the Company and each Secured Creditor respectively.

3.3 PAYMENT

3.3.1 The Company will pay a total of \$1,835,000.00 to the Trustee for the benefit of General Creditors and the Company’s obligations pursuant to paragraphs 3.4 of the Proposal and pursuant to the provisions of the *BIA* (the “**Proposal Fund**”) as follows:

- (a) \$26,250.00 upon filing of the Notice of Intention to Make a Proposal;
- (b) \$105,000.00 upon filing of the Proposal;



- (c) \$51,750.00 on or before June 9, 2020; and
- (d) \$1,652,000.00 to be paid by way of 118 payments beginning on July 15, 2020 and ending on May 31, 2025. Each payment shall be in the amount of \$14,000.00 and shall be paid on the 15th day of each month (or the next Business Day if the 15th is not a Business Day) and on the last Business Day of each month.

3.3.2 The Trustee will distribute to General Creditors the Proposal Fund as follows:

- (a) Each General Creditor whose Proven Claim is less than or equal to \$1,500.00, or who elects to reduce their Proven Claim to \$1,500.00, will have their Proven Claim paid in full; and
- (b) Each of the General Creditors whose Proven Claim is greater than \$1,500.00 and who does not elect to reduce their Proven Claim to \$1,500.00 in accordance with paragraph 3.3.2(a), will be paid their proportionate *pro rata* share of the amount of the Proposal Fund which remains after each of the payments described in paragraph 3.4 and 3.3.2(a).

3.3.3 Notwithstanding the foregoing, the Company is obligated to pay only the aggregate amount of all Proven Claims and amounts accruing due to the Trustee pursuant to paragraph 3.4 of the Proposal. If and when the Company pays in full the Proven Claims and amounts accruing due to the Trustee as a Preferred Claim pursuant to paragraph 3.4 of the Proposal, the Company shall be deemed to have fully performed this Proposal and the Company shall not be required to make any further payment to the Trustee.

3.3.4 The Company is at liberty to prepay, without penalty, any amounts payable under this Proposal.

3.4 PREFERRED PAYMENTS IN PRIORITY TO ALL OTHER CREDITORS UNDER THE PROPOSAL

3.4.1 Her Majesty the Queen in Right of Canada or a Province shall be paid in full all amounts of a kind which could be subject to a demand under sub-section 224(1.2) of the *Income Tax Act* or under any substantially similar provision of provincial legislation and that were outstanding at the time of the Filing Date, within six months of the Approval Order.

3.4.2 Provision for payment of all proper fees, expenses and legal costs (the "Trustee's Fees") of the Trustee, and of the Company, of and incidental to the proceedings arising in the Proposal Proceeding together with such fees of the Trustee incidental to and arising from the preparation of this Proposal shall be paid in full in priority to the claims of all Creditors. In the event no Inspectors are appointed, the Trustee may take advances of the Trustee's Fees, subject to final taxation by the Court. Such advances may be taken on a quarterly basis, with the first advance commencing on or after the Implementation Date.



3.4.3 Immediately after Court approval of the Proposal, employees and former employees of the Company shall be paid amounts equal to the amounts they would be qualified to receive under paragraph 136(1)(d) of the *BIA* had the Company become bankrupt on the date of Court approval of the Proposal as well as wages, salaries, commissions or compensation for services rendered after the date of the Filing Date and the date of the Approval Order.

3.4.4 Preferred claims (which include claims of employees) are to be paid in priority to all claims of General Creditors pursuant to sections 60(1) and 136 of the *BIA*.

3.5 EFFECT ON CREDITORS

Effective as of the Implementation Date, upon satisfaction of the claims of Creditors in the manner described in this Proposal, the Company shall be released from all claims, liabilities and obligations to all General Creditors.

3.6 WAIVER OF PAYMENT BY RELATED PARTIES

Within seven (7) days of the date of the Approval Order, Related Parties shall waive their respective right to payment from the Proposal Fund for monies owed to them by the Company as General Creditors.

ARTICLE IV DELIVERY OF PROOFS OF CLAIM

4.1 DELIVERING PROOFS OF CLAIM

The Creditors shall deliver their Proofs of Claim for review by the Trustee and the Company by faxing the completed Proof of Claim to the Trustee at Fax No. (604) 904-8628, Attention: Patty Wood or by e-mailing the completed Proof of Claim to the Trustee at: Patty.Wood@mnp.ca or mailing the Proof of Claim to the address of the Trustee set out in Article 10.2., or by depositing such a Proof of Claim with the Trustee prior to the commencement of the Meeting.

4.2 FAILURE TO FILE PROOFS OF CLAIM PRIOR TO MEETING

If a Creditor fails to either deliver a Proof of Claim to be received by the Trustee prior to 5:00 pm on the day before the date for the Meeting for the Classes, or fails to deposit a Proof of Claim with the Trustee or his nominee on or before the time for commencement of the Meeting, the Creditor shall have no right to vote in respect of the Proposal. Subject to Article 4.3, failure by a Creditor to file a Proof of Claim by that deadline shall not disentitle such Creditor from receiving any future payment to be made under the Proposal.

4.3 DISPUTED PROOFS OF CLAIM

4.3.1 In the event that the Company disputes any Proof of Claim as to entitlement to participate in the Classes or as to amount of the Claim set out in the Proof of Claim the Trustee may:

- (a) disallow the Proof of Claim;
- (b) allow the Proof of Claim as presented for the purposes of voting at the Meeting but disallow the Proof of Claim for distribution purposes; or
- (c) allow the Proof of Claim for voting and distribution purposes in such amount as it determines appropriate.

4.3.2 If the Trustee disallows a Proof of Claim for any reason or allows the Proof of Claim for an amount less than that set out in the Proof of Claim, the Creditor shall be deemed to accept the determination of the Company unless the Creditor shall have filed with the Court a motion to value its Claim within thirty (30) days of the date that the disallowance notice is forwarded to the Creditor by the Trustee.

ARTICLE V MEETING OF THE CREDITORS

5.1 GENERAL

5.1.1 At the Meeting of the Creditors held to consider this Proposal the Creditors may appoint one or more but not exceeding five inspectors (the "Inspectors") under this Proposal whose duties will be restricted to the following:

- (a) to advise the Trustee in connection with its actions under this Proposal or any amendment thereto as the Trustee may, from time to time, request;
- (b) To advise the Trustee concerning any dispute which may arise as to the validity of claims of Creditors under this Proposal;
- (c) To advise the Trustee in respect of such other matters as may be referred to the Inspectors by the Trustee; and
- (d) If in the opinion of a majority of the Inspectors it is in the interests of the Creditors that the time for payment of their Proven Claims be extended, the Inspectors will be entitled, without further reference or notice to the Creditors, to extend the time for payment of their Proven Claims.

5.1.2 The Trustee, and the Inspectors, should any be appointed, shall be exempt from all personal liability in fulfilling any duties or exercising any powers conferred upon them by this Proposal or generally in carrying out of the terms of this Proposal by wrongful act, default or neglect.

5.1.3 Upon payment to the Trustee as provided in Article III, this Proposal shall be fulfilled and the Creditors shall have no further claims against the Company.



5.2 MEETING

The Meeting shall be conducted in accordance with Division 1 – General Scheme for Proposals of the BIA.

5.3 VOTING

Except as provided in paragraph 5.4, for the purposes of voting as a member of the Classes, each Creditor shall have one vote for the purposes of determining a majority in number and each Creditor shall be entitled to one vote for each \$1.00 of its Proven Claim.

5.4 PROXIES AND VOTING LETTERS

Creditors will be entitled to vote at the Meeting by proxy or voting letter. The particulars with respect to voting by proxy or voting letter will be detailed in the Proof of Claim and will be binding upon all Creditors.

5.5 ADJOURNMENT OF MEETING

The chair of the Meeting may in his or her discretion adjourn the Meeting upon such terms as are considered appropriate by the chair of the Meeting upon notice to those persons present at the Meeting for the purposes of considering amendments to the proposal contemplated in Article VI.

**ARTICLE VI
AMENDMENTS AND MODIFICATIONS**

6.1 AMENDMENT OF PROPOSAL

The Company reserves the right, with the consent of the Trustee, to amend the Proposal at any time and re-submit it to the Creditors and the Proposal may be amended among the Company and the General Creditors at the Meeting.

6.2 MODIFICATION OF PROPOSAL

After the Meeting, the Proposal may be modified by the Court at any time on application of the Company or the Trustee and upon notice to those determined by the Company to be directly affected by the proposed modification, whether a Creditor or not. On such application, the Proposal may be modified as may be reasonably necessary to ensure the successful reorganization of the Company in accordance with the purposes of the Proposal.

6.3 WAIVERS

Any provision of the Proposal may be waived, with the consent of the Trustee or by a Creditor if such provision affects only that Creditor.



**ARTICLE VII
APPLICATION FOR APPROVAL ORDER**

7.1 APPLICATION FOR APPROVAL ORDER

Upon the conclusion of the Meeting if the Proposal has been approved by the General Creditors by the requisite percentages in relation both to numbers of Creditors and dollar amounts of Proven Claims of Creditors, the Company will forthwith apply to the Court for the Approval Order.

7.2 CONTINUATION OF THE STAY OF PROCEEDINGS

The stay of proceedings provided for in Section 69.1(1) of the BIA will be continued in full force and effect, save as is expressly provided herein.

7.3 COMPROMISE OF INDEBTEDNESS

Upon acceptance of the Proposal by the requisite numbers of Creditors, approval of the Proposal by the Court and payment to the Creditors on or following the Implementation Date as contemplated under the Proposal, the Creditors shall have no further rights to enforce their Claims except as provided in the Proposal.

7.4 RELEASE OF DIRECTORS

Effective upon the Implementation Date, the directors of the Company shall be released from any obligations of the Company where the directors are by law liable in their capacity as directors for the payment of such obligations but shall not include claims that:

- (a) relate to contractual rights of one or more creditors arising from contracts with one or more directors; or
- (b) are based on allegations of misrepresentation made by directors to creditors or of wrongful or oppressive conduct by directors.

**ARTICLE VIII
APPROVAL PROCEDURE**

8.1 PRECONDITIONS TO IMPLEMENTATION

The Proposal is expressly subject to all of the following conditions precedent:

- (a) approval by the requisite majority of the Creditors pursuant to the BIA;
- (b) approval of the Proposal by the Court; and



- (c) such other orders by the Court as may be required in order to completely implement the Proposal.

8.2 EFFECTIVENESS

The Proposal will become effective upon the Implementation Date and will apply to all Creditors and all Proven Claims against the Company both domestic and foreign irrespective of the jurisdiction in which such Creditors reside or where the Proven Claims arise.

8.3 IMPLEMENTATION

Subject to the conditions precedent set out in Article 8.1, payments to Creditors will occur as set out in Article III.

8.4 EXECUTORY CONTRACTS

On or before the date of the Approval Order, the Company may, if necessary, seek an order from the Court confirming that:

- (a) all executory contracts to which the Company is a party at the date of such application, are in full force and effect and at the Implementation Date notwithstanding that the Company has commenced this Proposal Proceeding, filed a Proposal, or any compromises effected pursuant to the Proposal on the holders of such executory contracts; and
- (b) no party to such executory contracts shall be entitled to terminate, or repudiate its obligation under such executory contracts following the Implementation Date by reason of the commencement of the Proposal Proceeding, the contents of the Proposal, the non-payment of any Claim, or any compromises effected under the Proposal.

ARTICLE IX DISALLOWED CLAIMANTS

9.1 VALIDITY OF CLAIMS

If the Proposal is not approved by the requisite majority of the General Creditors voting at the Meeting as required by the BIA, and the sole reason for that non-approval is the vote of a Disallowed Claimant or Disallowed Claimants, the Company will apply to the Court, at the earliest convenient date for all parties, to determine the validity of the amount alleged due by such Disallowed Claimant or Disallowed Claimants.

9.2 STATUS QUO



Until such time as the amount which is alleged to be owed by the Company to a Disallowed Claimant who has voted against the Proposal and whose vote, either alone or in conjunction with other Disallowed Claimants, has governed the Class of which it is a proper member is finally determined:

- (a) the Company will maintain the status quo;
- (b) the effect of the Proposal and all steps to be taken hereunder will continue with respect to all other Creditors pending the determination of the issues between the Company and the Disallowed Claimants; and
- (c) The Company will defer any application for the Approval Order until the dispute has been resolved by the Court.

**ARTICLE X
GENERAL**

10.1 HEADINGS

The division of the Proposal into Sections and the insertion of headings are for convenience only and do not form part of the Proposal and will not be used to interpret, define or limit the scope, extent or intent of the Proposal.

10.2 SECTION REFERENCE

Unless otherwise specified, references in the Proposal to “Sections” and “Schedules” are to sections of and schedules to the Proposal.

10.3 STATUTORY REFERENCE

Unless otherwise specified, each reference to a statute is deemed to be a reference to that statute and to the regulations made under that statute, as amended or re-enacted from time to time.

10.4 NUMBER AND GENDER

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

10.5 CURRENCY

All references to amounts of money mean lawful currency of the Dominion of Canada unless otherwise expressly indicated. All Proofs of Claim submitted by Creditors in U.S. dollars will be converted to Canadian dollars at the rate of exchange applicable at the Filing Date.



10.6 FURTHER ACTIONS

The Company will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Proposal to give effect to the transactions contemplated hereby.

