



Raymond Chabot inc.

Société affiliée de
Raymond Chabot Grant Thornton
S.E.N.C.R.L.
600, rue de La Gauchetière Ouest
Bureau 2000
Montréal (QC) H3B 4L8
Tél.: (514)879-1385
Télééc.: (450)676-2202
www.raymondchabot.com

CANADA
DISTRICT DU QUEBEC
N° DIVISION : 01-MONTREAL
N° COUR : 500-11-056968-197
N° DOSSIER : 41-2541936
N° BUREAU : 1145794

C O U R S U P É R I E U R E
« Chambre commerciale »

DANS L'AFFAIRE DE LA PROPOSITION DE :

9155406 CANADA INC.,

Personne morale, aussi connue sous le nom de Twin Heart Clothing, faisant affaire au 5771, rue Ferrier, dans la ville de Mont-Royal, dans la province de Québec, H4P 1N3.

AVIS DE LA PROPOSITION AUX CRÉANCIERS

(article 51 de la Loi)

Avis est donné que 9155406 Canada inc., faisant aussi affaire sous le nom de Twin Heart Clothing, de Mont-Royal (Québec) a déposé une proposition entre nos mains le 29 août 2019 en vertu de la *Loi sur la faillite et l'insolvabilité*.

Ci-inclus une copie de la proposition, d'un état succinct de son actif et de son passif ainsi qu'une liste des créanciers visés par la proposition et dont les réclamations se chiffrent à 250 \$ ou plus, une preuve de réclamation, une formule de votation et une copie du rapport du syndic sur la proposition.

Une assemblée générale des créanciers de la débitrice sera tenue au bureau du syndic situé au 600, rue de La Gauchetière Ouest, bureau 2000, Montréal (Québec), le 16 septembre 2019 à 10 h.

Les créanciers ou toute catégorie de créanciers ayant droit de voter à l'assemblée peuvent, au moyen d'une résolution, accepter la proposition, telle que formulée ou telle que modifiée à l'assemblée. Si la proposition est ainsi acceptée et si elle est approuvée par le Tribunal, elle deviendra obligatoire pour tous les créanciers ou pour la catégorie des créanciers visés.

Les preuves de réclamation, procurations et formules de votation dont l'usage est projeté à l'assemblée doivent être au préalable déposées entre nos mains.

Fait à Montréal, le 6 septembre 2019.

RAYMOND CHABOT INC.
Syndic autorisé en insolvabilité

Jean Gagnon, CPA, CA, CIRP, SAI
Responsable désigné



Raymond Chabot Inc.

An affiliate of
Raymond Chabot Grant Thornton
LLP
Suite 2000
600, rue de La Gauchetière Ouest
Montréal (QC) H3B 4L8
Phone: (514)879-1385
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CANADA
DISTRICT OF QUEBEC
DIVISION NO.: 01-MONTREAL
COURT NO. : 500-11-056968-197
FILE NO. : 41-2541936
OFFICE NO. : 1145794

S U P E R I O R C O U R T
" Commercial Division "

IN THE MATTER OF THE PROPOSAL OF:

9155406 CANADA INC.

Legal person, also known as Twin Heart Clothing, doing business at 5771 Ferrier Street, in the town of Mount-Royal, in the Province of Quebec, H4P 1N3.

NOTICE OF PROPOSAL TO CREDITORS

(section 51)

Take notice that 9155406 Canada inc., also doing business as Twin Heart Clothing, in the city of Montreal (Quebec) has lodged with us a proposal under the *Bankruptcy and Insolvency Act* on August 29, 2019.

Copy of the debtor's proposal, a condensed statement of its assets and liabilities, a list of the creditors affected by the proposal and whose claims amount to \$250 or more, a proof of claim, a letter of votation and a copy of the trustee's preliminary report are enclosed herewith.

A general meeting of the creditors of the debtor will be held at the trustee's office located at 600 de La Gauchetière Street West, Suite 2000, Montreal (Quebec), on September 16, 2019 at 10:00 a.m.

The creditors or any class of creditors qualified to vote at the meeting may, by resolution, accept the proposal made by the debtor either as made or as modified at the meeting. If so accepted and if approved by the Court, the proposal will bind all creditors or the class or creditors affected.

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

Dated at Montréal, on September 6, 2019.

RAYMOND CHABOT INC.
Licensed Insolvency Trustee

Jean Gagnon, CPA, CA, CIRP, LIT
Trustee in charge

CANADA
DISTRICT OF QUEBEC
DIVISION NO.: 01-MONTREAL
COURT NO. : 500-11-056968-197
FILE NO. : 41-2541936
OFFICE NO. : 1145794

S U P E R I O R C O U R T
"Commercial Division"

IN THE MATTER OF THE PROPOSAL OF: **9155406 CANADA INC.**

The Proposer

-and-

RAYMOND CHABOT INC., (SR0163)

Jean Gagnon, CPA, CA, CIRP, LIT

Trustee in charge

PROPOSAL

(Section 50 of the Act)

We, 9155406 Canada inc., the above-named Proposer, hereby submit the following Proposal to our creditors pursuant to the *Bankruptcy and Insolvency Act*.

1. SETTLEMENT OF SECURED CLAIMS

In view of the guarantees given to them, we agree to assume all amounts due to secured creditors, in full or according to any agreement to be reached with them, insofar as these guarantees would be valid and enforceable as against a licensed insolvency trustee.

Failing which these creditors will be considered as unsecured creditors without right to priority.

2. AMOUNT AVAILABLE FOR DISTRIBUTION

We are offering to remit a total amount of \$75,000 to the Trustee in the Proposal ("amount available for distribution"), to be paid to the Trustee as follows:

- a) First payment: An amount of \$25,000 will be paid to the Trustee thirty (30) days of the expiry of the appeal period of the final judgment ratifying this Proposal;
- b) Second payment: An amount of \$25,000 will be paid within one hundred and eighty (180) days of the payment of the First payment previously mentioned;
- c) Third payment: An amount of \$25,000 will be paid within one hundred and eighty (180) days following the Second payment previously mentioned.

3. SETTLEMENT OF FEES

The Trustee's fees and disbursements, as well as any incidental accounting, legal or other expenses, resulting from this Proposal and including the fees incurred for preparing the Proposal or any Amended Proposal, as well as any unpaid fees and disbursements incurred during the Notice of Intention to Make a Proposal, shall be paid in priority, from the amounts available for distribution to the creditors in accordance with paragraph 136(1)(b) of the *Bankruptcy and Insolvency Act*.



