

Court File No.: CV-14-10628-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

IN THE MATTER OF THE *BULK SALES ACT*,  
R.S.O. 1990, c.B.14, AS AMENDED

AND IN THE MATTER OF A TRANSFER OF ASSETS FROM  
ELLEN'S FOOD GROUP INC. TO TFI FOODS LTD

BETWEEN:

**DELOITTE RESTRUCTURING INC., IN ITS CAPACITY AS TRUSTEE  
IN BANKRUPTCY OF ELLEN'S FOOD GROUP INC.**

Applicant

and

**TFI FOODS LTD.**

Respondent

**APPLICATION RECORD  
(application returnable November 12, 2014)**

**KRONIS, ROTSZTAIN,  
MARGLES, CAPPEL LLP**  
Barristers and Solicitors  
8 King Street East, Suite 1000  
Toronto ON M5C 1B5

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Lawyers for the applicant

TO: **PETER WELSH PROFESSIONAL CORPORATION**  
Barrister and Solicitor  
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Lawyer for the respondent

# INDEX

## INDEX

Tab	Description	Page No.
1	Notice of Return of Application, dated August 21, 2014	1-2
2	Notice of Application, issued July 14, 2014	3-9
3	First Report of Deloitte Restructuring Inc., in its capacity as Trustee in Bankruptcy of Ellen's Food Group Inc., dated August 21, 2014	10-19
	<b>APPENDICES</b>	
A	Certificate of Appointment, dated November 5, 2013	20
B	Minutes of First Meeting of Creditors, dated November 26, 2013	21-24
C	Order of the Honourable Justice Morawetz, dated October 30, 2013	25-28
D	First Report of the Receiver (without appendices), dated October 17, 2013	29-47
E	Sales Agreement, dated June 7, 2012	48-52
F	Sales Invoice, dated July 5, 2012	53
G	Assignment of Lease, dated June 29, 2012	54-56
H	Correspondence from Thornton Grout Finnigan LLP ("TGF") to TFI Foods Ltd. ("TFI"), dated March 11, 2013	57-58
I	Correspondence from TFI to TGF, dated March 11, 2013	59-60
J	Correspondence from Kronis, Rotsztain, Margles, Cappel LLP ("KRMC") to Peter Welsh, dated February 5, 2014	61-62
K	Correspondence from HSBC Bank Canada to Deloitte Restructuring Services Inc., dated August 12, 2014	63
L	Correspondence from Dr. Sai Kui Lee to Deloitte Restructuring Services Inc., dated August 13, 2014	64
M	Proof of Claim re: Unpaid GST/HST, dated November 25, 2013	65-71
N	Proof of Claim re: Unpaid Source Deductions, dated February 21, 2014	72-77
O	Notice of Bankruptcy and Impending Automatic Discharge of Yuk Yee Ellen Pun and Request of a First Meeting of Creditors, dated July 3, 2014	78-95
P	Notice and Statement of Receiver, dated August 28, 2013	96-101
4	Draft Order	102-103

# TAB 1

Court File No. CV-14-10628-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

IN THE MATTER OF THE *BULK SALES ACT*,  
R.S.O. 1990, c.B.14, AS AMENDED

AND IN THE MATTER OF A TRANSFER OF ASSETS FROM  
ELLEN'S FOOD GROUP INC. TO TFI FOODS LTD

B E T W E E N:

**DELOITTE RESTRUCTURING INC., IN ITS CAPACITY AS TRUSTEE  
IN BANKRUPTCY OF ELLEN'S FOOD GROUP INC.**

Applicant

and

**TFI FOODS LTD.**

Respondent

**NOTICE OF RETURN OF APPLICATION**

**TAKE NOTICE THAT** the application originally returnable on a date that was to be fixed by the Commercial List will now be heard Wednesday, November 12, 2014 at 10:00 a.m. or as soon after that time as the application can be heard at 330 University Avenue, Toronto, Ontario.