10.7 NOTICES

All notices, Proofs of Claim, and payments required or permitted or desired to be made pursuant to the Proposal shall be in writing and shall be delivered personally or by e-mail or mail by regular or registered or certified mail, return receipt requested, to the Company at the following address:

c/o MNP Ltd.
Licensed Insolvency Trustee in the Proposal
Proceedings of FHC Enterprises Ltd.
Suite 1600 MNP Tower
1021 West Hastings Street
Vancouver, B.C. V6E 0C3

Attention: Patty E. Wood

Telephone: (604) 637-1535

Facsimile: (604) 904-8628

E-mail: Patty.wood@mnp.ca

And if to a Creditor or Disallowed Claimant, at its address set forth in the last Proof of Claim deposited with the Company.

10.9 SUCCESSORS AND ASSIGNS

The Proposal is binding upon the Company, the Creditors, the Disallowed Claimants and their respective heirs, executors, administrators, successors and assigns.

DATED at the City of Vancouver, Province of British Columbia this 21st day of May, 2020.

FHC ENTERPRISES LTD.

Per:


Authorized Signatory

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B200171
 Estate No. 11-2626936

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
 FHC Enterprises Ltd.
 of the City of Vancouver, in the Province of British Columbia

To the debtor:

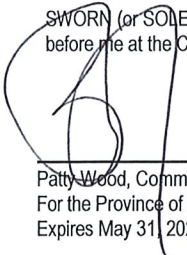
You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 6th day of March 2020. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	6,703,555.21
Balance of secured claims as per list "B"	787,368.46
Total unsecured creditors	7,490,923.67
2. Secured creditors as per list "B"	10,295,583.50
3. Preferred creditors as per list "C"	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00
Total liabilities	17,786,507.17
Surplus	NIL

ASSETS (as stated and estimated by the officer)	
1. Inventory	10,000,000.00
2. Trade fixtures, etc.	0.00
3. Accounts receivable and other receivables, as per list "E"	
Good	18,457.00
Doubtful	25,999.00
Bad	0.00
Estimated to produce	18,457.00
4. Bills of exchange, promissory note, etc., as per list "F" ..	0.00
5. Deposits in financial institutions	0.00
6. Cash	132,250.16
7. Livestock	0.00
8. Machinery, equipment and plant.	227,319.86
9. Real property or immovable as per list "G"	0.00
10. Furniture	0.00
11. RRSPs, RRIFFs, life insurance, etc.	0.00
12. Securities (shares, bonds, debentures, etc.)	0.00
13. Interests under wills	0.00
14. Vehicles	101,440.00
15. Other property, as per list "H"	0.00
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	10,479,467.02
Deficiency	7,307,040.15

I, Jason McDougall, of the City of Delta in the Province of British Columbia, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 6th day of March 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 Vancouver in the Province of British Columbia, on this 21st day of May 2020.



 Patty Wood, Commissioner for Taking Affidavits
 For the Province of British Columbia
 Expires May 31, 2020



 Jason McDougall

Patty Wood, CPA, CGA.
A commissioner for taking Affidavits
for the Province of British Columbia

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B200171
 Estate No. 11-2626936

FORM 78 -- Continued

List "A"
 Unsecured Creditors

FHC Enterprises Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	0745248 B.C. LTD.	#23 - 3755 CLEARBROOK ROAD ABBOTSFORD BC V2T 5A8	2,756.42	0.00	2,756.42
2	0786108 BC LTD.dba H&G JANITOR	BOX 284 FORT NELSON BC V0C 1R0	1,664.26	0.00	1,664.26
3	0988474 BC LTD.	1248 52nd STREET DELTA BC V3M 6C7	11,874.79	0.00	11,874.79
4	1007070 B.C. LTD.	150-766 CLIVEDEN PLACE DELTA BC V3M 6C7	117,359.96	0.00	117,359.96
5	1244793 ALBERTA INC.	P.O. BOX 18047, SHAWNESSY RPO Calgary AB T2Y 3W5	4,798.54	0.00	4,798.54
6	158329 CANADA INC CLIENTELE	3565 JARRY E., SUITE 500 MONTREAL QC H1Z 2G1	14,439.50	0.00	14,439.50
7	4283147 CANADA INC.	1901 TRANSCANADA HWY DORVAL QC H9P 1J1	81,511.48	0.00	81,511.48
8	4453166 CANADA INC(GREENJEANS)	1420 RUE BEAULAC SAINT LAURENT QC H4R 1R7	63,728.45	0.00	63,728.45
9	A.L Mechanical	PO BOX 952, 1431 HONNA ROAD QUEEN CHARLOTTE BC V0T 1S0	1,736.70	0.00	1,736.70
10	ABELL PEST CONTROL INC.	669 RIDLEY PL STE 207 DELTA BC V3M 6Y9	660.18	0.00	660.18
11	ABOND GROUP INC.	10900 COLBERT Anjou QC H1J 2H8	3,104.38	0.00	3,104.38
12	ACTION RETAIL OUTFITTERS	9115 STADIUM ROAD NW EDMONTON AB T5H 3W7	6,138.77	0.00	6,138.77
13	AFFINITY LAW GROUP	SUITE 1130 - 400 BURRARD ST. Vancouver BC V6C 3A6	10,883.52	0.00	10,883.52
14	AGILITY LOGISTICS, CO.(US\$)	HEADOFFICE, SUITE B, 185 COURTNEYPARK DR. EAST MISSISSAUGA ON L5T 2T6	70,033.95	0.00	70,033.95
15	AGILITY LOGISTICS,CO.(CUSTOM)	HEADOFFICE, SUITE B, 185 COURTNEYPARK DR. EAST MISSISSAUGA ON L5T 2T6	35,984.45	0.00	35,984.45
16	ALINE GREETINGS	43 MAPLE VALLEY RD CORNER BROOK NL A2H 5T3	14,167.54	0.00	14,167.54
17	ALLIANCE MERCANTILE INC	3451 WAYBURNE DRIVE BURNABY BC V5G 3L1	7,972.91	0.00	7,972.91
18	ALMOST NOTHING INC. (USA)	1620 S. LOS ANGELES STREET, SUITE C LOS ANGELES CA 90015	19,804.56	0.00	19,804.56
19	ALTAGAS UTILITIES INC	PO Box 2597 STN M Calgary AB T2P 0C8	5,916.36	0.00	5,916.36
20	ALTITUDE ELECTRIC	BOX 572 PORCUPINE PLAIN SK S0E 1H0	208.11	0.00	208.11
21	AMALGAMATED TEXTILES INC.	5620 FERRIER MONT-ROYAL QC H4P 1M7	36,543.28	0.00	36,543.28
22	AMECO PARADISIO APPAREL INC	500 WRIGHT STREET ST-LAURENT QC H4N 1M6	319,320.10	0.00	319,320.10
23	AMI IMPORTS	166 RUE GINCE SAINT LAURENT QC H4N 2W6	6,364.80	0.00	6,364.80

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 Jason McDougall

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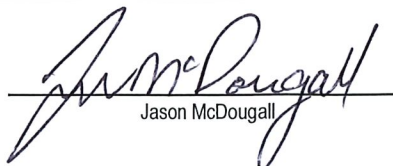
List "A"
 Unsecured Creditors

FHC Enterprises Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
24	ANDERSON WATTSC/O COOTER	6336 DARNLEY STREET BURNABY BC V5B 3B1	1,224.32	0.00	1,224.32
25	ANRICA IMPEX INTERNATIONAL	565 EDWARD VII DORVAL QC H9P 1E7	16,705.60	0.00	16,705.60
26	ARAAM INC	11616 178 ST. NW EDMONTON AB T5S 2E6	39,126.15	0.00	39,126.15
27	ARCTIC BEVERAGES LIMITED	201 HAYES ROAD THOMPSON MB R8N 1M5	661.13	0.00	661.13
28	ARIELLA INTERNATIONAL FASHION	8484 ESPLANADE MONTREAL QC H2P 2R7	217,260.85	0.00	217,260.85
29	ARPAC	7663 PROGRESS WAY DELTA BC V4G 1A2	2,996.11	0.00	2,996.11
30	ATHABASCA REGIONAL WASTE	MGMT SERVICES COMMISSION, BOX 90 ATHABASCA AB T9S 2A2	2,310.41	0.00	2,310.41
31	ATLANTIC SPORTSWEAR	9500 RUE MEILLEUR SUITE 700 MONTREAL QC H2N 2B7	33,477.50	0.00	33,477.50
32	AYK INTERNATIONAL INC	8250 EDISON ANJOU QC H1J 1S8	20,616.87	0.00	20,616.87
33	AZ TRADING CO (AZ HOME&GIFTS)	#223-7080 RIVER ROAD RICHMOND BC V6X 1X5	25,197.87	0.00	25,197.87
34	B&G SALES, INC.	1750 N. 25TH AVENUE MELROSE PARK IL 60160-1803	27,761.88	0.00	27,761.88
35	BANNER POST	PO BOX 1018 HIGH LEVEL AB T0H 1Z0	479.14	0.00	479.14
36	BATTEN INDUSTRIES	#114- 2455 DOLLARTON HWY NORTH VANCOUVER BC V7H 0A2	117.59	0.00	117.59
37	BAZAAR INC (USA)	1900 N. 5TH AVENUE RIVER GROVE IL 60171	2,724.73	0.00	2,724.73
38	BC Hydro & Power Authority Attn: Credit Admin	333 Dunsmuir St, 11th floor Vancouver BC V6B 5R3	28,381.71	0.00	28,381.71
39	BCCQ REAL ESTATE RENTALS LP	SUITE 100, 71 CORRIVEAU AVENUE ST. ALBERT AB T8N 5A3	10,875.90	0.00	10,875.90
40	BENSUS	P.O BOX 48085 MONTREAL QC H2V 4H0	53,613.55	0.00	53,613.55
41	BETTER HOME FASHION INC	280 BOWES ROAD CONCORD ON L4K 1J9	28,332.05	0.00	28,332.05
42	BL INTIMATE APPAREL CANADA	9500 MEILLEUR ST. SUITE #111 MONTREAL QC H2N 2B7	49,271.68	0.00	49,271.68
43	BLACK PRESS GROUP LTD.	212 -15288 54A AVE. SURREY BC V3S 6T4	6,309.77	0.00	6,309.77
44	BOB DALE GLOVES IMPORT LTD.	4504 82 AVENUE EDMONTON AB T6B 2S4	6,290.96	0.00	6,290.96
45	BOCHI BROTHERS	ACCESSORIES NETWORK, 225 MONTEE DE LIESSE VILLE ST LAURENT QC H4T 1P5	45,882.04	0.00	45,882.04
46	BRANDS UNLIMITED TRADING INC	76 BRUNSWICK DOLLARD DES OREMEAUX QC H9B 2C5	50,978.20	0.00	50,978.20
47	BRITISH INVASION APPAREL	225 MONTE DE LIESSE VILLE ST-LAURENT QC H4T 1P5	12,099.78	0.00	12,099.78

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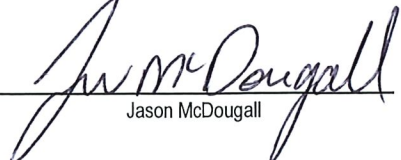
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List "A"
 Unsecured Creditors
 FHC Enterprises Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
48	C2 IMAGING LLC	1481 LINDSEY PLACE DELTA BC V3M 6V1	605.95	0.00	605.95
49	CANADELLE LIMITED PARTNERSHIP Attn: Espinoza, Sarai 189933	1000 E. Hanes Mill Rd. Winston-Salem NC 27105 USA	28,289.18	0.00	28,289.18
50	CANADIAN GRAPHICS WEST INC	26 MORTON AVE BRANTFORD ON N3R 2N5	117.33	0.00	117.33
51	CARL FITZPATRICK	BOX 1327 HOPE BC V0X 1L0	1,200.00	0.00	1,200.00
52	CBM INC.	8370 RUE LABARRE MONTREAL QC H4P 2E7	1,304.10	0.00	1,304.10
53	CENTRAL PEACE SIGNAL	PO BOX 520 SPIRIT RIVER AB T0H 3G0	630.00	0.00	630.00
54	CESA	105 W. 3RD. AVE. VANCOUVER BC V5Y 1E6	1,705.67	0.00	1,705.67
55	CHAMPS CANADA INC	2276 CHEMIN ST. FRANCOIS DORVAL QC H9P 1K2	26,649.88	0.00	26,649.88
56	CHATEAU MANIS ELECTRONICS INC	1495 - 55 E AVENUE DORVAL QC H9P 2W3	14,989.80	0.00	14,989.80
57	CHETWYND RECYCLING & BOTTLE DEP	BOX 971, 4824-54TH STR. CHETWYND BC V0C 1J0	882.00	0.00	882.00
58	CHRISTMAS FOREVER	2306 MADISON AVENUE BURNABY BC V5C 4Y9	12,666.28	0.00	12,666.28
59	CLICKWISE CONSULTING	ROBERT PEARSON, 806 LAZO RD Comox BC V9M3V9	708.75	0.00	708.75
60	CLIMATE CONTROL SYSTEM INC.	106-44195 YALE RD. W CHILLIWACK BC V2R 4H2	473.00	0.00	473.00
61	CLOTHES OUT TRADING	59 SAMOR ROAD TORONTO ON M6A 1J2	10,265.60	0.00	10,265.60
62	CLS SALES	150 MIDDLEFIELD ROAD TORONTO ON M1S 4L6	5,987.52	0.00	5,987.52
63	CMR HOME ENTERTAINMENT	6800 TRANS-CANADA HWY POINT-CLAIRIE QC H9R 5L4	20,120.64	0.00	20,120.64
64	COAST TEXTILE SALES INC.	102 - 5517 PRODUCTION BLVD. SURREY BC V3S 8P6	33,800.05	0.00	33,800.05
65	COATS & CLARK CANADA Attn: Bob Weems	13850 Ballantyne Corporate Place, Hixon Building, Suite 250 Charlotte NC 28277 USA	997.15	0.00	997.15
66	COBRA SALES/7112513 CANADA INC	730 RUE DESLAURIERS ST- LAURENT QC H4N 1W5	49,875.66	0.00	49,875.66
67	COCA-COLA REFRESHMENTS	CANADA COMPANY, PO BOX 9900 STATION A TORONTO ON M5W 2J2	16,979.56	0.00	16,979.56
68	COMMONWEALTH HOME	8800 BOULEVARD PIE IX MONTREAL QC H1Z 3V1	17,033.10	0.00	17,033.10
69	CONAGRA FOODS CANADA INC.	5055 SATELLITE DRIVE MISSISSAUGA ON L4W 5K7	2,770.04	0.00	2,770.04
70	CONGLOM INC	2600 MARIE-CURIE AVENUE ST LAURENT QC H4S 2C3	5,919.24	0.00	5,919.24