The Trustee's fees shall be paid by the Proposer, with payment of the fees by the Proposer in lieu of approval.

4. SETTLEMENT OF CROWN CLAIMS

The claims of Her Majesty in Right of Canada or of a province which were outstanding at the Date of filing the Notice of Intention to Make a Proposal, if applicable, or at the date of the Proposal for all amounts of a kind that could be subject to a request under subsection 224(1.2) of the *Income Tax Act* or any substantially similar provision of provincial legislation, shall be paid in full, from the amount available for distribution provided in Paragraph 2, in addition to any related interest or penalties applicable under laws, statutes or orders, within six (6) months from expiry of the period to appeal the final judgement ratifying this Proposal but prior to the settlement of creditors provided in paragraphs 5, 6 and 7.

5. SETTLEMENT OF EMPLOYEE CLAIMS

Employee claims for unpaid wages and vacation pay due to employees still employed by the Proposer shall be paid by the Proposer in the normal course of business.

However, claims for employees who are no longer employed by the Proposer on the date of the Proposal shall be paid in accordance with the provisions of paragraphs 81.3 and 136(1)(d) of the *Bankruptcy and Insolvency Act*. Such claims shall be paid in priority from amounts available for distribution to creditors.

Pursuant to subsection 60 (1.4) of the *Bankruptcy and Insolvency Act*, for the PURPOSE OF VOTING on any question relating to a proposal in respect of an employer, no person has a claim for amounts due in accordance with subsection 136 (1) of the *Bankruptcy and Insolvency Act*.

6. SETTLEMENT OF CLAIMS OF UNSECURED CREDITORS HAVING A RIGHT TO PRIORITY

The claims of unsecured creditors with a right to priority, as described in paragraphs 136(1)(a) to 136(1)(j) of the *Bankruptcy and Insolvency Act*, other than the Trustee's fees and employee claims provided in paragraphs 3 and 5, respectively, shall be paid in priority in full over claims of unsecured creditors within 60 days following expiry of the period to appeal the final judgement ratifying this Proposal.

7. SETTLEMENT OF UNSECURED CLAIMS

- a) That the first \$500 due to each unsecured creditor be paid in full.
- b) That any remaining balance of the unsecured creditors' claims be paid by sharing, on a pro-rata basis, the excess of amounts paid pursuant Paragraph 2, net of amounts distributed pursuant paragraphs 3, 4, 5, 6 et 7 a).

9. COMMITMENTS

Commitments with respect to goods or services provided or other considerations given after the date of filing the Proposal shall be paid by the Proposer in the normal course of business.



10. RELATED PERSONS

The Proposer shall ensure that the persons related to it, pursuant to the terms of section 4 of the *Bankruptcy and Insolvency Act*, shall refrain from making any claim payable pursuant to paragraph 7 of the Proposal, if the Proposal is approved.

11. APPOINTMENT OF INSPECTORS

The Proposer agrees that a maximum of five (5) Inspectors may be appointed by the creditors during the general meeting of creditors called to consider this Proposal. Such Inspectors shall have the powers provided in the *Bankruptcy and Insolvency Act*, as well as the power to defer payment of amounts provided in Paragraph 2, for a maximum period of six (6) months.

The Inspectors shall exercise their powers until such time as the Trustee has issued the certificate of full performance in accordance with Section 65.3 of the *Bankruptcy and Insolvency Act*.

13. TRANSFERS AT UNDERVALUE AND PREFERENCES

The Trustee shall have the powers set out in sections 95 to 101 of the *Bankruptcy and Insolvency Act*.

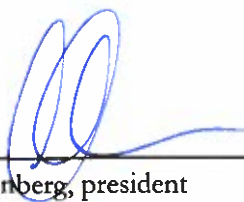
14. DISTRIBUTION

Raymond Chabot Inc. shall act as Trustee in this Proposal, and the amount available for distribution payable pursuant to Paragraph 2 shall be paid in full to the Trustee for distribution to the creditors pursuant to the terms of paragraphs 3, 4, 5, 6 and 7 of this Proposal.

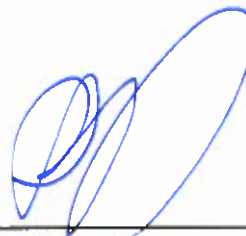
15. DEFAULT

Any default on the part of the Proposer from any of the above-mentioned clauses shall be considered a default under this Proposal.

Dated in Montreal on August 29, 2019.



Clifford Isenberg, president



Philippe Daneau, witness

District of: Quebec
 Division No: 1
 Court No: 500-11-056968-197
 Estate No: 41-2541936

FORM 78

Statement of Affairs (Business Proposal)

(Subsections 50(2) and 62(1) of the Act)

In the matter of the Proposal of 9155406 Canada inc.

Original

Amended

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 29th day of August, 2019. When completed, this Form and the applicable attached lists will constitute your Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (As stated and estimated by Debtor)		
1.	Unsecured creditors as per list "A"	\$2,730,385.67
2.	Secured creditors as per list "B"	\$2,044,551.07
3.	Preferred creditors as per list "C"	\$0.00
4.	Contingent, trust claims or other liabilities as per list "D"	\$0.00
	estimated to be reclaimable for	\$0.00
Total Liabilities		\$4,774,936.74
Surplus		\$0.00

ASSETS (As stated and estimated by Debtor)		
1.	Inventory	\$200,000.00
2.	Trade fixtures, etc	\$0.00
3.	Accounts receivable and other receivables, as per List "E"	
	Good	\$1,800,000.00
	Doubtful	\$0.00
	Bad	\$0.00
	Estimated to produce	\$0.00
4.	Bills of exchange, promissory note, etc., as per List "F"	\$0.00
5.	Deposits in Financial Institutions	\$0.00
6.	Cash	\$0.00
7.	Livestock	\$0.00
8.	Machinery, equipment and plant	\$0.00
9.	Real property or immovable as per List "G"	\$0.00
10.	Furniture	\$0.00
11.	RRSPs, RRIFs, Life insurance, etc.	\$0.00
12.	Securities (Shares, Bonds, Debentures, etc.)	\$0.00
13.	Interests under wills	\$0.00
14.	Vehicles	\$0.00
15.	Other property, as per List "H"	\$112,392.00
<i>If Debtor is a corporation, add:</i>		
	Amount of subscribed capital	
	Amount paid on capital	
	Balance subscribed and unpaid	
	Estimated to produce	
Total Assets		\$312,392.00
Deficiency		\$4,462,544.74

I, Clifford Isenberg, of 9155406 Canada inc. of the City of Mont-Royal in the Province of Quebec, 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 its affairs on the 29th day of August, 2019 and fully disclose all property of every description that is in its possession or that may devolve on it in accordance with the Act.