-2-

August 21, 2014

**KRONIS, ROTSZTAIN,  
MARGLES, CAPPEL LLP**  
Barristers and Solicitors  
8 King Street East, Suite 1000  
Toronto ON M5C 1B5

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Lawyer for the respondent

# **TAB 2**



C14-10628-0002

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *BULK SALES ACT*,  
R.S.O. 1990, c.B.14, AS AMENDED**

**AND IN THE MATTER OF A TRANSFER OF ASSETS FROM  
ELLEN'S FOOD GROUP INC. TO TFI FOODS LTD.**

BETWEEN:

**DELOITTE RESTRUCTURING INC., IN ITS CAPACITY AS TRUSTEE  
IN BANKRUPTCY OF ELLEN'S FOOD GROUP INC.**

Applicant

and

**TFI FOODS LTD.**

Respondent

**NOTICE OF APPLICATION**

TO THE RESPONDENT(S)

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The Claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing on a date to be fixed by the Commercial List Office, at 330 University Avenue, Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve

a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

**Date** July 14, 2014      **Issued by** \_\_\_\_\_  
Local Registrar      *A. Anissimova*  
Registrar

**Address of court office:** **330 University Avenue, 7th Floor**  
**Toronto, Ontario**  
**M5G 1R7**

**TO:** TFI FOODS LTD.  
44 Milner Avenue  
Scarborough, ON M1S 3P8

## APPLICATION

1. The applicant (the "Trustee") makes this Application for an order:
  - (a) declaring that the transaction (the "Transaction") contemplated by the sale agreement (the "Sale Agreement") dated June 7, 2012 and sales invoice (the "Invoice") dated July 5, 2012 between Ellen's Food Group Inc. ("Ellen's") and the Respondent ("TFI") constitutes a sale in bulk under the *Bulk Sales Act*, R.S.O. 1990, c. B.14 (the "BSA").
  - (b) Declaring that the Transaction is void for failure to comply with the terms of the BSA;
  - (c) Declaring that, in accordance with the BSA, TFI is personally liable to account to the Trustee for the value of the property purchased by TFI pursuant to the Sale Agreement and the Invoice (the "Purchased Assets");
  - (d) Requiring TFI to pay to the Trustee the sum of \$1,078,020.00, being the amount paid by TFI to Ellen's in respect of the Purchased Assets; and,
  - (e) Such further and other relief as counsel may advise and to this Court may seem just.

2. The grounds for the application are:
- (a) Ellen's was engaged in the manufacturing and distribution of quick frozen, ready-to-eat meals and leased a manufacturing facility located at 30 Sims Crescent, Richmond Hill, Ontario (the "Facility");
  - (b) Pursuant to the Order of the Honourable Justice Morawetz, dated February 25, 2013, Deloitte & Touche Inc. (which subsequently changed its name to Deloitte Restructuring Inc., hereinafter referred to as "Deloitte") was appointed as Receiver of Ellen's, pursuant to Section 243 of the *Bankruptcy and Insolvency Act* and Section 101 of the *Courts of Justice Act*;
  - (c) Upon its appointment, the Receiver attended at the Facility and was advised by certain individuals working there that Ellen's no longer operated out of the premises and that Ellen's had sold its business to TFI, including the Purchased Assets;
  - (d) Shortly thereafter, the Receiver was advised by David Lam, TFI's president, and Ellen Pun, the principal of Ellen's, that TFI had acquired the Purchased Assets and assumed the lease for the Facility back in July 2012;
  - (e) In or around the same time, Ms. Pun provided the Receiver with a copy of the Sale Agreement and the Invoice;