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List "A"
 Unsecured Creditors

FHC Enterprises Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
71	CONTEX INTL IMPORT INC	8955 PARK AVENUE MONTREAL QC H2N 1Z1	153,198.78	0.00	153,198.78
72	CONTINENTAL STORE FIXTURE INC.	UNIT 201, 2052 192 STREET SURREY BC V3Z 0N2	5,606.52	0.00	5,606.52
73	CORAL CANADA WIDE	#30, 2150 - 29th STREET N.E. CALGARY AB T1Y 7G4	478.80	0.00	478.80
74	CRA - Tax - Pacific 829151505RT0001	Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1	68,393.80	0.00	68,393.80
75	CRAYOLA CANADA	PO BOX 120 LINDSAY ON K9V 4R8	10,749.66	0.00	10,749.66
76	CROWE MacKAY LLP	1100 - 1177 WEST HASTINGS ST. VANCOUVER BC V6E 4T5	10,500.00	0.00	10,500.00
77	CROWN PACKAGING CORP. Attn: BETH KASPER	17854 CHESTERFIELD AIRPORT ROAD Chesterfield MO 63005 USA	2,981.66	0.00	2,981.66
78	CURBOLOGY CONCRETE SOLUTION	PO BOX 1410 MAYERTHORPE AB T0E 1N0	2,268.00	0.00	2,268.00
79	CWB National Leasing Inc./ (formerly National Leasing Group Inc) Attn: Bankruptcy Designate	1525 Buffalo Pl Winnipeg MB R3T 1L9	0.00	16.00	16.00
80	CWB National Leasing Inc./ (formerly National Leasing Group Inc) Attn: Bankruptcy Designate	1525 Buffalo Pl Winnipeg MB R3T 1L9	0.00	17.00	17.00
81	DAN D FOODS LTD.	11760 MACHRINA WAY RICHMOND BC V7A 4V1	10,277.44	0.00	10,277.44
82	DANAWARES CORP	1860 32nd AVENUE LACHINE QC H8T 3J7	45,933.51	0.00	45,933.51
83	DANIAL'S DISTRIBUTION INC	3 - 4020A SLADEVIEW CRESCENT MISSISSAUGA ON L5L 6B1	12,135.10	0.00	12,135.10
84	DAY & ROSS	11470 -131ST STREET SURREY BC V3R 4S7	61,130.81	0.00	61,130.81
85	De Lage Landen Financial Services Canada Inc.	3450 Superior Court, Unit 1 Oakville ON L6L 0C4	0.00	607.00	607.00
86	Dean Petruk	25 - 15988 32nd Ave Surrey BC V3S 2J4	17,500.00	0.00	17,500.00
87	DEBONAIR CREATIONS INC.	1191 BATHURST STREET TORONTO ON M5R 3H4	14,972.90	0.00	14,972.90
88	DIAMOND HOME LLC	230 5TH AVE NEW YORK NY 10016	603.95	0.00	603.95
89	DIRECT ENERGY REGULATED SERVICES	P.O. BOX 1520, 639 5TH AVE SW CALGARY AB T2P 5R6	15,303.38	0.00	15,303.38
90	DOMAY SALES INC	165 JULES-LEGER BOUCHERVILLE QC J4B 7K8	58,473.03	0.00	58,473.03
91	DORCY INTERNATIONAL (CANADA)	3375 NORTH SERVICE ROAD, UNIT D4 BURLINGTON ON L7N 3G2	2,535.30	0.00	2,535.30
92	Dorfin Attn: Teresa Dagostino 1085078	5757 Boul. Thimens St. Laurent QC H4R 2H6	26,954.74	0.00	26,954.74

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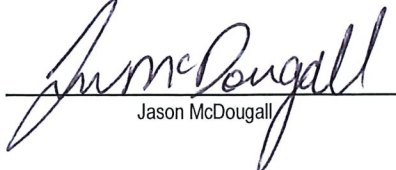
List "A"
 Unsecured Creditors

FHC Enterprises Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
93	DOUBLE J FASHION GROUP (2013)	555 CHABANEL ST.W #803 MONTREAL QC H2N 2H8	19,286.03	0.00	19,286.03
94	DPI DYNAMIC PRODUCTIONS INC	#5 - 62 FAWCETT ROAD COQUITLAM BC V3K 6V5	84.00	0.00	84.00
95	DREW BRADY COMPANY INC.	106 - 418 IROQUOIS SHORE RD OAKVILLE ON L6H 0X7	11,716.74	0.00	11,716.74
96	ECHO PIONEER THE (HIGH LEVE)	BOX 1018 HIGH LEVEL AB T0H 1Z0	655.54	0.00	655.54
97	EDCO ELECTRONICS	8484 ESPLANADE MONTREAL QC H2P 2R7	19,715.34	0.00	19,715.34
98	EGO FASHIONS	4990 RUE COURVAL VILLE SAINT-LAURENT QC H4T 1L1	136,560.85	0.00	136,560.85
99	EPCOR	P. O. BOX 500 EDMONTON AB T5J 3Y3	24,486.15	0.00	24,486.15
100	ESTED INDUSTRIES	8484 ESPLANADE STREET MONTREAL QC H2P 2R7	24,491.20	0.00	24,491.20
101	EXIST INC.	1650 NW 23RD AVENUE FORT LAUDERDALE FL 33311	17,387.58	0.00	17,387.58
102	EYECANDY ACCESSORIES INC	9 DENSLEY AVENUE TORONTO ON M6M 2P5	31,264.80	0.00	31,264.80
103	FILO IMPORT INC	885 RUE DES FORGES TERREBONNE QC J6Y 0J9	27,591.64	0.00	27,591.64
104	Fortis BC Energy Inc. - Natural Gas Attn: Collection Department	PO Box 6666, Station Terminal Vancouver BC V6B 6M9	18,944.79	0.00	18,944.79
105	GERTEX HOSIERY INC	9 DENSLEY AVENUE TORONTO ON M6M 2P5	64,189.81	0.00	64,189.81
106	Getracan Inc. c/o Accord Financial 0578460594	3500, de Maisonneuve W., #1510 Montreal QC H3Z 3C1	23,967.60	0.00	23,967.60
107	GIA FOODS LTD	104 - 8288 NORTH FRASER WAY BURNABY BC V3N 0E9	3,674.88	0.00	3,674.88
108	GIBSON OVERSEAS INC	2410 YATES AVENUE COMMERCE CA 90040-1918	7,231.24	0.00	7,231.24
109	GILWAR IMPORTS FIELDS	5320 MACDONALD AVE. SUITE 303 MONTREAL QC H3X 2W2	29,668.31	0.00	29,668.31
110	GLACIER MEDIA GROUP	3355 GRANDVIEW HWY VANCOUVER BC V5M 1Z5	5,705.00	0.00	5,705.00
111	GMD WHOLESALE INC	2180 HIGHWAY 7, UNIT 12 CONCORD ON L4K 1W6	16,046.52	0.00	16,046.52
112	GORILLA GLUE COMPANY	2101 E. KEMPER ROAD CINCINNATI OH 45241	1,520.34	0.00	1,520.34
113	GOVERNMENT OF THE NORTHWEST	TERRITORIES, PO BOX 1320 YELLOWKNIFE NT X1A 2L9	1,117.25	0.00	1,117.25
114	GREENTOWN CANADA INC	225 ISRAEL ZILBER DRIVE MAPLE ON L6A 0L3	5,049.93	0.00	5,049.93
115	GUILLEVIN INTERNATIONAL	630 RAYMUR AVE. VANCOUVER BC V6A 3L2	2,651.14	0.00	2,651.14
116	H.A. KIDD AND COMPANY LTD.	5 NORTHLINE ROAD TORONTO ON M4B 3P2	2,040.03	0.00	2,040.03

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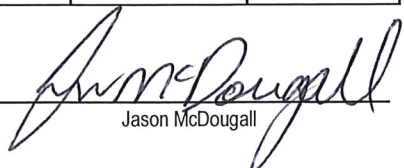
List "A"
 Unsecured Creditors

FHC Enterprises Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
117	HANDEE PRODUCTS	5785 PARE STREET T.M.R QC H4P 1S1	6,975.99	0.00	6,975.99
118	HANES BRANDS INC Attn: Espinoza, Sarai 189933	1000 E. Hanes Mill Rd. Winston-Salem NC 27105 USA	10,133.93	0.00	10,133.93
119	HERITAGE HOME FASHIONS	5000 W. JEAN TALON, SUITE 150 Montreal QC H4P 1W9	54,549.36	0.00	54,549.36
120	HG INTERNATIONAL	3415 14TH AVENUE MARKHAM ON L3R 0H3	10,063.20	0.00	10,063.20
121	HOLIDAY GROUP INC	4875 BOUL DES GRANDES PRAIRIES MONTREAL QC H1R 1X4	968.48	0.00	968.48
122	HOLLAND IMPORTS INC	2306 MADISON AVENUE BURNABY BC V5C 4Y9	14,257.43	0.00	14,257.43
123	HOME AESTHETICS	40 TIFFIELD RD UNIT 3 SCARBOROUGH ON M1V 5B6	13,841.10	0.00	13,841.10
124	HOME FASHIONS DISTRIBUTOR INC.	44 INDUSTRIAL PARK DRIVE DOVER NH 03820	13,431.74	0.00	13,431.74
125	HOME TEXTILE INC.	35 COVENTRY ROAD BRAMPTON ON L6T 4V7	14,375.52	0.00	14,375.52
126	HONG & ARTS INC	25 Esna Park Dr. Unit 4 MARKHAM ON L3R 1C9	13,356.00	0.00	13,356.00
127	HOT ELECTRIC LTD	11137 157A ST. SURREY BC V4N 4R3	695.53	0.00	695.53
128	HRS GLOBAL MARKETING	10050 COTE-DE-LIESSE SUITE 200 MONTREAL QC H8T 1A3	32,433.14	0.00	32,433.14
129	Huer Foods Inc. Attn: Robert Curran	27478 55th Avenue Langley BC V4W 3Y1	11,135.86	0.00	11,135.86
130	HUSKY RETAIL GROUP	2 - 7164 VEDDER RD CHILLIWACK BC V2R 4G4	5,515.27	0.00	5,515.27
131	IH CASADDECOR	7325 BRAMALEA ROAD MISSISSAUGA ON L5S 1C5	35,334.81	0.00	35,334.81
132	IMJ IMPEX INTERNATIONAL	5885 MARC CHAGALL #805 MONTREAL QC H4W 0C1	4,762.00	0.00	4,762.00
133	IMPORTS DRAGON	2515 AVENUE DE LA RENAISSANCE BOISBRIAND QC J7H 1T9	21,846.36	0.00	21,846.36
134	INDIA BOUTIQUE INC	2030 NW 23 STREET MIAMI FL 33142	10,307.33	0.00	10,307.33
135	INDOOR ELEMENTS	8549-112 STREET GRANDE PRAIRIE AB T8V 6A4	1,657.09	0.00	1,657.09
136	INTERNATIONAL WHOLESAL	4000 ALLEN RD. ALLEN PARK MI 48101	6,687.68	0.00	6,687.68
137	ITY INTERNATIONAL	700 HODGE STREET ST LAURENT QC H4N 2V2	24,582.60	0.00	24,582.60
138	J&F DISTRIBUTORS (Harvest)	3109 SCHOOL ST TERRACE BC V8G 5T4	1,508.66	0.00	1,508.66
139	JAMMERS APPAREL	2000 ONESIME-GAGNON LACHINE QC H8T 3M8	65,432.91	0.00	65,432.91
140	JAN K OVERWEEL	SUITE 702, 3700 STEELES AVENUE WEST WOODBRIIDGE ON L4L 8K8	3,830.00	0.00	3,830.00

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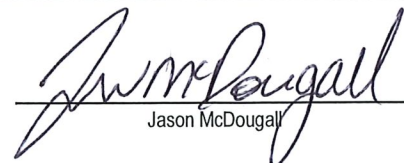
List "A"
 Unsecured Creditors