SWORN (or SOLEMNLY DECLARED) before me at Montréal in the Province of Quebec, on this 29th day of August, 2019

Philippe Daneau
 Commissioner of Oaths
 for the Province of Quebec

Signature of Debtor



List "A"
Unsecured Creditors
9155406 Canada inc.

No	Name of Creditor	Address	Amount of Claim
1	9353-5219 Quebec Inc.	99, CHABANEL STREET WEST, #307, Montréal, Quebec, Canada, H2N1C3	\$2,428.84
2	a PLUS Creative INC.	501 ALLIANCE AVENUE, Toronto, Ontario, Canada, M6N2J1	\$2,213.27
3	A.J. Binding Inc.	1625 CHABANEL STREET, #320, Montréal, Quebec, Canada, H4N2S7	\$835.00
4	Accent Labels Inc.	433 CHABANEL STREET WEST, NORTH TOWER, SUITE 1103, Montréal, Quebec, Canada, H2N2J9	\$84.39
5	Agence du Revenu du Canada (QC)	4695, boul. de Shawinigan-Sud, Shawinigan, Quebec, Canada, G9P 5H9	\$525,493.43
6	American & Efir Canada INC.	C/O 913760, P.O. BOX 4090, STATION A, Toronto, Ontario, Canada, M5W0E9	\$53.39
7	Arrival Customs Broker	5375 PARÉ STREET, SUITE 140, Mont-Royal, Quebec, Canada, H4P 1P7	\$24,795.35
8	Arrival Customs Brokers Ltd.	2445 DUNCAN ROAD, Montréal, Quebec, Canada, H4P2A2	\$5,941.18
9	Arrival GTR	2445 DUNCAN ROAD, Montréal, Quebec, Canada, H4P2A2	\$28,266.42
10	Azzuri Blue (4412648 CANADA INC.)	160 MARCEL-LAURIN STREET, Montréal, Quebec, Canada, H4P2J5	\$13,748.82
11	Bell Canada	P.O. BOX 8712, STATION DOWNTOWN, Montréal, Quebec, Canada, H3C3P6	\$861.46
12	Budmark Textiles	3150 GUENETTE STREET, Montréal, Quebec, Canada, H4S1W5	\$167.01
13	Cafo	2001 UNIVERSITY STREET, Montréal, Quebec, Canada, H3A2A6	\$8,226.00
14	California Group	1426 CHANNING STREET, Los Angeles, California, USA, 90021	\$14,155.91
15	CH ROBINSON WORLDWIDE CANADA	400-645 WELLINGTON STREET, Montréal, Quebec, Canada, H3C0L1	\$21,835.64
16	Chep Canada	C/O TH1203C, P.O. BOX 4290, STATION A, Toronto, Ontario, Canada, M5W0E1	\$682.40
17	Collin Page Transport	23 BURNS STREET, Montréal, Quebec, Canada, H8G1A9	\$11,775.22
18	Commission des normes du travail - Québec	400, boulevard Jean-Lesage Hall Est, 4e étage, bureau 400, Québec, Quebec, Canada, G1K 8W1	\$0.00
19	Confection RF	12237, ALLARD STREET, Montréal, Quebec, Canada, H1G6B5	\$393.68
20	Copidata	450 WRIGHT STREET, Saint-Laurent, Quebec, Canada, H4N1M6	\$1,159.70
21	CSB CUTTING & SEWING INC.	680 S. RIO STREET, Los Angeles, California, USA, 90023	\$39,508.90
22	CSST - Montréal Centre-Ville	C.P. 11493, succ. Centre-Ville, Montréal, Quebec, Canada, H3C 5S1	\$0.00
23	Detail Fashion LIMITED	ROOM NO.2201-2207, FULI CENTRE NO.11 HEFEI ROAD, HEXI DISTRICT, Tianjin, ,, Chine, 300203	\$37,391.94
24	Emmis Textiles	160 MARCEL-LAURIN STREET, Montréal, Quebec, Canada, H4P2J5	\$119.29
25	Evans Apparel Group	2220 MIDLAND STREET, #64AP, Scarborough, Ontario, Canada, M1P3E6	\$2,104.46
26	Fabric Selection c/o CIT	800 14TH STREET EAST, Los Angeles, California, USA, 90021	\$20,686.10
27	Fabric selection INC,	4940 TRIGGS STREET, Commerce, California, USA, 90022	\$44,311.65
28	Federal Express	5985 EXPLORER DRIVE, Mississauga, Ontario, Canada, L4W5K6	\$3,656.92
29	Goldsmith Hersch	8200 DECARIE BLVD, #190, Montréal, Quebec, Canada, H4P2P5	\$36,792.00
30	GWBR	1 WESTMOUNT SQUARE, #1001, Montréal, Quebec, Canada, H3Z2P9	\$3,305.54
31	Hydro Québec	140 CRÉMAZIE BLVD WEST, 3RD FLOOR, Montréal, Quebec, Canada, H2P1C3	\$253.21
32	JJW GARMENT Center inc.	6111 MALT AVENUE, Commerce, California, USA, 90040	\$5,030.32
33	Karess Services	800 RENÉ-LÉVESQUE BLVD WEST, #2220, Montréal, Quebec, Canada, H3B1X9	\$373.67
34	Knit Pro	2313 SANTE FE AVENUE, Los Angeles, California, USA, 90058	\$96,560.50
35	Lavitex	2268 15TH STREET EAST, Los Angeles, California, USA, 90021	\$45,250.55
36	Masood Khan	[ADRESSE INCONNUE] 600, rue de La Gauchetière Ouest, bureau 2000, Montréal, Quebec, Canada, H3B 4L8	\$1.00
37	Matrix	1363 SOUTH BONNIE BEACH PLACE, Commerce, California, USA, 90023	\$20,054.85
38	Mayden Distributing	8 VERDI STREET, Montréal, Quebec, Canada, H9B2C2	\$1,407.07
39	Michelle desnoyers	9327 MILLEN STREET, Montréal, Quebec, Canada, H2M1X1	\$57.48
40	Ministère du revenu du Québec	3e étage, secteur R23DGR 1600, boul. René-Lévesque Ouest, Montréal, Quebec, Canada, H3H 2V2	\$990,871.66
41	Monit Investments	1000 SHERBROOKE WEST, #900, Montréal, Quebec, Canada, H3A0A6	\$38.54
42	N.S.S. Fabric Inc.	934 S. WALL STREET, Los Angeles, California, USA, 90015	\$619.36