- (f) According to the Sale Agreement, TFI agreed to pay Ellen's the amount of \$954,000.00 for the Purchased Assets and the estimated closing date of the transaction was August 30, 2012;
- (g) The Invoice provided for a total purchase price of \$1,078,020.00, including HST, which was to be paid in four (4) installments;
- (h) On July 3, 2012, TFI paid the final installment to Ellen's for the Purchased Assets;
- (i) As of July 3, 2012, Ellen's was, and continues to be, indebted to numerous creditors, both secured and unsecured, including HSBC Bank Canada, Canada Revenue Agency, Dr. Sai-Kui Lee, numerous former employees of Ellen's, as well as numerous trade creditors;
- (j) On November 5, 2013, Ellen's filed an assignment in bankruptcy and Deloitte was appointed Trustee in Bankruptcy for the estate of Ellen's;
- (k) It appears that Ellen's improperly diverted the proceeds from the sale of the Purchased Assets, in contravention of the BSA;
- (l) As the purchaser of the Purchased Assets, TFI failed to comply with the provisions of the BSA and therefore ought to be held liable to account to Ellen's creditors for the value of the Purchased Assets;
- (m) The Trustee has requested that TFI provide evidence of its compliance with the BSA, but TFI has failed to provide any such evidence;
- (n) Sections 16(1), (2) and 17(1) of the BSA;

- (o) Rules 1.04 and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and,
- (p) Such further and other grounds as counsel may advise and this Court deem just.

3. The following documentary evidence will be used at the hearing of the application:

- (a) The First Report of the Trustee; and,
- (b) Such further and other evidence as counsel may advise and this Court permit.

14  
July 2, 2014

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MARGLES, CAPPEL LLP**  
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Lawyers for the Applicant

**DELOITTE RESTRUCTURING INC. IN ITS CAPACITY AS  
TRUSTEE IN BANKRUPTCY OF ELLEN'S FOOD GROUP  
INC.**

Applicant

-and- **TFI FOODS INC.**

Respondent

*14-10628-002*

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT  
TORONTO

**NOTICE OF APPLICATION**

**KRONIS, ROTSZTAIN,  
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Lawyers for the Applicant

# TAB 3



Court File No. CV-14-10628-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

IN THE MATTER OF THE *BULK SALES ACT*,  
R.S.O. 1990, c.B.14, AS AMENDED

AND IN THE MATTER OF A TRANSFER OF ASSETS FROM  
ELLEN'S FOOD GROUP INC. TO TFI FOODS LTD.

B E T W E E N:

**DELOITTE RESTRUCTURING INC., IN ITS CAPACITY AS TRUSTEE  
IN BANKRUPTCY OF ELLEN'S FOOD GROUP INC.**

Applicant

and

**TFI FOODS LTD.**

Respondent

**FIRST REPORT OF DELOITTE RESTRUCTURING INC., IN ITS CAPACITY AS  
TRUSTEE IN BANKRUPTCY OF ELLEN'S FOOD GROUP INC.  
(as at August 22, 2014)**

1. This is the First Report of Deloitte Restructuring Inc. ("**Deloitte**") in its capacity as Trustee in Bankruptcy (the "**Trustee**") of Ellen's Food Group Inc. (the "**Company**").

**BACKGROUND AND PURPOSE OF THIS REPORT**

2. By Order of the Honourable Justice Morawetz dated February 25, 2013 (the "**Receivership Order**"), Deloitte & Touche Inc. was appointed as the receiver (the "**Receiver**") of all of the assets, undertaking and properties of the Company pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") and section 101 of the *Courts of Justice Act* (Ontario).

3. On July 1, 2013, Deloitte & Touche Inc. changed its name to Deloitte Restructuring Inc.

4. By Order of the Honourable Justice Morawetz dated October 30, 2013, the Receiver was authorized to assign the Company into bankruptcy.

5. On November 5, 2013, the Receiver assigned the Company into bankruptcy, and Deloitte was duly appointed trustee of the bankrupt estate. A copy of the Certificate of Appointment is attached as **Appendix “A”**.

6. The First Meeting of Creditors was held on November 26, 2013. At that meeting, the Trustee’s appointment was confirmed and the following individuals were appointed as the inspectors of the estate: John Borch, Adrian Dominguez, Pat Confalone and Dr. Sai Kui Lee. A copy of the Minutes of the First Meeting of Creditors is attached hereto as **Appendix “B”**.