FHC Enterprises Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
141	JANO	120 ST JOSEPH BLVD. LACHINE QC H8S 2L3	42,164.06	0.00	42,164.06
142	JAN-PRO VANCOUVER	4259 CANADA WAY, SUITE 215 Burnaby BC V5G 1H1	1,146.75	0.00	1,146.75
143	JELLI FISH KIDS INC	550 DESLAURIERS MONTREAL QC H4N 1V8	14,451.84	0.00	14,451.84
144	JENERE SALES	2625 BRABANT MARINEAU ST-LAURENT QC H4S 1R8	96,672.84	0.00	96,672.84
145	JIVA ORGANICS	7442 FRASER PARK DRIVE BURNABY BC V5J 5B9	7,616.16	0.00	7,616.16
146	Johnston Drug Wholesale Ltd. Attn: Theresa Korney 10529	2286 Dorman Road Nanaimo BC V9S 5G2	2,239.48	0.00	2,239.48
147	JOVI SPORT INC.	2005-23RD AVENUE LACHINE QC H8T 1X1	26,447.58	0.00	26,447.58
148	KAM-CRETE LTD.	BOX 249 KAMSA SK S0A1S0	745.50	0.00	745.50
149	KARMIN INDUSTRIES	1901 TRANSCANADA HWY DORVAL QC H9P 1J1	82,384.32	0.00	82,384.32
150	KERR BROS.	956 ISLINGTON AVENUE TORONTO ON M8Z 4P6	15,289.20	0.00	15,289.20
151	KERRY VERCHERE PHOTOGRAPHY	12121 264 STREET MAPLE RIDGE BC V2W 1P1	6,524.00	0.00	6,524.00
152	KML FOOD & CONFECTIONERY LTD	214-400 MAIN ST. E MILTON ON L9T 4X5	13,559.70	0.00	13,559.70
153	KOLE IMPORTS	24600 MAIN ST CARSON CA 90745	9,711.33	0.00	9,711.33
154	KONICA MINOLTA BUSINESS	SOLUTIONS (CANADA) LTD., PO BOX 4563 STATION A TORONTO ON M5W 0H1	2,014.33	0.00	2,014.33
155	KOST KLIP MANUFACTURING LTD	PO BOX 9520, STN TERMINAL VANCOUVER BC V6B 4G3	309.86	0.00	309.86
156	Kry Innovations Inc.	PO Box 1095 pemberton BC V0N 2L0	0.00	665,919.90	665,919.90
157	LA CLOSE OUT INC.	5526 S. SOTO STREET VERNON CA 90058	33,354.94	0.00	33,354.94
158	LADY SANDRA HOME FASHIONS INC	8280 DEVONSHIRE MONT-ROYAL QC H4P 2P7	22,515.45	0.00	22,515.45
159	LAKELAND FIRE & SAFETY	4201 - 50 AVE ST PAUL AB T0A 3A3	911.77	0.00	911.77
160	LAMOUR INDUSTRIES	55 LOUVIAN ST. W SUITE 200 MONTREAL QC H2N 1A4	4,372.00	0.00	4,372.00
161	LANDAU SACAMOTO	700 DESLAURIERS SAINT-LAURENT QC H4N 1W5	3,714.84	0.00	3,714.84
162	LANG LOCKS & SAFES	A DIV. OF 330552 ALBERTA LTD., 11119-100 STREET GRANDE PRAIRIE AB T8V 2N2	1,343.69	0.00	1,343.69
163	LEON KOROL CO.	2050 E. DEVON AVENUE ELK GROVE VILLAGE IL 60007	20,663.03	0.00	20,663.03

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List "A"
 Unsecured Creditors
 FHC Enterprises Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
164	LES VARIETES P. PRUD'HOMME INC	801 RUE PRICE ST-JEROME QC J7Y 4E2	7,062.30	0.00	7,062.30
165	LIBERTY DISTRIBUTORS INC.	1065 SHEPHERD AVENUE BROOKLYN NY 11208	6,469.46	0.00	6,469.46
166	LINENCORP 2015 INC.	6435 COTE DE LIESSE ST-LAURENT QC H4T 1E5	84,186.90	0.00	84,186.90
167	Link Products Attn: Stephen Bloomberg	333 North Rivermede Road, Unit 5 Concord ON L4K 3N7	37,205.85	0.00	37,205.85
168	LINTEX LINENS LTD/COBRA TRDNG	295 5TH AVENUE NEW YORK NY 10016	39,120.18	0.00	39,120.18
169	LONE PINE PUBLISHING	11414-119 ST NW EDMONTON AB T5G 2X6	2,739.46	0.00	2,739.46
170	LORAAS DISPOSAL NORTH	805 47TH ST EAST SASKATOON SK S7K 8G7	74.67	0.00	74.67
171	LOR-AL SPRINGS LTD	BOX 200 RIMBEY AB T0C 2J0	94.99	0.00	94.99
172	LORNE CAMPBELL	PENTHOUSE #7 1216 HOMER STREET VANCOUVER BC V6B 6K5	6,050.00	0.00	6,050.00
173	M&M FOOTWEAR INC	4350 THIMENS Ville St. Laurent QC H4R 2P2	0.00	120,808.56	120,808.56
174	M&M FOOTWEAR INC	4350 THIMENS VILLE ST LAURENT QC H4R 2P2	77,289.85	0.00	77,289.85
175	MAC WHOLESAL (USA)	140 LAUREL STREET E.BRIDGEWATER MA 02333	16,586.21	0.00	16,586.21
176	MAGIC CREATIONS (USA)	200 28THY STREET MCKEESPORT PA 15132	12,892.21	0.00	12,892.21
177	MAGSTAR INC.	8133 WARDEN AVENUE, 7TH FLOOR MARKHAM ON L6G 1B3	35,800.87	0.00	35,800.87
178	Manitoba Finance - Taxation Division Attn: Collection 829151505MT0001	101 - 401 York Avenue Winnipeg MB R3C 0P8	6,182.61	0.00	6,182.61
179	MANULIFE FINANCIAL	PREMIUM ADMINISTRATION, PO BOX 1627 WATERLOO ON N2J 4P4	40,145.40	0.00	40,145.40
180	Marika Kokoshke	5335 43rd Avenue Taber AB T1G 1C2	11,843.00	0.00	11,843.00
181	MARINA DEL REY	2105 RUE MONTEREY LAVAL QC H7L 3T6	46,943.07	0.00	46,943.07
182	MARKETING RESULTS LTD	3985 GROVES RD COLUMBUS OH 43232	6,248.82	0.00	6,248.82
183	MARR	105 WEST 3RD AVE. VANCOUVER BC V5Y 1E6	422.63	0.00	422.63
184	Massimo Zanetti Beverage, Inc.	P.O. Box 603593 CHARLOTTE NC 28260-3593 USA	6,503.52	0.00	6,503.52
185	MAZEL COMPANY	31000 AURORA ROAD SOLON OH 44139	17,759.74	0.00	17,759.74
186	MELMAT SALES DISTRIBUTION	751 BOUL. LEBEAU ST. LAURENT QC H4N 1S5	93,013.26	0.00	93,013.26
187	MERIDIAN SOURCE	BOX 2454 LLOYDMINSTER SK S9V 1W5	443.52	0.00	443.52

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List "A"
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FHC Enterprises Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
188	MIDWAY INDUSTRIES LTD	8270 PIE IX BLVD MONTREAL QC H1Z 3T6	2,060.00	0.00	2,060.00
189	MILES EMPLOYMENT GROUP LTD	603 - 55 WATER STREET VANCOUVER BC V6B 1A1	4,200.00	0.00	4,200.00
190	MILLENNIUM FOOTWEAR INC	90 MORTON AVE. EAST UNIT 1B BRANTFORD ON N3R 7J7	91,128.82	0.00	91,128.82
191	MILLS BASICS	1111 CLARK DRIVE VANCOUVER BC V5L 3L5	21,961.15	0.00	21,961.15
192	Ministry of Finance - PST - British Columbia PST-1006-2006	Station Provincial Government PO Box 9445 Victoria BC V8W 9V5	165,912.73	0.00	165,912.73
193	Ministry of Finance - Saskatchewan Attn: Collection Enforcement Department 2508513	PO Box 200 Regina SK S4P 2Z6	67,977.60	0.00	67,977.60
194	MINUTEMAN PRESS RICHMOND	UNIT 110-11780 RIVER ROAD RICHMOND BC V6X 1Z7	428.29	0.00	428.29
195	M-O FREIGHTWORKS	MARTIME-ONTARIO FREIGHT LINES, 1 MARTIME-ONTARIO BLVD BRAMPTON ON L6S 6G4	36,571.10	0.00	36,571.10
196	MOSTAD PRINTING & MEDIA	13447-77TH AVENUE SURREY BC V3W 6Y1	8,470.95	0.00	8,470.95
197	MULTICRAFT IMPORTS	201 INNES PARK WAY, SUITE 220 OTTAWA ON K1B 1E3	24,549.58	0.00	24,549.58
198	Multy Home LP 13037000	155 Brookside Avenue West Warwick RI 02893 USA	25,545.71	0.00	25,545.71
199	NASCO PRODUCTS INC	9871 ASPIN COURT RICHMOND BC V6Y 3C1	51,054.32	0.00	51,054.32
200	NBS	9315 TRANS-CANAD HWY MONTREAL QC H4S 1V3	599.76	0.00	599.76
201	NINGBO EGO INTL. CO. LTD.	3-6F, NO. 168-1 SONGGJIANG RD. YINZHOU DISTRICT, NINGBO, CHINA	208,438.28	0.00	208,438.28
202	NORTH CENTRAL	3352 HWY 16, PO BOX 665 SMITHERS BC V0J 2N0	287.11	0.00	287.11
203	NORTH COAST REGIONAL DISTRICT	14-342 3RD. AVENUE WEST PRINCE RUPERT BC V8J 1L5	190.00	0.00	190.00
204	NORTHEAST WHOLESALE INC.	BAY #3119, 3961 52 AVE. NE CALGARY AB T3J 0K7	18,790.95	0.00	18,790.95
205	NORTHERN BOTTLING (DIST) LTD	15415-91 STREET GRANDE PRAIRIE AB T8X 0B4	4,098.18	0.00	4,098.18
206	NORTHERN LIGHTS GAS CO-OP LTD.	BOX 1600 LaCrete AB T0H 2H0	187.42	0.00	187.42
207	NORTHERN PRIDE	PUBLICATIONS & PRINT, BOX 2049, 219 CENTRE STREET MEADOW LAKE SK S9X 1Z4	531.30	0.00	531.30
208	NORTHERN RESPONSE	50 STAPLES AVE, UNIT #2 RICHMOND HILL ON L4B 0A7	3,700.76	0.00	3,700.76
209	Northland Utilities (NWT) Limited	1 - 66 Woodland Dr. Hay River NT X0E 1G1	4,405.22	0.00	4,405.22

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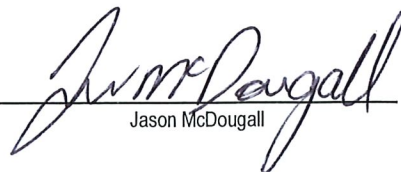
List "A"
 Unsecured Creditors

FHC Enterprises Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
210	Northwest Territories Power Corporation Attn: Terrance Courtoreille	4 Capital Drive Hay River NU X0E 1G2	1,601.64	0.00	1,601.64
211	NORTHWESTEL INC.	PO BOX 2710 WHITEHORSE YT Y1A 4Z8	1,834.51	0.00	1,834.51
212	Novo Textiles Co. FHC-01	10 King Edward St #105 Coquitlam BC V3K 4S8	7,555.60	0.00	7,555.60
213	NUMBER 8 FREIGHT	43871 PROGRESS WAY CHILLIWACK BC V0R 0E6	3,415.13	0.00	3,415.13
214	OK KIDS	200, BL. LEBEAU ST-LAURENT QC H4N 1R4	25,284.00	0.00	25,284.00
215	Old Dutch Foods Ltd. - Western Canada Attn: Arlene Shepherd	100 Bentall Street Winnipeg MB R2X 2Y5	20,766.30	0.00	20,766.30
216	ONYX AND BLUE CORPORATION	2575 32ND AVENUE, SUITE 206 LACHINE QC H8T 3G9	5,027.53	0.00	5,027.53
217	P.K. Douglass Inc.	1033 Jayson Court Mississauga ON L4W 2P4	8,383.45	0.00	8,383.45
218	PACIFIC COAST DISTRIBUTION LTD	27433 52ND AVENUE LANGLEY BC V4W 4B2	1,470.00	0.00	1,470.00
219	PACIFIC COAST FIRE EQUIPMENT	2712 ROCK BAY AVENUE VICTORIA BC V8T 4R9	194.56	0.00	194.56
220	Pacific Northern Gas Ltd Attn: April Knight	2900 Kerr Street Terrace BC V8G 4L9	6,800.07	0.00	6,800.07
221	PAPCO FOODS INC	250 DESLAURIERS ST-LAURENT QC H4N 1V8	10,934.91	0.00	10,934.91
222	PEAK-RYZEX	PO BOX 10132 STN A TORONTO ON M5W 2B1	2,256.04	0.00	2,256.04
223	PITNEYWORKS	P O BOX 280 ORANGEVILLE ON L9W 2Z7	588.78	0.00	588.78
224	PLANET GREEN	PO BOX 2156 PRINCETON BC V0X 1W0	724.50	0.00	724.50
225	PORTE FIELDS HOLDINGS INC.	#100 - 33 EAST 8TH AVENUE VANCOUVER BC V5T 1R5	476.87	0.00	476.87
226	POSTMEDIA	365 BLOOR STREET EAST TORONTO ON M4W 3L4	999.57	0.00	999.57
227	PPK BRANDS	9289755 CANADA INC, 2480 RUE DES NATIONS #602 ST. LAURENT QC H4R 0J9	14,882.40	0.00	14,882.40
228	PRIME DEALS INTERNATIONAL LTD.	UNIT#107, 2455 - 192 STREET SURREY BC V3Z 3X1	42,965.58	0.00	42,965.58
229	PRINCE ALBERT BEVERAGES	#203 - 1635 ABBOTT STREET KELOWNA BC V1Y 1A9	1,636.83	0.00	1,636.83
230	PRO-WEST REFRIGERATION LTD	9022-109 ST. GRANDE PRAIRIE AB T8V 4K8	573.05	0.00	573.05
231	PUROLATOR COURIER LTD. Attn: Mary Chin	5th Floor - 2727 Meadowpine Blvd Mississauga ON L5N 0E1	7,846.17	0.00	7,846.17
232	Rallye Footwear Inc. Attn: John Vitulli M08568	10001 Ray Lawson Blvd. Anjou QC H1J 1L6	21,927.55	0.00	21,927.55