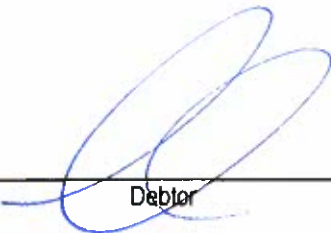
Debtor

29th day of August, 2019

Date

List "A"
Unsecured Creditors
9155406 Canada inc.

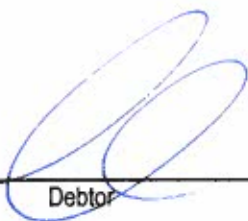
No	Name of Creditor	Address	Amount of Claim
43	Narek	10 SAULNIER STREET, L'île Bizard, Quebec, Canada, H9C2X4	\$9,753.27
44	Nice Plus inc.	3435 S. BROADWAL, Los Angeles, California, USA, 90007	\$13,458.20
45	nss Fabric c/o hana Financial	934 S. WALL STREET, Los Angeles, California, USA, 90015	\$45,737.38
46	PGM	3431 S. MAIN STREET, Los Angeles, California, USA, 90007	\$307.66
47	Prinstan Fabrics	667 S. SANTE FE AVENUE, Los Angeles, California, USA, 90021	\$9,601.18
48	Production KO	9090 PARC AVENUE, #270, Montréal, Quebec, Canada, H2W1Y8	\$13,494.00
49	Prudential Alarm	5333 CASGRAIN STREET, Montréal, Quebec, Canada, H2T1X3	\$344.92
50	QA Courier	16637 HYMUS BLVD, Kirkland, Quebec, Canada, H9H4R9	\$181.83
51	RCI Environment	P.O. BOX 15615, STATION A, Toronto, Ontario, Canada, M5W1C1	\$2,447.80
52	Receveur Général du Canada (PPS)	Service Canada (PPS) 4900, rue Yonge, AR Finance, 1er étage, Toronto, Ontario, Canada, M2N 6A8	\$0.00
53	Remco Forwarding Inc.	5203 FAIRWAY STREET, Lachine, Quebec, Canada, H8T3K8	\$25,000.00
54	Richline Textiles inc.	1706 MAPLE AVENUE, Los Angeles, California, USA, 90015	\$26,125.86
55	Rogers	P.O. BOX 3100, Saint-Laurent, Quebec, Canada, H4L5J8	\$1,452.52
56	Romex Textiles inc.	785 14TH PLACE, Los Angeles, California, USA, 90021	\$10,379.86
57	SA Transport inc.	5637 SAINT-FRANÇOIS ROAD, Saint-Laurent, Quebec, Canada, H4S1W6	\$500.14
58	Salm and Brothers	[ADRESSE INCONNUE] 600 DE LA GAUCHETIÈRE STREET WEST, SUITE 2000, Montréal, Quebec, Canada, H3B4L8	\$321,807.81
59	Sam Tex	2424 28TH STREET EAST, Vernon, California, USA, 90058	\$5,870.79
60	Santa Fe Silk Printing Inc.	2317 S. SANTE FE AVENUE, #B, Los Angeles, California, USA, 90058	\$7,411.79
61	Seraphie Legendre	9600 SAINT-LAURENT BLVD, #512, Montréal, Quebec, Canada, H2N1R2	\$4,045.40
62	Service Canada (trop versé assurance chômage)	Centre de traitement Boucherville C.P. 60, Boucherville, Quebec, Canada, J4B 5E6	\$0.00
63	Servicorp	6445 CÔTE-DE-LIESSE EXPY, Saint-Laurent, Quebec, Canada, H4T1S9	\$4,820.11
64	SH Logistics (7638477 CANADA INC.)	2800 ANDRE AVENUE, #G, Dorval, Quebec, Canada, H9P1K9	\$10,995.05
65	Shanghai Cintex	RM2401 Huiyang Building NO6 Pudong Avenue NO 1139, Shanghai, Shanghai, Chine, 200120	\$50,188.64
66	Shaoxing Guotu Textile	[ADRESSE INCONNUE] 600 DE LA GAUCHETIÈRE STREET WEST, SUITE 2000, Montréal, Quebec, Canada, H3B4L8	\$26,454.45
67	Standard Fabric	935 12TH STREET EAST, #B, Los Angeles, California, USA, 90021	\$17,033.76
68	Sun Label	1458 S. SAN PEDRO STREET, #224, Los Angeles, California, USA, 90015	\$10,443.19
69	Transmodal International Freight	6205 AIRPORT ROAD, BUILDING B, SUITE 102, Mississauga, Ontario, Canada, L4V 1E3	\$55,944.02
70	Trusource H2O Canada inc.	2359 43RD AVENUE, Lachine, Quebec, Canada, H8T2K1	\$234.55
71	UL Verification services	62045 COLLECTIONS CENTER DRIVE, Chicago, Illinois, USA, 60693-0620	\$5,512.17
72	Underwriters Laboratories of canada	LOCKBOX #15146, P.O. BOX 15146, STATION A, Toronto, Ontario, Canada, M5W1C1	\$1,437.20
73	Ville De Montreal	SECTEUR C.C.P. 11045, SUCC. DOWNTOWN, Montréal, Quebec, Canada, H3C4Y1	\$251.72
74	WGSN	229 43RD STREET WEST, 7TH FLOOR, New York, New York, USA, 10036	\$10,446.09
75	XL FABRICS	1510 GRIFFITH AVENUE, Los Angeles, California, USA, 90021-2816	\$6,658.96
76	YIWU SMOOTH	No 91# Shangbo Road, Yiwu City, Zhejiang, Chine	\$20,533.21
Total:			\$2,730,385.67


Debtor

29th day of August, 2019
Date

List "B"
Secured Creditors
9155406 Canada inc.