7. This First Report is being filed in support of the Trustee’s application for, among other things:

- a. a declaration that a certain sale transaction which was completed on July 5, 2012 (the “**Transaction**”) between the Company and the Respondent, TFI Foods Ltd. (“**TFI**”) is void for failure to comply with the *Bulk Sales Act*, R.S.O. 1990, c. B.14, as amended (the “**BSA**”);
- b. a declaration that TFI is personally liable to account to the Trustee for the value of the property purchased by TFI from the Company; and,

- c. an order requiring TFI to pay to the Trustee the sum of \$1,078,020.00, being the amount paid by TFI to the Company.

8. Pursuant to the Transaction, the Company transferred substantially all of its assets to TFI. However, TFI failed to comply with the BSA, thereby prejudicing the interests of the creditors of the Company.

9. Historical information, financial and otherwise, included in this First Report is largely based upon information that was provided to, or was available to, the Receiver, as reported to the Court, as referenced below. Where that information is not supported by specific documents, the Trustee cannot verify the accuracy or completeness of that information, but nothing has come to the attention of the Trustee that suggests that the information is not accurate, except as may be expressly set out herein.

#### **THE ACTIVITIES OF THE RECEIVER**

10. On October 30, 2013, the Court approved the activities of the Receiver as set out in the First Report of the Receiver dated October 17, 2013 (the “**Receiver’s Report**”). Attached hereto as **Appendix “C”** is a true copy of the Order of Justice Morawetz dated October 30, 2013.

11. The Receiver’s Report described the Receiver’s activities and findings, with respect to the Transaction, much of which is relevant to and relied upon by the Trustee in support of the relief sought in the within Application. Attached hereto as **Appendix “D”** is a true copy of the Receiver’s Report without Appendices.

12. The specific portions of the Receiver's Report relied upon by the Trustee in this matter are set out below.

### **BACKGROUND OF THE COMPANY AND APPOINTMENT OF THE RECEIVER**

13. As noted in paragraph 6 of the Receiver's Report, the Company was engaged in the business of manufacturing and distributing quick frozen, ready-to-eat meals to nursing homes in the Asian community and federal institutions. The Company operated out of leased facilities in Richmond Hill located at 30 Sims Crescent, Richmond Hill, Ontario (the "**Sims Crescent Property**").<sup>1</sup>

14. As described in paragraphs 7 – 8 of the Receiver's Report, the Company also had certain credit facilities with HSBC Bank Canada ("**HSBC**"). The payment of amounts owing to HSBC and the performance of the Company's obligations under these credit facilities were secured by a security interest over all of the Company's personal property.

15. As described in paragraphs 9 – 11 of the Receiver's Report, following the Company's default and failure to repay the amounts outstanding under its credit facilities to HSBC, HSBC brought an application to appoint Deloitte as receiver. On February 25, 2014, the Court granted the Receivership Order.

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<sup>1</sup> The Trustee has learned that the Scarborough property referred to in paragraph 6 of the Receiver's First Report was not leased by the Company but by a related company.

## SALE OF ASSETS TO TFI

16. As described at paragraphs 33 – 35 of the Receiver’s Report, upon the Receiver attending the Sims Crescent Property, it learned that the Company no longer operated out of the premises and that TFI had purchased all of the property located at the Sims Crescent Property in July 2012.

17. According to the Receiver’s Report, Pun provided the Receiver with copies of:

- a. a sales agreement between the Company and TFI dated June 7, 2012, accepted on June 15, 2012 (the “**Sales Agreement**”);
- b. an invoice from the Company to TFI dated July 5, 2012 (the “**Sales Invoice**”);  
and,
- c. an assignment of lease agreement dated June 29, 2012 (the “**Assignment of Lease Agreement**”).

Attached hereto as **Appendices “E”, “F”, and “G”** are true copies of the Sales Agreement dated June 7, 2012, the Sales Invoice dated July 5, 2012, and Assignment of Lease Agreement dated June 29, 2012, respectively, referred to in the Receiver’s Report and attached thereto as Appendices “P”, “Q” and “R”, respectively.