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List "A"
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 FHC Enterprises Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
233	RANACO PELLI INTERNATIONAL 137603	CP 26068, BP DE SALABERRY MONTREAL QC H3M 3E8	7,229.25	0.00	7,229.25
234	RECYCLE BC	1 ST. CLAIR AVE. WEST, 7TH FLOOR Toronto ON M4V 1K6	2,205.00	0.00	2,205.00
235	RECYCLESMAST SOLUTION INC.	120-3851 SHELL RD RICHMOND BC V6X 2W2	36,781.80	0.00	36,781.80
236	REGAL CONFECTIONS INC	1625 BOUL DAGENAIS QUEST LAVAL QC H7L 5A3	5,121.14	0.00	5,121.14
237	REGENT PRODUCTS CORP (USA) Attn: Kathy Biagi	8999 Palmer Street River Grove IL 60171 USA	76,339.14	0.00	76,339.14
238	RENFRO CANADA INC	250 ADMIRAL BOULEVARD MISSISSAUGA ON L5T 2N6	20,572.33	0.00	20,572.33
239	RGIS	PO BOX 2422 STATION A TORONTO ON M5W 2K6	241,442.14	0.00	241,442.14
240	RICK'S BOBCAT SERVICE (253924 Alberta Ltd)	BOX 648, HIGH PRAIRIE AB T0G 1E0	756.00	0.00	756.00
241	ROADRUNNER	2005 23RD AVENUE LACHINE QC H8T 1X1	38,199.87	0.00	38,199.87
242	ROLF C HAGEN INC	20500 TRANS CANADA HWY BAIE DURFE QC H9X 0A2	22,725.76	0.00	22,725.76
243	RON JONES	PO BOX 575 ASHCROFT BC V0K 1A0	133.00	0.00	133.00
244	ROSE TEXTILES	DIV OF 500845 ONTARIO LTD, 10911 KEELE STREET, UNIT #5 MAPLE ON L6A 5A6	32,804.53	0.00	32,804.53
245	RS INTERNATIONAL CANADA INC.	191 SUPERIOR BLVD MISSISSAUGA ON L5T 2L6	12,930.75	0.00	12,930.75
246	RS SALES DISTRIBUTION DIVISION	OF 6368298 CANADA INC., 6823 NEWTON COTE SAINT LUC QB H4W 3H8	59,653.52	0.00	59,653.52
247	RUNNERS CLOTHING INTERNATIONAL	333 CHABANEL WEST SUITE#504 MONTREAL QC H2N2E7	50,382.10	0.00	50,382.10
248	Ryan Maillet	303-2050 West 2nd Avenue Vancouver BC V6J 1J4	4,045.00	0.00	4,045.00
249	SAFDIE INC.	8191 CHEMIN MONTVIEW VILLE MONT-ROYAL QC H4P 2P2	81,100.53	0.00	81,100.53
250	SAN REMO FOODS	45 EAST 4TH AVENUE VANCOUVER BC V5T 1E9	5,532.21	0.00	5,532.21
251	Saskatchewan Workers' Compensation Board Attn: Manager- Administrative Services A812859	200 - 1881 Scarth Street Regina SK S4P 4L1	7,148.08	0.00	7,148.08
252	SaskEnergy Incorporated Attn: Collections	900-1777 Victoria Ave Regina SK S4P 4K5	9,027.86	0.00	9,027.86
253	SaskPower Attn: Legal Desk	2025 Victoria Ave Regina SK S4P 0S1	11,885.45	0.00	11,885.45
254	Sasktel Attn: Kristin Hilderman	2121 Saskatchewan Dr, 3rd Floor Regina SK S4P 3Y2	2,827.78	0.00	2,827.78
255	SCOTT BATHGATE LTD	7118 VENTURE STREET DELTA BC V4G 1H6	331.25	0.00	331.25

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List "A"
 Unsecured Creditors

FHC Enterprises Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
256	SCOTTISH TRADERS CLOTHING	5455 BOUL DES GRANDES PRAIRIES ST LEONARD QC H1R 1B1	72,171.12	0.00	72,171.12
257	SELECT ELECTRICAL ENTERPRISE	BOX 696 MAYERTHORPE AB T0E 1N0	606.89	0.00	606.89
258	SEVEN APPAREL GROUP	347 FIFTH AVENUE, SUITE 201 NEW YORK NY 10016	48,432.20	0.00	48,432.20
259	SHKOPICH ENVIRO	19 INDUSTRIAL CRES., BOX 1419 MEADOW LAKE SK S9X 1Z1	1,365.40	0.00	1,365.40
260	SHOE TECH CANADA LTD	270 PENNSYLVANIA AVE UNIT # 7 CONCORD ON L4K 3Z7	8,684.28	0.00	8,684.28
261	SIGNBOOM INDUSTRIES LTD.	B125 - 5525 - 272nd STREET LANGLEY BC V4W 1P1	1,056.74	0.00	1,056.74
262	SIU & SONS INT'L TRADING CORP.	2460 VIKING WAY RICHMOND BC V6V 1N2	7,371.00	0.00	7,371.00
263	SLUBAN	P.O. BOX 367 CHILLIWACK MAIN CHILLIWACK BC V2P 6J4	454.22	0.00	454.22
264	SOURCE DISPLAY INC	13200 VULCAN WAY RICHMOND BC V6V 1J8	6,451.20	0.00	6,451.20
265	SPLASH HOME	4930 COURVAL STREET ST.LAURENT QC H4T 1L1	6,220.57	0.00	6,220.57
266	SS LASER TECH LTD	2115 - 13560 MAYCREST WAY RICHMOND BC V6V 2W9	387.75	0.00	387.75
267	STANDA IMPORTING	31 STEINWAY BLVD. TORONTO ON M9W 6N3	5,665.59	0.00	5,665.59
268	STANFIELDS LIMITED	1 LOGAN STREET TRURO NS B2N 5C2	42,210.50	0.00	42,210.50
269	STARGATE CONNECTIONS INC.	Suite 347 - 6450 Roberts St. Burnaby BC V5G 4E1	2,441.40	0.00	2,441.40
270	STEIN NOVELTY IMPORTING	409 BOUL. MONPELLIER MONTREAL QC H4N 2G6	3,528.00	0.00	3,528.00
271	STERLING BACKCHECK	SUITE 200 - 19433 96TH AVE SURREY BC V4N 4C4	1,994.46	0.00	1,994.46
272	STOCKLOTS	1901 TRANSCANADA HWY DORVAL QC H9P 1J1	174,962.55	0.00	174,962.55
273	STRATEGIC MERCHANDISE GROUP	1536 FIRST STREET NEWTON FALLS OH 44444	8,162.65	0.00	8,162.65
274	STREET LEGAL CLOTHING	675 MONTEE DE LIESSE MONTREAL QC H4 T 1P5	10,996.30	0.00	10,996.30
275	SUPERIOR PROPANE (TORONTO)	PO BOX 4568 STN A TORONTO ON M5W 0J5	760.95	0.00	760.95
276	SUPERIOR QUILTING LTD.	375 NORFINCH DRIVE NORTH YORK ON M3N 1Y7	29,562.75	0.00	29,562.75
277	SYMAK SALES/DIV OF FIBERLINKS	4747 COTE VERTU ST-LAURENT QC H4S 1C9	13,032.39	0.00	13,032.39
278	TELUS CUSTOM SECURITY (ACME)	1632 WEST 6TH AVENUE VANCOUVER BC V6J 1R3	7,550.55	0.00	7,550.55
279	Telus Custom Security Systems	1632 WEST 6TH AVENUE VANCOUVER BC V6J 1R3	7,550.55	0.00	7,550.55

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List "A"
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No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
280	Telus Residential/Business Services Attn: Rick Wan	3rd Fl - 4519 Canada Way Burnaby BC V5G 4S4	2,705.92	0.00	2,705.92
281	TELUS VANCOUVER BOX 7575	P.O. BOX 7575 VANCOUVER BC V6B 8N9	4,607.53	0.00	4,607.53
282	TENOLD TRANSPORT LTD BC372086	19470- 94TH AVENUE SURREY BC V4N 4E5	399.00	0.00	399.00
283	TERRA INT. FOOD INC	7298 HUME AVE DELTA BC V4G 1C5	12,620.46	0.00	12,620.46
284	TERRITORIAL BEVERAGES LTD	P.O. BOX 1257, 106 KAM LAKE ROAD YELLOWKNIFE NT X1A 2N9	2,218.43	0.00	2,218.43
285	THE PEPSI BOTTLING GROUP Attn: Connor Trendov	5520 Explorer Drive, Suite 200 Mississauga ON L4W 5L1	7,818.35	0.00	7,818.35
286	The Workers Compensation Board of Manitoba Attn: Angela Watson 1845304	333 Broadway Winnipeg MB R3C 4W3	56.79	0.00	56.79
287	TJ TRADING CO. INC.	260 BARTLEY DRIVE TORONTO ON M4A 1G5	7,314.30	0.00	7,314.30
288	TOTAL PLUMBING & HEATING	9855-107 STREET WESTLOCK AB T7P 1R9	937.97	0.00	937.97
289	TOTES ISOTONER CANADA	426 WATLINE AVENUE MISSISSAUGA ON L4Z 1X2	19,994.04	0.00	19,994.04
290	TROPHY FOODS INC	6210 44TH STREET SE CALGARY AB T2C 4L3	1,378.65	0.00	1,378.65
291	TY INC	.P.O. BOX 5377 OAK BROOK IL 60522 - 5377	15,099.47	0.00	15,099.47
292	ULINE CANADA CORP ORPTION Cust # 9290896 ID# 03	BOX 3500, RPO STREETSVILLE MISSISSAUGA ON L5M 0S8	12,543.33	0.00	12,543.33
293	ULTIMATE CUP OF COFFEE LTD	1751 BOUNDARY ROAD VANCOUVER BC V5M 3Y7	1,377.60	0.00	1,377.60
294	UNITED PACIFIC DESIGNS	4507 S. MAYWOOD AVENUE VERNON CA 90058	12,861.61	0.00	12,861.61
295	UPPAL COMPUTER SOLUTIONS INC.	8256 142B STREET SURREY BC V3W 0J4	6,490.00	0.00	6,490.00
296	V.K. PATEL DISTRIBUTION SYSTEM	637 THE QUEENSWAY, STE 1 PETERBOROUGH ON K9J 7J6	10,749.00	0.00	10,749.00
297	VAN KAM FREIGHTWAYS LTD.	10155 GRACE ROAD SURREY BC V3V 3V7	157,596.58	0.00	157,596.58
298	VIPRE SECURITY	SUITE 300-3999 HENNING DRIVE BURNABY BC V5C 6P9	1,532.15	0.00	1,532.15
299	VWV ENTERPRISES LTD.	3920 GRIFFITH ST. LAURENT QC H4T 1A7	72,494.34	0.00	72,494.34
300	WCB Workers Compensation Board of Alberta Attn: Collection Department 6666244	PO Box 2415 Edmonton AB T5J 2S5	4,967.15	0.00	4,967.15
301	WEST COAST PALLET LTD.	11180 SCOTT ROAD SURREY BC V3V 8B8	2,592.80	0.00	2,592.80
302	WESTERN STAR, THE	BOX 100 LESLIEVILLE AB T0M 1H0	631.37	0.00	631.37

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FORM 78 -- Continued

List "A"
 Unsecured Creditors
 FHC Enterprises Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
303	WHITEVALE BACKHOE	366 WHITEVALE RD LUMBY BC V0E 2O9	231.00	0.00	231.00
304	WILDERNESS ESCAPE INC	BOX 1687 ATHABASCA AB T9S 2B4	73.50	0.00	73.50
305	WorkSafeBC - Collections Department 8880879	PO Box 5350 Stn. Terminal Vancouver BC V6B 5L5	9,865.37	0.00	9,865.37
306	WORLDWIDE DISTRIBUTORS	8811 KEELE STREET CONCORD ON L4K 2N1	5,292.00	0.00	5,292.00
307	WSCC Workers' Safety and Compensation Commission Attn: Theresa Wolfe 39473	Box 8888 Yellowknife NT X1A 2R3	1,936.00	0.00	1,936.00
308	XPLORNET COMMUNICATIONS INC	300 LOCKHART MILL RD BOX 9060 WOODSTOCK NB E7M 6B5	98.55	0.00	98.55
309	XPRESS RETAIL LLC DB/A DVDXPPE	25 BROADWAY, 9TH FLOOR NEW YORK NY 10004	11,713.18	0.00	11,713.18
310	YDENBERG PROPERTIES LIMITED	6596 - 238TH STREET LANGLEY BC V2Y 2H5	1,984.50	0.00	1,984.50
311	YELLOWKNIFE BEVERAGES	PO BOX 367 TLE' NAX T'AWEI LTD, 353A OLD AIRPORT ROAD YELLOWKNIFE NT X1A 2N3	3,398.14	0.00	3,398.14
312	ZERO II 60 FASHIONS INC	9400 ST-LAURENT, SUITE 200 MONTREAL QC H2N 1P3	57,192.21	0.00	57,192.21
313	ZHIHE CANADA INC	UNIT 2, 50 VOGELL ROAD RICHMOND HILL ON L4B 3K6	3,158.58	0.00	3,158.58
Total:			6,703,555.21	787,368.46	7,490,923.67