No	Name and Address of Creditor Nature of Claim Particulars of Security	When Given	Amount of Claim	Estimated Value of Security	Estimated Surplus from Security	Balance of Claims Unsecured
1	Accord Financial inc. 3500 de Maisonneuve Blvd. West, Suite 1510 Montréal, Quebec, H3Z 3C1 REC - Accounts receivable, factored accounts	1 Aug 2019	\$1,800,000.00	\$0.00	\$0.00	\$1,800,000.00
2	Clifford Isenberg 5771, rue Ferrier Mont-Royal, Quebec, H4P 1N3 REC - Accounts receivable, factored accounts	1 Aug 2019	\$104,059.84	\$0.00	\$0.00	\$104,059.84
3	Marc Levy 5771, rue Ferrier Mont-Royal, Quebec, H4P 1N3 REC - Accounts receivable, factored accounts	1 Aug 2019	\$92,082.93	\$0.00	\$0.00	\$92,082.93
4	SALAIRES ET VACANCES 5771, rue Ferrier Mont-Royal, Quebec, H4P 1N3 REC - Accounts receivable, factored accounts	1 Aug 2019	\$48,408.30	\$0.00	\$0.00	\$48,408.30
Totals			\$2,044,551.07	\$0.00	\$0.00	\$2,044,551.07



Debtor

29th day of August, 2019

Date



AVIS À TOUS LES CRÉANCIERS/NOTICE TO CREDITORS

ENVOI DE PREUVE DE RÉCLAMATION/TRANSMISSION OF PROOF OF CLAIM

Nous vous informons que nous avons restructuré le traitement de nos preuves de réclamation. Nous vous encourageons à nous transmettre votre preuve de réclamation **par courriel ou par télécopieur** à l'adresse ci-dessous.

Please be advised that we are restructuring the management of our proofs of claim. We strongly encourage you to send your proof of claim **by email or by fax** to the following address.

Centrale/ Hub	Adresse/Address	No. de téléphone/ Phone no.	No. de télécopieur/ Fax no.	Adresse électronique/ Email
Commercial Montréal	600, rue de la Gauchetière ouest, bureau 2000, Montréal, QC, H3B 4L8	514-879-1385	514-858-3303	reclamationMtl@rcgt.com

Merci,

Thank you,

RAYMOND CHABOT INC.

Syndic autorisé en insolvabilité/Licensed Insolvency Trustee



Raymond Chabot inc.

Dossier n° : 1145794
Entré le :
Garanti :
Privilégié :
Ordinaire :

PREUVE DE RÉCLAMATION

(Article 50.1, paragraphes 65.2(4), 81.2(1), 81.3(8), 81.4(8), 81.5, 81.6, 102(2), 124(2), 128(1)
et alinéas 51(1)e) et 66.14b) de la Loi)

Expédiez tout avis ou toute correspondance concernant la présente réclamation à l'adresse suivante :

Numéro civique	Rue	
Ville	Province	Code postal

Dans l'affaire de la proposition de :

9155406 Canada inc., aussi connu sous le nom de Twin Heart Clothing (nom de la partie débitrice) de
Mont-Royal QC (ville et province) et de la réclamation de _____, créancier.

Je, soussigné, _____ (nom du créancier ou du représentant du créancier), de,
_____ (ville et province), certifie ce qui suit :

- Je suis le créancier de la partie débitrice susnommée (ou je suis) _____ (précisez le poste ou la fonction) de _____ (nom du créancier ou de son représentant).
- Je suis au courant de toutes les circonstances entourant la réclamation visée par le présent formulaire.
- La partie débitrice était, à la date du dépôt de l'avis d'intention de faire une proposition ou de la proposition, soit le **2 août 2019**, endettée envers le créancier et l'est toujours, pour la somme de _____ \$, comme l'indique l'état de compte (ou l'affidavit) ci-annexé et désigné comme l'annexe A, après déduction du montant de toute créance compensatoire à laquelle la partie débitrice a droit. **(L'ÉTAT DE COMPTE OU L'AFFIDAVIT ANNEXÉ DOIT FAIRE MENTION DES PIÈCES JUSTIFICATIVES OU DE TOUTE AUTRE PREUVE À L'APPUI DE LA RÉCLAMATION.)**
- (Cochez la catégorie qui s'applique et remplissez les parties requises.)**

A. RÉCLAMATION NON GARANTIE AU MONTANT DE _____ \$
(autre qu'une réclamation d'un client visée par l'article 262 de la Loi)

En ce qui concerne cette créance, je ne détiens aucun avoir de la partie débitrice à titre de garantie et :
(Cochez ce qui s'applique.)

- pour le montant de _____ \$, je ne revendique aucun droit à un rang prioritaire;
- pour le montant de _____ \$, je revendique le droit à un rang prioritaire en vertu de l'article 136 de la Loi. (Indiquez sur une feuille annexée les renseignements à l'appui de la réclamation prioritaire.)

B. RÉCLAMATION DU LOCATEUR SUITE À LA RÉSILIATION D'UN BAIL, AU MONTANT DE _____ \$

J'ai une réclamation en vertu du paragraphe 65.2(4) de la Loi, dont les détails sont mentionnés ci-après :
(Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.)

C. RÉCLAMATION GARANTIE AU MONTANT DE _____ \$

En ce qui concerne la créance susmentionnée, je détens des avoirs de la partie débitrice à titre de garantie, dont la valeur estimative s'élève à _____ \$, et dont les détails sont mentionnés ci-après :

(Donnez des renseignements complets au sujet de la garantie, y compris la date à laquelle elle a été donnée et la valeur que vous lui attribuez, et annexez une copie des documents relatifs à la garantie.)

D. RÉCLAMATION D'UN AGRICULTEUR, D'UN PÊCHEUR OU D'UN AQUICULTEUR AU MONTANT DE _____ \$

J'ai une réclamation en vertu du paragraphe 81.2(1) de la Loi pour la somme impayée de _____ \$. *(Veuillez joindre une copie de l'acte de vente et des reçus de livraison.)*

E. RÉCLAMATION D'UN SALARIÉ AU MONTANT DE _____ \$

J'ai une réclamation en vertu du paragraphe 81.3(8) de la Loi au montant de _____ \$.

J'ai une réclamation en vertu du paragraphe 81.4(8) de la Loi au montant de _____ \$.

F. RÉCLAMATION D'UN EMPLOYÉ RELATIVE AU RÉGIME DE PENSION AU MONTANT DE _____ \$

J'ai une réclamation en vertu du paragraphe 81.5 de la Loi au montant de _____ \$.

J'ai une réclamation en vertu du paragraphe 81.6 de la Loi au montant de _____ \$.

G. RÉCLAMATION CONTRE LES ADMINISTRATEURS AU MONTANT DE _____ \$

(À remplir lorsque la proposition vise une transaction quant à une réclamation contre les administrateurs.)

J'ai une réclamation en vertu du paragraphe 50(13) de la Loi, dont les détails sont mentionnés ci-après :

(Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.)

H. RÉCLAMATION D'UN CLIENT D'UN COURTIER EN VALEURS MOBILIÈRES FAILLI AU MONTANT DE _____ \$

J'ai une réclamation en tant que client en conformité avec l'article 262 de la Loi pour des capitaux nets, dont les détails sont mentionnés ci-après :

(Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.)

5. Autant que je sache, je suis lié (*ou le créancier susnommé est lié*) (*ou je ne suis pas lié* *ou le créancier susnommé n'est pas lié*) à la partie débitrice selon l'article 4 de la Loi et, j'ai (*ou le créancier susnommé a*) (*ou je n'ai pas* *ou le créancier susnommé n'a pas*) un lien de dépendance avec la partie débitrice.

6. Les montants suivants constituent les paiements que j'ai reçus de la partie débitrice, les crédits que j'ai attribués à celle-ci et les opérations sous-évaluées selon le paragraphe 2(1) de la Loi auxquelles j'ai contribué ou été partie intéressée au cours des trois mois (*ou, si le créancier et la partie débitrice sont des « personnes liées » au sens du paragraphe 4(2) de la Loi ou ont un lien de dépendance, au cours des douze mois*) précédant immédiatement l'ouverture de la faillite, telle que définie au paragraphe 2(1) de la Loi : *(Donnez les détails des paiements, des crédits et des opérations sous-évaluées.)*

7. ***(Applicable seulement dans le cas de la faillite d'une personne physique)***

Lorsque le syndic doit réexaminer la situation financière du failli pour déterminer si celui-ci est tenu de verser les paiements prévus à l'article 68 de la LFI, je demande que l'on m'avise, conformément au paragraphe 68(4) de la Loi, du nouveau montant que le failli est tenu de verser à l'actif de la faillite ou du fait que le failli n'a plus de revenu excédentaire.

Je demande qu'une copie du rapport dûment rempli par le syndic quant à la demande de libération du failli, en conformité avec le paragraphe 170(1) de la Loi, me soit expédiée à l'adresse susmentionnée.

Daté le _____, à _____

Témoïn

Numéro de téléphone : _____

Numéro de télécopieur : _____

Adresse électronique : _____

Créancier

REMARQUES : Si un affidavit est joint au présent formulaire, il doit avoir été fait devant une personne autorisée à recevoir des affidavits.

Lorsqu'une copie du présent formulaire est envoyée par voie électronique, par des moyens tels que le courriel, le nom et les coordonnées de l'expéditeur, comme indiqués sur le Formulaire 1.1, doivent figurer à la fin du document.

AVERTISSEMENTS : Le syndic peut, en vertu du paragraphe 128(3) de la Loi, racheter une garantie sur paiement au créancier garanti de la créance ou de la valeur de la garantie telle qu'elle a été fixée par le créancier garanti dans la preuve de garantie. Le paragraphe 201(1) de la Loi prévoit l'imposition de peines sévères en cas de présentation de réclamations, de preuves, de déclarations ou d'états de compte qui sont faux.



Raymond Chabot inc.

Office no: 1145794
Entered :
Secured:
Preferred:
Ordinary:

PROOF OF CLAIM

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

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

Civic number	Street	
City	Province	Postal code

In the matter of the proposal of:

9155406 Canada inc., also doing business as Twin Heart Clothing *(Name of debtor party)* of
 Mont-Royal QC *(city and province)* and the claim of _____, creditor.

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

- That I am a creditor of the above-named debtor party (or that I am) _____ *(state position or title)* of _____ *(name of creditor or representative of the creditor)*.
- That I have knowledge of all of the circumstances connected with the claim referred to below.
- That the debtor party was, at the date of the notice of intention to file a proposal or proposal namely the **August 2, 2019**, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor party is entitled. **(THE ATTACHED STATEMENT OF ACCOUNT, OR AFFIDAVIT MUST SPECIFY THE VOUCHERS OR OTHER EVIDENCE IN SUPPORT OF THE CLAIM.)**
- (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 party as security and
(Check appropriate description.)

- Regarding the amount of \$ _____, I do not claim a right to a priority.
- Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.
(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 party 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 OF 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 (or the above-named creditor is) (or am not or is not) related to the debtor party within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor party in a non arm's length manner.

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

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

Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.

I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at _____ this _____ day of _____

Witness

Creditor

Telephone No.: _____

Fax No.: _____

Email address: _____

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

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

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.

FORMULE DE PROCURATION GÉNÉRALE

(alinéas 51(1)e) et 66.15(3)b) et paragraphe 102(2) de la Loi)

DANS L'AFFAIRE DE LA PROPOSITION DE :

9155406 Canada inc. (Nom de la partie débitrice)

Je, _____, de _____
Nom du créancier Nom de la ville

créancier dans l'affaire susmentionnée, nomme _____, mon fondé de pouvoir à tous égards dans l'affaire susmentionnée, sauf la réception de dividendes, celui-ci étant habilité à nommer un autre fondé de pouvoir à sa place (ou n'étant pas habilité à nommer un autre fondé de pouvoir à sa place).

Daté le _____, à _____

Témoïn

Créancier

Nom du créancier qui est une personne morale

Témoïn

Par _____
Nom et titre du signataire autorisé

GENERAL PROXY

(Paragraphs 51(1) (e) and 66.15(3) (b) and subsection 102(2) of the Act)

IN THE MATTER OF THE PROPOSAL OF:

9155406 Canada inc. (Name of debtor party)

I, _____, of _____
Name of creditor Name of town or city

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

Dated at _____ this _____ day of _____

Witness

Individual creditor

Name of corporate creditor

Witness

Per _____
Name and title of signing officer

FORMULE DE VOTATION

(alinéas 51(1)f) de la Loi

DANS L'AFFAIRE DE LA PROPOSITION DE : 9155406 CANADA INC.