21-May-2020

Date


 Jason McDougall

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B200171
 Estate No. 11-2626936

FORM 78 -- Continued


List "B"
 Secured Creditors

FHC Enterprises 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	0988474 BC LTD.	150 - 766 Cliveden Place Delta BC V3M 6C7	546,287.88	Business Assets - Stock In Trade - Inventory	21-May-2020	546,287.88		
2	1007070 B.C. LTD.	150-766 CLIVEDEN PLACE Delta BC V3M 6C7	1,768,919.61	Business Assets - Stock In Trade - Inventory	21-May-2020	1,768,919.61		
3	CWB National Leasing Inc./ (formerly National Leasing Group Inc) Attn: Bankruptcy Designate	1525 Buffalo PI Winnipeg MB R3T 1L9	51,500.00	Business Assets - Machinery - Lozier Bases with Shelving	20-May-2020	51,500.00		
4	CWB National Leasing Inc./ (formerly National Leasing Group Inc) Attn: Bankruptcy Designate	1525 Buffalo PI Winnipeg MB R3T 1L9	42,102.00	Business Assets - Machinery - Servers and Computer Hardware	21-May-2020	42,102.00	0.86	
5	CWB National Leasing Inc./ (formerly National Leasing Group Inc) Attn: Bankruptcy Designate	1525 Buffalo PI Winnipeg MB R3T 1L9	29,962.00	Business Assets - Machinery - Racking, Shelving and Pegboards	20-May-2020	29,962.00		
6	CWB National Leasing Inc./ (formerly National Leasing Group Inc) Attn: Bankruptcy Designate	1525 Buffalo PI Winnipeg MB R3T 1L9	20,500.00	Business Assets - Machinery - POS Systems, Scanners and Keyboards	20-May-2020	20,483.00		17.00
7	CWB National Leasing Inc./ (formerly National Leasing Group Inc) Attn: Bankruptcy Designate	1525 Buffalo PI Winnipeg MB R3T 1L9	14,700.00	Business Assets - Machinery - LED Flex Face Sign	20-May-2020	14,700.00		
8	CWB National Leasing Inc./ (formerly National Leasing Group Inc) Attn: Bankruptcy Designate	1525 Buffalo PI Winnipeg MB R3T 1L9	8,800.00	Business Assets - Machinery - Field Signs with LED	20-May-2020	8,800.00		
9	CWB National Leasing Inc./ (formerly National Leasing Group Inc) Attn: Bankruptcy Designate	1525 Buffalo PI Winnipeg MB R3T 1L9	7,816.00	Business Assets - Machinery - 20 Security Carts with Shelving and Panels	20-May-2020	7,800.00		16.00
10	CWB National Leasing Inc./ (formerly National Leasing Group Inc) Attn: Bankruptcy Designate	1525 Buffalo PI Winnipeg MB R3T 1L9	7,640.00	Motor Vehicles - Other - 2018 - Continental - Cargo CC820TA2 - 5NHUTWV25JN086686	21-May-2020	7,640.00		
11	De Lage Landen Financial Services Canada Inc.	3450 Superior Court, Unit 1 Oakville ON L6L 0C4	17,607.00	Business Assets - Machinery - 2018 Crown Forklift with attachments	20-May-2020	17,000.00		607.00
12	First West Capital Attn: Sarah Lloyd	610 - 1040 West Georgia Street Vancouver BC V6E 4H1	25,623.72	Business Assets - Stock In Trade - Inventory	21-May-2020	25,623.72		

21-May-2020

Date


 Jason McDougall

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B200171
 Estate No. 11-2626936

FORM 78 -- Continued

List "B"
 Secured Creditors

FHC Enterprises 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
13	Gould Leasing Ltd. Attn: Susan Voth	201 - 1220 Yonge Street Toronto ON M4T 1W1	22,195.00	Business Assets - Machinery - Mobile Computers and Accessories	20-May-2020	22,195.00		
14	Gould Leasing Ltd. Attn: Susan Voth	201 - 1220 Yonge Street Toronto ON M4T 1W1	12,777.00	Business Assets - Machinery - Cash Desk w/ Candy Shelf, Desk and Shelves	20-May-2020	12,777.00		
15	Kry Innovations Inc.	PO Box 1095 pemberton BC V0N 2L0	919,511.38	Business Assets - Stock In Trade - Inventory	21-May-2020	253,591.48		665,919.90
16	M&M FOOTWEAR INC	4350 THIMENS Ville St. Laurent QC H4R 2P2	120,808.56	Business Assets - Stock In Trade - Inventory	21-May-2020	0.00		120,808.56
17	Radco Ventures Inc.	7529 72A Street NW Edmonton AB T6B 1Z3	1,340,342.52	Business Assets - Stock In Trade - Inventory	21-May-2020	1,340,342.52		
18	RBC Royal Bank / Banque Royale Attn: c/o BankruptcyHighway.com	PO Box 57100 Etobicoke ON M8Y 3Y2	6,109,690.79	Business Assets - Stock In Trade - Inventory Debts Due - Business - Accounts Receivable Cash on hand - Cash in Bank Motor Vehicles - Automobile - 2015 - Ford - F150 - 1FTEX1E87FFA43715 Motor Vehicles - Automobile - 2015 - Ford - Escape 4x4 SUV - 1FMCU9GX2FUB52917 Motor Vehicles - Automobile - 2015 - Ford - Escape 4x4 SUV - 1FMCU9GX7FUC46839 Motor Vehicles - Automobile - 2016 - Dodge - Ram 3500 Crew Cab 4x4 - 3C63R3GL8GG296631 Motor Vehicles - Automobile - 2016 - Ford - Escape AWD SUV - 1FMCU9J95GUB26341	21-May-2020 21-May-2020 21-May-2020 21-May-2020 21-May-2020 21-May-2020 21-May-2020 21-May-2020 21-May-2020	6,065,234.79 44,456.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	132,250.16 21,000.00 11,000.00 11,000.00 29,487.50 5,144.00	
19	Zeemac Vehicle Lease Ltd.	2293 Douglas Road Burnaby BC V5C 5A9	10,656.00	Motor Vehicles - Automobile - 2016 - Ford - Escape AWD SUV - 1FMCU9J95GUB26341	20-May-2020	10,656.00		
20	Zeemac Vehicle Lease Ltd.	2293 Douglas Road Burnaby BC V5C 5A9	5,512.50	Motor Vehicles - Automobile - 2016 - Dodge - Ram 3500 Crew Cab 4x4 - 3C63R3GL8GG296631	20-May-2020	5,512.50		

21-May-2020

Date


 Jason McDougall

District of: British Columbia
Division No. 03 - Vancouver
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Estate No. 11-2626936

FORM 78 -- Continued

Total:	11,082,951.96		10,295,583.50	209,882.52	787,368.46
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21-May-2020

Date


Jason McDougall

District of: British Columbia
Division No. 03 - Vancouver
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FORM 78 -- Continued


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

FHC Enterprises 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
Total:					0.00	0.00	0.00

21-May-2020

Date


Jason McDougall

District of: British Columbia
Division No. 03 - Vancouver
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FORM 78 -- Continued


List "D"
Contingent or Other Liabilities

FHC Enterprises 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		

21-May-2020

Date


Jason McDougall

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B200171
 Estate No. 11-2626936

FORM 78 -- Continued

List "E"
 Debts Due to the Debtor
 FHC Enterprises 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	Accounts Receivable	1130 - 400 Burrard Street Vancouver BC V6C 3A6	Accounts Receivable	18,457.00 25,999.00 0.00		20-May-2020	18,457.00	GSA
Total:				18,457.00 25,999.00 0.00			18,457.00	

21-May-2020

Date


 Jason McDougall

District of: British Columbia
Division No. 03 - Vancouver
Court No. B200171
Estate No. 11-2626936

FORM 78 -- Continued

List "F"

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

FHC Enterprises 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	

21-May-2020

Date


Jason McDougall

District of: British Columbia
Division No. 03 - Vancouver
Court No. B200171
Estate No. 11-2626936

FORM 78 -- Continued

List "G"
Real Property or Immovables Owned by Debtor

FHC Enterprises Ltd.

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
Total:			0.00		0.00

21-May-2020

Date


Jason McDougall

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B200171
 Estate No. 11-2626936

FORM 78 -- Concluded

List "H"
 Property

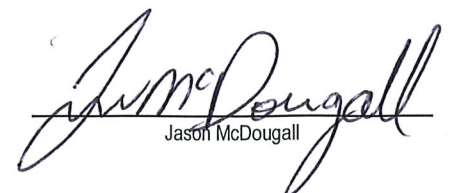
FHC Enterprises Ltd.

FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade		Inventory	0.00	10,000,000.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			132,250.16	132,250.16
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant		2018 Crown Forklift with attachments 20 Security Carts with Shelving and Panels Servers and Computer Hardware Mobile Computers and Accessories Cash Desk w/ Candy Shelf, Desk and Shelves LED Flex Face Sign POS Systems, Scanners and Keyboards Racking, Shelving and Pegboards Field Signs with LED Lozier Bases with Shelving	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	17,000.00 7,800.00 42,102.86 22,195.00 12,777.00 14,700.00 20,483.00 29,962.00 8,800.00 51,500.00
(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		Automobile - 2016 - Dodge - Ram 3500 Crew Cab 4x4 - 3C63R3GL8GG296631 Automobile - 2016 - Ford - Escape AWD SUV - 1FMCU9J95GUB26341 Automobile - 2015 - Ford - F150 - 1FTEX1E87FFA43715 Automobile - 2015 - Ford - Escape 4x4 SUV - 1FMCU9GX7FUC46839 Automobile - 2015 - Ford - Escape 4x4 SUV - 1FMCU9GX2FUB52917 Other - 2018 - Continental - Cargo CC820TA2 - 5NHUTWV25JN086686	0.00 0.00 0.00 0.00 0.00 0.00	35,000.00 15,800.00 21,000.00 11,000.00 11,000.00 7,640.00
(l) Taxes			0.00	0.00
			Total:	10,461,010.02

21-May-2020

Date


 Jason McDougall

COURT NO. B200171
ESTATE NO. 11-2626936

VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY & INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF
FHC ENTERPRISES LTD.**

TRUSTEE'S REPORT TO CREDITORS

BACKGROUND

FHC Enterprises Ltd. (“**FHC**”, the “**Company**”) was incorporated in British Columbia in March 2012. Jason McDougall is the sole Director and Officer. FHC was incorporated for the purpose of purchasing all of the assets of the FIELDS chain of department stores. The Western Canadian retail chain originally began in 1948 by Josef Segal. Currently, FHC operates from sixty-two (62) FIELDS retail stores located in rural communities throughout British Columbia, Alberta, Saskatchewan, Manitoba and Northwest Territories, one (1) ‘McFrugals’ store located in Surrey, BC as well as a distribution warehouse and head office located in Delta, B.C. FHC sells general merchandise including apparel, groceries and household products from its retail locations as well as from its e-commerce website Fields.ca. However, the vast majority of FHC’s sales are conducted from their retail stores. We understand that FHC currently employs approximately 400 full and part-time employees.

FHC reported a substantial net loss in draft financial statements prepared by management for the fiscal year ending February 1, 2020 (“**Fiscal 2020**”). Audited financial statements for the fiscal year ending February 2, 2019 (“**Fiscal 2019**”) reported minimal net income; however, revenue declined by approximately \$2.8MM in Fiscal 2020. This decline in revenue is likely as a result from the continued economic decline in many of the smaller rural communities where FHC operates its retail stores. In addition to the decline in revenue, administrative expenses did not decrease in 2020 which resulted in the material net loss from operations.

As a result of the recent significant operating loss, FHC lacked sufficient working capital to meet all of its obligations to its creditors. We are advised that the Company attempted to secure additional financing in February 2020, but was unsuccessful in doing so, and as a result, management was concerned that it would not be possible to deal with all of the

Company's debt obligations on an informal basis and in a short time frame. Accordingly, FHC sought creditor protection to permit a restructuring of FHC's financial affairs.

On March 6, 2020, FHC filed a Notice of Intention to Make a Proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act* ("**Notice of Intention**") and MNP Ltd. consented to act as Licensed Insolvency Trustee ("**Trustee**") in the proposal proceedings.

On April 6, 2020, the Company filed an application with the British Columbia Supreme Court (the "**Court**") seeking an extension of time to file its proposal to creditors and was granted an extension of time to May 21, 2020. FHC filed a proposal to its creditors on May 21, 2020 (the "**Proposal**").

In preparing this Trustee's Report to Creditors (the "**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 or other standards established by the Chartered Professional Accountants of Canada.

Capitalized terms used in the Report are the same as those referenced in the Proposal. Unless otherwise stated herein, all references to currency are to Canadian currency.