Je (*ou* Nous), _____ (*nom du créancier*), de _____ (*nom de la ville ou village*), créancier dans l'affaire susmentionnée à l'égard de la somme de _____ \$ demande au syndic agissant relativement à la proposition de 9155406 Canada inc., personne insolvable, de consigner mon (*ou* notre) vote _____ (**en faveur de** *ou* **contre**) l'acceptation de la proposition, faite le 29 août 2019

Fait à _____, ce ____^e jour de septembre 2019.

Témoin_____
Créancier individuel

Nom du créancier qui est une personne morale

Par : _____

Témoin_____
Nom et titre du signataire autorisé**VOTING LETTER**

(paragraphs 51(1)f) of the Act

IN THE MATTER OF THE PROPOSAL OF: 9155406 CANADA INC.

I (*or* We), _____ (*name of creditor*), of _____ (*name of city, town or village*), a creditor in the above matter for the sum of \$ _____ hereby request the trustee acting with respect to the proposal of 9155406 Canada inc., an insolvent person, to record my (*or* our) vote _____ (**for** *or* **against**) the acceptance of the proposal, made on the August 29, 2019.

Dated at _____, this ____th day of September, 2019.

Witness_____
Individual Creditor

Name of Corporate Creditor

Per: _____

Witness_____
Name and Title of Signing Officer



Raymond Chabot Inc.

An affiliate of
Raymond Chabot Grant Thornton
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Fax: (450)676-2202
www.raymondchabot.com

CANADA
DISTRICT OF QUEBEC
DIVISION NO.: 01-MONTREAL
COURT NO.: 500-11-056968-197
FILE NO.: 41-2541936
OFFICE NO.: 1145794

SUPERIOR COURT
« Commercial Division »

IN THE MATTER OF THE PROPOSAL OF: **9155406 CANADA INC.**

The Proposer

-and-

RAYMOND CHABOT INC., (SR0163)
Jean Gagnon, CPA, CA, CIRP, LIT
Trustee in charge

Licensed Insolvency Trustee

**REPORT OF THE TRUSTEE IN CHARGE ON THE
STATEMENT OF THE PROPOSER'S BUSINESS AND FINANCIAL AFFAIRS**
(Subsections 50(10) and 50(5) of the *Bankruptcy and Insolvency Act*)

PREAMBLE

The *Bankruptcy and Insolvency Act* orders the Trustee to monitor the business and financial affairs of the Proposer, from the filing of the Proposal until the Proposal is approved by the court. The Trustee is also required to make an appraisal and investigation of the affairs and property of the Proposer so as to enable the Trustee to estimate with reasonable accuracy the financial situation of the Proposer and the cause of the Proposer's financial difficulties and report the result thereof to the creditors.

Accordingly, please read this report which deals with the statement of the Proposer's business and financial affairs and summarizes the Proposal to the creditors.

Signed in Montreal on September 5, 2019

RAYMOND CHABOT INC.
Licensed Insolvency Trustee

Jean Gagnon, CPA, CA, CIRP, LIT
Trustee in charge

1. BACKGROUND AND CAUSES OF THE DIFFICULTIES

9155406 Canada Inc., also operating under the name Twin Heart Clothing (hereinafter the “Proposer” or “Twin Heart”) imports and manufactures apparel, which it wholesales to large detailers throughout North America. It operates from its head office located in the town of Mount-Royal, Quebec. There are 11 employees working for Twin Heart.

The Proposer’s shareholders and directors are Mr. Clifford Isenberg and Mr. Marc Levy. It was constituted on January 16, 2015 under the Canada Business Corporations Act.

Management attributes financial difficulties to a decline in their sales, imputed largely to the loss of their most important client. On August 2, 2019, since it was no longer able to meet its obligations as they became due, the Proposer filed a notice of intention to make a Proposal to its creditors.

Within the prescribed 30-day deadline, the Proposer subsequently filed a Proposal, summarized in Section 4 of this Report, with the Official Receiver.

2. FINANCIAL SITUATION

We analyzed the financial statements for the year-ended April 30, 2017, 2018 and 2019.

Results

For the year ending April 30	2019	2018	2017
	(Unaudited)	(Review)	(Review)
Sales	15 580	22 476	33 213
Cost of sales	13 103	19 504	27 771
Gross profit	2 477	2 972	5 442
Expenses			
Factory overhead	-	48	35
Selling expenses	801	798	1 285
Administrative expenses	1 751	3 028	3 797
Amortization	12	11	9
Interest and bank charges	632	437	532
	3 196	4 322	5 658
Net loss	(719)	(1 350)	(216)

This table indicates the following:

- The sales have decreased by more than half since 2017;
- Even after important cuts, the expenses remain too high in comparison to the gross profit generated by the sales;
- The interest and bank charges are difficult to sustain with the reduced level of the current sales;

- Consequently, Twin Heart has incurred significant losses during the last three financial years.

Balance Sheet

As at April 30	2019	2018	2017
	(Unaudited)	(Review)	(Review)
Assets			
Current Assets			
Accounts receivable	1 595	3 014	8 565
Inventory	520	1 584	2 494
Government assistance receivable	90	82	188
Loans receivable - Shareholders	-	-	101
Prepaid expenses and security deposit	31	24	65
	2 236	4 704	11 413
Capital assets	-	12	18
	2 236	4 716	11 431
Liabilities			
Current liabilities			
Bank indebtedness	26	105	562
Due to factor	1 999	3 371	8 364
Accounts payable and accrued liabilities	2 860	2 785	3 361
Loan payable - Affiliated company	-	11	-
Loans payable - Shareholders	274	608	-
Loan payable	-	40	-
	5 159	6 920	12 287
Shareholders' Deficiency			
Capital stock	1	1	1
Deficit	(2 923)	(2 204)	(856)
	(2 922)	(2 203)	(855)
	2 236	4 716	11 431

This table indicates the following:

- The current assets are significantly inferior to the current liabilities, illustrating that the Proposer does not have the liquidity to meet its current obligations;
- As a result of consecutive losses, the Proposer shows negative equity.