SUMMARY OF PROPOSAL

A summary and major terms of the Proposal are as follows:

- There will be two Classes of Creditors for the purpose of considering and voting upon the Proposal consisting of the Secured Creditors and General Creditors.
- Respecting Secured Creditors, the Company shall continue to pay the Secured Creditors in accordance with present arrangements, as amended from time to time, or as may be arranged in the future between the Company and each Secured Creditor respectively.
- The Company shall pay a total of \$1,835,000.00 (defined as the "**Proposal Fund**") to the Trustee for the benefit of the General Creditors as well as certain priority obligations pursuant to the provisions of the *Bankruptcy and Insolvency Act* and as set out in the Proposal.
- The Proposal Fund is comprised of various payments which have been paid and are due to be paid by the Company to the Trustee on specified dates, as follows:

- payment of \$26,250.00; upon filing of the Notice of Intention;
 - payment of \$105,000.00; upon filing of the Proposal;
 - payment of \$51,750.00 not later than June 9, 2020; and
 - semi-monthly payments totaling \$1,652,000.00, due over fifty-nine (59) months commencing July 15, 2020 and ending May 31, 2025. Each payment shall be in the amount of \$14,000.00 and shall be paid on the 15th day of the month (or the next Business Day if the 15th is not a Business Day) and on the last Business day of each month.
- Canada Revenue Agency (“**CRA**”) will be paid in full by the Trustee from the Proposal Fund within 6 months of Court Approval of the Proposal, for unremitted payroll source deductions. As the Company utilizes the services of a payroll provider, it is not anticipated that there is any debt owing for unremitted payroll withholdings.
 - The Trustee’s fees and expenses, and legal costs of the Trustee and the Company arising out of the Proposal shall be paid from the Proposal Fund in priority to the claims of General Creditors.
 - General Creditors with claims of equal to or less than \$1,500.00 shall be paid the amount of their claim, and General Creditors with claims of more than \$1,500.00 may elect to reduce their claim to \$1,500.00. The claims of all other General Creditors will be paid a pro rata share of the remaining funds in the Proposal Fund.
 - The Proposal contains a provision that within seven (7) days of the approval of the Proposal by Court, Related Parties shall waive their respective right to payment from the Proposal Fund for monies owed to them by the Company as General Creditors. 0988474 BC Ltd. and 1007070 BC Ltd. are related to FHC by common control and are defined as Related Parties. 0988474 BC Ltd. and 1007070 BC Ltd. have agreed to not file a claim in the Proposal.
 - The Proposal contains a provision that claims against the Company’s Director are compromised after the approval of the Proposal by Court.

At the date of this Report, the Company has made payments to the Trustee totaling \$131,250.00 pursuant to the terms of the Proposal.

OPERATIONS

The Company has continued operations subsequent to filing the Notice of Intention on March 6, 2020. As FHC's business qualified as an essential service in the context of the BC provincial government's response to the COVID-19 pandemic, the Company continued to supply the various communities where the retail stores are located. The retail stores have operated in the normal course although with reduced hours in certain cases due to COVID-19.

The Company has also continued to carry on business with its suppliers on terms which are acceptable to FHC and its suppliers. Primarily, FHC is paying for goods and services on a cash basis.

FHC currently employs approximately 400 full and part-time employees. The Company's payroll is processed on a bi-weekly basis and employees are being paid in accordance with the payroll schedule. The Company utilizes the services of ADP Canada to administer its payroll, and as such payroll withholdings are remitted to CRA directly by ADP Canada.

The Company's locations are all leased premises, and at the date of the Notice of Intention, all landlords had been paid rent for the month of March 2020. We are advised by management that a number of landlords subsequently agreed to varying rent concessions due to the COVID-19 pandemic. At the date of the Notice of Intention, FHC operated from one 'McFrugals' store and sixty-three (63) FIELDS retail stores but management subsequently closed one FIELDS retail store due to poor operating results.

Management is optimistic that the Company can return to operating at a profitable level, and in that regard, management has reduced various administrative and overhead expenditures where possible in an effort to maximize working capital and net income. In order to adapt to the current situation and to maximize revenue, management has focused on sourcing additional products currently in high demand by consumers as a result of COVID-19.

ASSETS

Cash in Bank

The Statement of Affairs reports cash on hand totaling approximately \$132,250 which represents available operating funds, although that balance will fluctuate daily. The Company's senior secured creditor is the Royal Bank of Canada ("**RBC**") who provides working capital to FHC by way of a revolving credit loan (the "**Revolving Loan**"). It is our understanding that the Company's cash receipts from operations are paid daily into a

blocked account held by RBC which reduces the balance of the Revolving Loan. The Company takes draws from the Revolving Loan for operating funds.

Accounts Receivable

As the Company operates on a cash or credit card basis, the Company generally has no material accounts receivable. However, FHC will sell on credit from time to time to various government agencies, social service organizations, and first nations communities.

The Statement of Affairs reported accounts receivable totaling \$44,456, of which \$18,457 is considered collectable.

Inventory

FHC's main asset is its inventory for resale which is located in the Company's sixty-three retail stores as well as the distribution warehouse located in Delta, B.C.

The Company reports its total inventory balance to RBC each week, which forms the basis of credit advances available to FHC for working capital. As at May 20, 2020, FHC reported inventory at cost totaling approximately \$13,500,000. The Statement of Affairs reported an inventory value of \$10,000,000 which was management's estimate of the inventory's orderly liquidation value.

Tiger Valuation Services, LLC ("**Tiger**") conducted an appraisal of the inventory as at November 30, 2019 and issued a report on January 28, 2020 to RBC setting out, among other things, Tiger's estimate of the net orderly liquidation value of the inventory. The appraisal report was provided to the Trustee.

In order to estimate the net realizable value, whether in an orderly liquidation scenario conducted over a number of months, or a forced liquidation or bankruptcy scenario managed by a Receiver or Trustee, there are significant costs that would be incurred to liquidate the inventory situated in a large number of retail stores located in rural communities throughout British Columbia, Alberta, Saskatchewan, Manitoba and the Northwest Territories. Liquidation expenses include staffing costs, occupation rent, transportation costs, store and other costs, and the costs and fees of the Receiver, Trustee or liquidator. The coordination and implementation of a liquidation sale of such a large volume of inventory is further complicated by the existence of the current COVID-19 pandemic.

As a result, it is very difficult to estimate what the current net liquidation value might be after consideration of all costs that would be incurred. However, we estimate that the net forced liquidation value of the inventory would be in the range of \$5,500,000 or approximately 40% of cost and could be materially less.

Equipment, Store Fixtures and Furniture, and Vehicles

FHC owns various computer and office equipment, as well as retail store and warehouse equipment, furniture and store fixtures, and six vehicles. Many of these assets are subject to lease/financing agreements.

Audited financial statements for Fiscal 2019 report total net book value of equipment and capitalized leasehold improvements of approximately \$1,520,000.

The Statement of Affairs reports the total value of the equipment, store fixtures and furniture to be approximately \$227,300 which is primarily based on what is currently owing to the various lessors of these assets as it is anticipated that there is likely no material net value after consideration of what is owed to the lenders with specific registered security. The various vehicles were reported on the Statement of Affairs at their total "black book value" of approximately \$101,500.

In a forced liquidation scenario, it is anticipated that the various assets which are subject to specific registered security interests would be released to the various lessors. The net liquidation value of remaining assets is anticipated to be in the range of \$75,000 after taking into consideration auctioneer's commissions and other selling costs that would be incurred.

Goodwill

Goodwill represents the incremental value a prospective purchaser would pay to purchase the business as a "going concern", over and above the value attributable to tangible assets the purchaser would be acquiring.

Given the present economy, the existence of the COVID-19 pandemic, historical financial results, and the fact that the business is owner managed, we do not anticipate any material value being attributable to Goodwill in a bankruptcy or liquidation scenario.

LIABILITIES

Secured Creditors

The Trustee has not obtained an independent legal opinion on the validity or enforceability of the various security agreements and/or claims of the various secured creditors discussed in the Report.

CRA

FHC utilizes the services of ADP Canada to administer its payroll, which is paid on a bi-weekly basis. At the time that payroll is administered, ADP Canada withdraws funds from the Company's account for both employees' wages and payroll withholdings. As ADP Canada remits the employees' payroll deductions and the employer's payroll obligations directly to CRA, we are not aware of any unremitted payroll withholdings.

RBC

As reported, the Company's senior secured creditor is RBC who provides working capital to FHC by way of a revolving credit loan, which is provided pursuant to the terms of a Loan Agreement dated April 30, 2012, in addition to many subsequent amended and restated loan agreements.

FHC executed General Security Agreements dated April 30, 2012 in favour of RBC which grant to RBC a security interest in all of the Company's assets.

In April 2012, RBC registered notice of those security interests in various Personal Property Registries.

On April 6, 2020, RBC made an application to Court, and obtained an Order that the Stay of Proceedings with respect to FHC and pursuant to the provisions of the *Bankruptcy and Insolvency Act* no longer operates in respect of RBC. Accordingly, RBC could elect to enforce its security notwithstanding the filing of the Notice of Intention.

RBC continues to make the Revolving Loan available to FHC for working capital, and the Company continues to pay interest and costs to RBC pursuant to the terms of the loan agreements. The Statement of Affairs reports RBC as being owed approximately \$6,110,000 although the amount varies as credit advances available to FHC are determined on a weekly basis.

First West Credit Union ("First West")

First West registered notice of a security interest in all of the Company's assets in July 2014. We understand that the debt obligations to First West were paid in full prior to the filing of the Notice of Intention other than a prepayment penalty which owing. The outstanding balance reported on the Statement of Affairs is approximately \$25,600.

Radco Ventures Inc.
Kry Innovations Inc.
M&M Footwear Inc.
0988474 BC Ltd.
(collectively, the "Debenture Holders")

We understand that FHC issued a series of convertible debentures which bear interest at 10% and are secured by general security agreements. We also understand that the debentures matured between April 30, 2015 and April 30, 2016 with no subsequent date of repayment. The amount owing to the Debenture Holders is reported on the Statement of Affairs at a total of approximately \$2,927,000.

Radco Ventures Inc. is owed the principal amount of the debenture plus accrued interest which is reported on the Statement of Affairs at approximately \$1,340,000. Radco Ventures Inc. registered notice of its security interest in the Personal Property Registry.

Kry Innovations Inc. is owed the principal amount of the debenture plus accrued interest which is reported on the Statement of Affairs at approximately \$919,500. Search results dated May 19, 2020 of the British Columbia Personal Property Registry indicates that Kry Innovations Inc. has not registered notice of its security interest.

M&M Footwear Inc. is owed the principal amount of the debenture plus accrued interest which is reported on the Statement of Affairs at approximately \$120,800. Search results dated May 19, 2020 of the British Columbia Personal Property Registry indicates that M&M Footwear Inc. has not registered notice of its security interest.

0988474 BC Ltd. is owed the principal amount of the debenture plus accrued interest which is reported on the Statement of Affairs at approximately \$546,300. 0988474 BC Ltd. registered notice of its security interest in the Personal Property Registry. 0988474 BC Ltd. is related to FHC by way of common control.

1007070 B.C. Ltd. (BC Ltd.)

BC Ltd. is a company related to the Company by way of common control. We are advised that BC Ltd. made a number of advances to FHC dating back to 2017 and that BC Ltd. is currently owed the aggregate principal amount of approximately \$1,769,000. We have been provided with a Line of Credit Agreement and General Security Agreement which are both dated February 27, 2020. BC Ltd. registered notice of its security interest in the Personal Property Registry.

*CWB National Leasing Inc., formerly National Leasing Group Inc.
De Lage Landen Financial Services Canada Inc.
Gould Leasing Ltd.
Zeemac Vehicle Lease Ltd.
(collectively, the "Lessors")*

As previously reported, FHC owns various computer and office equipment, as well as retail store and warehouse equipment, furniture and fixtures, and a number of vehicles which are financed by way of various financing agreements/conditional sales contracts. The Lessors have all registered notice of their specific security interests. The Company continues to make the monthly agreed upon payments.

Her Majesty the Queen in Right of the Province of British Columbia (the "Province")

The Province registered a financing statement in the British Columbia Personal Property Registry on March 10, 2020, which was after the filing of the Notice of Intention, with respect to unremitted provincial sales tax ("PST"). The Company's records indicate that approximately \$166,000 of unremitted PST was owing at the date of the initial filing.

The Province is listed as an unsecured creditor on the Statement of Affairs because the Province failed to register a financing statement prior to the date of the Notice of Intention.

Preferred Creditors

Employees

Employees are preferred creditors pursuant to Section 136 of the *Bankruptcy and Insolvency Act*, and as such, their preferred claims must be paid in full before any payments are made to the general unsecured creditors. Each employee's preferred claim may not exceed \$2,000, relating to wages and vacation pay during the six-month period immediately preceding the initial date of filing. Amounts owing in excess of the threshold or relate to a period more than six months prior to the Notice of Intention, are general unsecured claims. Any claims relating to severance or termination pay are general unsecured claims.

We are not aware of any preferred amounts owing to present or former employees. As the Company provided notice of termination to certain employees on or around the time that FHC filed a Notice of Intention, we expect that employees will file as General Creditors with respect to claims for termination pay owing in lieu of notice pursuant to the provisions of the relevant provincial employment statute.

In a bankruptcy scenario, preferred claims of employees (wages/vacation pay) become a secured charge over current assets, and takes priority over other secured creditors, with

the exception of the claim of CRA pertaining to unremitted payroll withholdings. Claims for outstanding termination pay rank as general unsecured claims in a bankruptcy or proposal scenario.

Landlords

Landlords are afforded priority for rent obligations in arrears for the three months immediately preceding the filing of the Notice of Intention. As there were no rent obligations in arrears at the date of the Notice of Intention, the Statement of Affairs does not report any preferred claims.

Unsecured Creditors

The Company's Statement of Affairs indicates unsecured creditors of approximately \$6,703,500, excluding the deficiency claims of secured creditors, and \$7,491,000 including the deficiency claims.

Pursuant to the terms of the Proposal, the related party claims of 0988474 BC Ltd. reported at approximately \$11,875, and 1007070 BC Ltd. reported at approximately \$117,360 are specifically excluded from claiming in the Proposal.

Accordingly, it is estimated that there are unsecured creditors of approximately \$6,574,320 which may claim in the Proposal. Ultimately the amount owing to creditors will be based upon the proven claims filed in the Proposal proceedings.

CONDUCT OF THE DEBTOR

Preferences and Transactions at Under Value

The Trustee reviewed various banking documentation in the three months prior to, and after, the filing of the Notice of Intention, which included the examination of payments in excess of \$25,000.00. From the Trustee's review of the books and records, there were no preferential transactions or transactions at under value identified that would likely be challenged by a Trustee in Bankruptcy pursuant to the provisions of the *Bankruptcy and Insolvency Act*.

REMUNERATION OF THE TRUSTEE

The costs of administration pertaining to the Trustee's fees and disbursements and legal costs incurred in relation to the Proposal are a preferred claim and will be paid from the Proposal Fund and will be subject to taxation by Court and approval of the Inspectors, if appointed, or the creditors should no Inspectors be appointed.

Pursuant to an Order granted by the Honourable Madam Justice Fitzpatrick on April 6, 2020, the Trustee was permitted to pay itself \$57,807.00 plus GST out of the funds held in trust (the Proposal Fund) on account of the Trustee's fees and disbursements which had been incurred, and subject to final taxation.

The Proposal states that in the event no Inspectors are appointed, the Trustee may take advances of Trustee's Fees, subject to final taxation by the Court. Such advances shall not be taken less than on a quarterly basis, commencing after approval of the Proposal by Court. If any Inspectors are appointed, they must approve any advances to the Trustee for fees, in accordance with the *Bankruptcy and Insolvency Act*.

ESTIMATED REALIZATION – BANKRUPTCY vs. PROPOSAL

The Trustee has prepared a Statement of Estimated Realization (the "**Statement**") which is attached as Schedule "A" to this Report and compares the estimated net realization in a bankruptcy versus proposal scenario. If the Proposal is not accepted by the creditors, the Company will be deemed to have made an assignment in bankruptcy on that date.

Pursuant to the terms of the Proposal, General Creditors with provable claims of \$1,500 or less will be paid the amount of their claim. General Creditors with provable claims greater than \$1,500 may choose to reduce their claim to \$1,500 and be paid \$1,500. We have estimated that General Creditors with proven claims of more than \$1,500 and less than approximately \$6,525 may elect to reduce their claim to \$1,500 and be paid that amount. These claims are estimated to total \$326,132 and are estimated to be paid \$151,655. After payment of these creditors' claims, it is estimated that the remaining General Creditors with larger claims may receive a dividend of approximately 23%.

In a bankruptcy, the General Creditors are likely not to receive a dividend based on the estimated liquidation value of the inventory and other assets and the value of secured claims. In a bankruptcy, wages and vacation pay that are owing and remain unpaid on June 11, 2020 would form a secured claim. These amounts, up to \$2,000 per employee, would rank in priority to the claim of RBC. The amounts are unknown at this time but have been estimated on the Statement to total \$600,000, assuming that 200 employees have a maximum claim of \$2,000, and 200 employees have a claim of \$1,000.

In a bankruptcy we estimate that funds would only be available for the secured claims of wage earners and for RBC as first ranking secured creditor. There are additional general secured claims of First West, Debenture Holders, and BC Ltd.

CONSEQUENCES OF NON-APPROVAL OF THE PROPOSAL

If the Proposal is not accepted by the creditors, the Company will be deemed to have made an assignment in bankruptcy on that date. In a bankruptcy, the secured claims of

**In the Matter of the Proposal of
FHC Enterprises Ltd.**

Trustee's Report to Creditors

Page 12

wage earners, RBC, Debenture Holders, BC Ltd. and various Lessors will have claims against all of the Company's assets. We estimate that in a bankruptcy scenario, secured creditors would not be paid in full, and General Creditors will not receive a dividend.

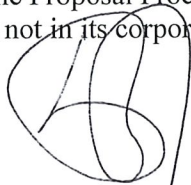
In the Proposal, it is estimated that approximately \$1,593,500 will become available for the claims of General Creditors. Pursuant to the terms of the Proposal, the related party claims of 0988474 BC Ltd. and 1007070 BC Ltd. will not receive any payment from the Proposal Fund. General Creditors with claims of less than \$1,500 will be paid in full, General Creditors who elect to reduce their claim to \$1,500 will receive \$1,500 and remaining General Creditors may receive a dividend of approximately 23 cents on the dollar.

Accordingly, we recommend acceptance of this Proposal.

DATED AT the City of Vancouver, British Columbia this 29th day of May, 2020.

MNP Ltd.

In its capacity as Licensed Insolvency Trustee
In the Proposal Proceedings of FHC Enterprises Ltd.
and not in its corporate capacity



Per: Patty E. Wood CPA, CGA, CIRP, LIT
Senior Vice President

In the Matter of the Proposal of FHC Enterprises Ltd.

Statement of Estimated Realization (rounded)

Bankruptcy vs. Proposal

Schedule "A"

	Proposal	Bankruptcy
ESTIMATED RECEIPTS		
Cash In Bank	\$ -	\$ -
Accounts Receivable	-	-
Inventory - Net Recovery (Note 1)	-	5,500,000
Equipment , Furniture and Fixtures, Vehicles (Note 2)	-	75,000
Proposal Payments	1,835,000	-
Total Estimated Receipts	\$ 1,835,000	\$ 5,575,000
ESTIMATED DISBURSEMENTS		
Disbursements	\$ 5,000	\$ -
Proposal Trustee's Fees	225,000	-
GST on Above	11,500	-
Total Estimated Disbursements (Note 3)	\$ 241,500	\$ -
AVAILABLE FOR DISTRIBUTION	\$ 1,593,500	\$ 5,575,000
Secured Creditors		
Canada Revenue Agency	\$ -	\$ -
Secured Claims of Employees	-	600,000
Royal Bank of Canada	-	4,975,000
First West Credit Union	-	-
Debenture Holders	-	-
1007070 BC Ltd.	-	-
Preferred Creditors	-	-
General Creditors - Claiming less than \$1,500/Claiming \$1,500	151,655	-
General Creditors - Balance of larger claims	1,441,845	-
	\$ 1,593,500	\$ 5,575,000
Claims of General Creditors claiming \$1,500 or less	\$ 326,132	\$ -
Estimated % Dividend (Note 4)	47%	
Claims of General Creditors claiming pro rata share	\$ 6,248,188	
Estimated % Dividend (Note 4)	23%	0%
TOTAL GENERAL (UNSECURED) CREDITORS (Note 5)	\$6,574,320	\$6,703,555

Notes:

1. Inventory is reported at estimated net forced liquidation value after deduction of various anticipated liquidation costs.
2. It is estimated that the majority of equipment and vehicles will be returned to the various Lessors who have registered specific security.
3. As all assets are subject to registered security interests, it is assumed that the only funds available in a bankruptcy scenario for costs of administration will be funds advanced by RBC as first ranking secured creditor.
4. The estimated dividend does not take into account the 5% levy payable to the Superintendent of Bankruptcy which is payable on all dividends. The levy is payable in either a proposal or bankruptcy.
5. In the Proposal, Related Parties are specifically excluded from payment from the Proposal Fund.

CHECKLIST FOR COMPLETING A PROOF OF CLAIM FORM

This checklist is provided to assist you in preparing a complete and accurate Proof of Claim form and, where required, a Proxy. A creditor who does not prove their claim is not entitled to vote or share in any distribution. Please check each requirement.

GENERAL

- The form must be signed by the person completing the Proof of Claim and that person must be an authorized signatory.
- The signature of a witness is required.
- Give the complete address, including postal code, where any notice or correspondence is to be forwarded.
- The amount on the Statement of Account must correspond with the amount indicated on the Proof of Claim.

PARAGRAPH 1

- The creditor must state the full and complete legal name of the company or firm.
- If the individual completing the Proof of Claim is not the creditor himself, he must state his position or title.

PARAGRAPH 3

- A Schedule A or Statement of Account must be attached.
- The Schedule A or Statement of Account must be complete and detailed, showing the date, number and amount of all invoices or charges, together with the date, number and amount of all creditors or payments. A Statement of Account is not complete if it begins with an amount brought forward.
- If the claim is for a guarantee of a debt, a copy of the guarantee must be attached.

PARAGRAPH 4

- An unsecured creditor must strike out sub-paragraphs B, C, D and E.
- A secured creditor must attach proof of registration of the security, including the date on which the security was given and the value at which you assess the security.
- A claim by a farmer, fisherman or aqua culturist must attach a copy of the sales agreement and delivery documents.
- Details of Section 136 are listed below.

PARAGRAPH 5

- All claimants must indicate if they are or are not related to the debtor, as defined in Section 4 of the Bankruptcy and Insolvency Act.

PARAGRAPH 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/proposal, in the case where the claimant and debtor are not related;
 - Within the twelve (12) months preceding the bankruptcy/proposal, in the case where the claimant and debtor are related.

PROXY

The *Bankruptcy and Insolvency Act* permits a Proof of Claim to be made by a duly authorized agent of a creditor, however, this does not give such a person power to vote at the First Meeting of Creditors or to act as the proxy of the creditors unless the proxy form is completed by the creditor appointing the authorized agent as proxy.

- A creditor may vote either in person or by proxy.
- The Trustee may be appointed as a proxy for any creditor.
- A Corporation may vote by an authorized agent at a meeting of creditors.
- Debtors may not be appointed a proxy to vote at any meeting of their creditors.
- In order for a duly authorized person to have a right to vote, they must be a creditor themselves or be the holder of a property executed proxy, showing the name of the creditor.

SECTION 136 (Condensed Priority of Claims)

Subject to the rights of secured creditors, the proceeds realized from the property of a bankrupt shall be applied in priority of payment as follows:

- The cost of administration of the estate in the following order:
 - Expenses and fees of the trustee
 - Legal costs
- Wages, salaries, commissions or compensation for services rendered in the six months immediately preceding the date of bankruptcy, to a maximum of \$2,000 per person together with, in the case of a travelling salesman, disbursements incurred by the salesman during this same period to a maximum of \$1,000;
- Alimony, support or maintenance for a spouse or child for periodic amounts accrued in the year before the date of bankruptcy plus any lump sum amount;
- Municipal taxes assessed or levied within the two years immediately preceding the bankruptcy which do not constitute a lien or charge on real property of the bankrupt but this claim is restricted to the interest in the property held by the bankrupt;
- Landlord for rent arrears in the three months immediately preceding the date of bankruptcy and accelerated rent for three months following the bankruptcy if provided for in the lease but this claim is restricted to the realization from the property and any accelerated rent paid by the Trustee must be credited against the amount payable by the Trustee for occupation rent;
- A solicitor's bill of costs, including sheriff's and land registration fees, for the first creditor to attach or execute against the property of the bankrupt but this claim is restricted to the amount realized from the applicable property;
- Claims resulting from injuries to employees of the bankrupt in which the *Workers' Compensation Act* does not apply but this claim is restricted to the amount of moneys received from persons guaranteeing the bankrupt against damages for those claims.

A creditor whose rights are restricted by this section are entitled to rank as an unsecured creditor for any balance remaining on their claim.

District of: British Columbia
Division No. 03 - Vancouver
Court No. B200171
Estate No. 11-2626936

FORM 31 / 36
Proof of Claim / Proxy
In the matter of the proposal of
FHC Enterprises Ltd.

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

In the matter of the proposal of FHC Enterprises Ltd. of the City of Vancouver, in the Province of British Columbia 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 bankruptcy (or the date of receivership, or in the case of a proposal, the date of the notice of intention, or of the proposal, if no notice of intention was filed), namely the 6th day of March 2020, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit or solemn declaration) 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.

GENERAL PROXY

I, _____, of the city of _____, a creditor in the above matter, hereby appoint the trustee identified below or _____, 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:

Phone Number: _____

Fax Number: _____

E-mail Address: _____

MNP Ltd. - Trustee

Suite 1600, MNP Tower
1021 West Hastings Street
Vancouver, BC
V6E 0C3

Phone 604.639.0001 Fax: 604.904.8628

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

District of: British Columbia
Division No. 03 - Vancouver
Court No. B200171
Estate No. 11-2626936

FORM 37

Voting Letter
(Paragraph 51(1)(f) of the Act)

In the matter of the proposal of
FHC Enterprises Ltd.
of the City of Vancouver, in the Province of British Columbia

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 FHC
Enterprises Ltd., 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:

Patty Wood - Licensed Insolvency Trustee
Suite 1600, MNP Tower, 1021 West Hastings Street
Vancouver BC V6E 0C3
Phone: (604) 639-0001 Fax: (604) 904-8628
E-mail: vancouverpbmail@mnp.ca