3. PRIOR BUSINESS RELATIONSHIP WITH THE PROPOSER

Prior to the filing of this procedure, Raymond Chabot Inc. did not provide any services to the Proposer, the nature of which would place Raymond Chabot Inc. in a conflict of interest.

4. SUMMARY OF PROPOSAL

The Proposal is summarized below.

In the event of any discrepancy, the complete text shall prevail over this summary.

Secured claims

The Proposal provides for payment of the secured creditors in accordance with current contracts or agreements reached or to be reached with each or according to the law.

Employee claims

The Proposal provides for payment of amounts due to employees in the normal course of business.

Other claims

The Proposer offers to remit a total amount of \$75,000 to be paid to the Trustee as follows:

1. First payment: An amount of \$25,000 will be paid to the Trustee 30 days after the expiry of the appeal period of the judgment ratifying the Proposal;
2. Second payment: An amount of \$25,000 will be paid 180 days after the First payment;
3. Third payment: An amount of \$25,000 will be paid 180 days after the Second payment.

These payments will cover:

- Fees and disbursements of the Trustee of the Proposal;
- Crown Claims, which should be nil;
- Preferred claims, which should be nil;
- Unsecured claims, as follows:
 - The first \$500 of each claim shall be paid in full;
 - The balance shall be paid on a pro rata basis according to the remaining claims.

Claims under 50(13) BIA

The Proposal does not release the directors of the corporation under 50(13) BIA.

5. IDENTIFICATION AND VALUATION OF ASSETS IN A BANKRUPTCY CONTEXT

We have reproduced below the Company's unaudited balance sheet, prepared by the management. The estimated realizable value of the assets according to criteria based on experience would be as follows:

Description of assets	Value on statement of affairs	Estimated realizable value	Secured creditors		Estimated surplus in a realization context
			Amount	Name and type	
Accounts receivable	1 800 000	1 620 000	1 800 000	1) Accord Financial Universal hypothec (Note 1)	Nil
Inventory	200 000	75 000			
Prepaid expenses	18 195	-			
Security deposits	14 146	-	196 143	2) Clifford Isenberg and Marc Levy Universal hypothec	
Design Tax Credit	80 051	-			
Total	2 112 392	1 695 000	1 996 143		
Priority Claims :					
					Should be nil
					22 000
					50 000
Bankruptcy surplus					
Nil					
Estimated percentage of realization for unsecured creditors					
0%					

Note 1 : The accounts receivable are factored. As such, they should not be considered as an asset of the Proposer.

Based on the information available, we would not expect a dividend to the unsecured in the context of a bankruptcy.

6. CREDITORS' CLAIMS

The list of creditors declared by the Proposer's management is summarized below. To date, the Trustee has not received any proofs of claims to validate the information provided.

Type	\$
Secured creditors	2 044 551
Claims under 60(1.1) BIA	-
Unsecured creditors with priority rank	-
Unsecured creditors	2 730 386
Total	4 774 937

7. CONDUCT OF THE PROPOSER

Statement of Projected Changes in Cash and Monitoring of Operations

Since the filing of the Notice of intention, the Trustee exercised its power to monitor the Proposer's business and financial affairs in accordance with Subsection 50.4(7) of the *Bankruptcy and Insolvency Act* and obtained all the necessary cooperation.

In general, transactions occurred in accordance with budget forecasts. Variances between actual and budgeted amounts are primarily attributable to postponement of certain budgeted inflows and expenses.

Actual vs. Forecasted - For the 21 days period ending Aug 24, 2019

(Unaudited)	Actual	Forecasted	Variance
Inflows			
Sales - Factored	718 843	834 480	(115 636)
Sales - Balance of factored sale	-	50 880	(50 880)
	718 843	885 360	(166 516)
Outflows			
Repayments to factoring agent	127 288	-	(127 288)
Suppliers	411 271	650 270	238 999
Net Salaries	74 626	93 005	18 379
DAS	16 693	33 386	16 693
Commissions	-	-	-
Overhead			
Fixed overhead	5 848	4 543	(1 305)
Variable overhead	46 338	50 138	3 800
Occupation fees			
Rent	-	5 500	5 500
Health insurance	4 731	4 000	(731)
Utilities & Communications	1 314	1 500	186
Communications	-	-	-
Others	1 000	2 000	1 000
Sales tax	-	-	-
Restructuring fees	15 000	20 000	5 000
Long term debt payments	-	-	-
Financial fees	6 313	14 168	7 855
	710 420	878 510	168 090
Cash - Beginning of period	9 660	9 660	-
Inflows (outflows) for the period	8 423	6 850	1 573
Cash - End of period	18 083	16 510	1 573

8. STATEMENT OF ESTIMATED REALIZATION

According to the information contained in the Proposer's statement of affairs, the estimated dividend payable to unsecured creditors would be as follows:

	\$
Payments for the Proposal	75 000
Less :	
Crown claims	Should be nil
Fees and disbursements of the Trustee (estimate)	(15 000)
Preferred claims	Should be nil
Amount available for distribution to unsecured creditors	60 000
According to statement of affairs, unsecured claims amount to	2 730 386
Estimated dividend	2,2%

9. CONCLUSION AND RECOMMENDATIONS

Considering that:

- In a bankruptcy context, no dividend would be available for the unsecured creditors or for creditors having priority under Section 136 of the *Bankruptcy and Insolvency Act*;
- The first \$500 of each claim will be paid in full;
- The directors of the Proposer are not released under 50(13) BIA.

We consider that the Proposal is advantageous to all creditors and therefore recommend its acceptance.

10. DIRECTION FOR VOTING ON PROPOSAL

You will find enclosed a proof of claim and voting letter. All creditors are required to complete the proof of claim and attach a statement of account or copy of their invoices. Creditors who are unable to attend or arrange representation for the meeting on September 16, 2019 at 10:00 a.m. may also complete and mail the attached voting letter, indicating whether they are voting for or against accepting the Proposal.

We remind creditors that, in order to vote on the Proposal, they must submit their proof of claim form to the Trustee before the start of the meeting on September 16, 2019 at 10:00 a.m. The Proposal must be approved by a majority in number and by a majority of two-thirds (2/3) in value, of the claims for each class of creditors that vote in person, by proxy, by fax at 514-858-3303, by email at reclamationmtl@rcgt.com or by mail.