18. According to the Sales Agreement, TFI purchased any and all equipment (the “**Assets**”) located at the Sims Crescent Property for \$954,000 plus HST of \$124,020 for a total of \$1,078,020 (the “**Sale Proceeds**”).

19. According to the Sales Invoice, the purchase price was paid by TFI in four installments as follows:

- i. June 15, 2012 - \$200,000.00;
- ii. June 20, 2012 - \$100,000.00;
- iii. June 21, 2012 - \$500,000.00; and
- iv. July 3, 2012 - \$278,020.00.

20. Although the Sales Agreement contemplated that the Transaction would close on August 30, 2012, according to the Sales Invoice the Transaction was completed on July 5, 2012.

21. Paragraph 39 of the Receiver's Report makes reference to the Company's bank statements and confirms that the Company received funds corresponding to the payments set out above.

#### **DISTRIBUTION OF SALE PROCEEDS**

22. Paragraphs 40, 42, 43, 44 and 46 of the Receiver's Report provide information with respect to the use to which the Sale Proceeds were put. While some of the funds were paid to various suppliers, related entities and to Pun personally, only \$150,000 was paid to the secured creditor HSBC on July 3, 2012.

## **TFI AND THE BULK SALES ACT**

23. As described in paragraph 54 of the Receiver's Report, on March 11, 2013, the Receiver's counsel notified TFI that TFI may not have complied with the requirements of the BSA. Attached hereto as **Appendix "H"** is a true copy of the correspondence from the Receiver's counsel to TFI dated March 11, 2013, which is Appendix "X" to the Receiver's Report.

24. As set out in paragraph 55 of the Receiver's Report, TFI responded to the Receiver and advised that, in its view, there was no need to provide any further information than had already been provided to the Receiver. Attached hereto as **Appendix "I"** is a true copy of the correspondence from TFI to the Receiver's counsel dated March 11, 2013, which is Appendix "Y" to the Receiver's Report.

25. The Receiver notes, at paragraph 56 of the Receiver's Report, that it has not been provided with any evidence that TFI sought and received a judicial exemption under Section 3 of the BSA, or that TFI has otherwise complied with the BSA.

## **THE TRUSTEE'S FURTHER EFFORTS TO OBTAIN EVIDENCE OF COMPLIANCE WITH THE *BULK SALES ACT***

26. On February 5, 2014, the Trustee's counsel, Kronis Rotsztain Margles Cappel LLP ("**KRMC**"), wrote to TFI's counsel and, among other things, requested evidence that TFI complied with its obligations under the BSA. Attached hereto as **Appendix "J"** is a true copy of KRMC's letter of February 5, 2014.

27. The Trustee notes that counsel for TFI has failed to provide any evidence of compliance with the BSA, or of any order exempting the Transaction from the application of the BSA.

### **CONCLUSION AND RECOMMENDATION**

28. Based on information received from the creditors listed below and from information set out in the Receiver's Report, it appears that the following outstanding debts existed as at the time of the Transaction:

- a. HSBC was owed the sum of \$279,276.17;
- b. Dr. Sai Kui Lee was owed the sum of \$674,284.07;
- c. Canada Revenue Agency filed a proof of claim which indicates that it was owed approximately \$624,000 for HST for the period February 1, 2010 to July 31, 2012;
- d. Canada Revenue Agency filed a proof of claim which indicates that it was owed \$13,340.95 for source deductions for the 2012 tax year; and,
- e. As set out in paragraph 45 of the Receiver's Report, unsecured creditors were owed the sum of \$330,580.40 and \$367,827.57, as at June 30, 2012 and at July 31, 2012, respectively.

29. Attached hereto as **Appendices "K" and "L"** are true copies of correspondence recently provided to the Trustee from HSBC and Dr. Lee, respectively, confirming the amounts owing to them by the Company as at July 5, 2012.

30. Attached hereto as **Appendices "M" and "N"** are true copies of the proofs of claim submitted by Canada Revenue Agency for the HST claim and for the source deduction claim, respectively.



31. The Trustee also notes that on July 3, 2014, Pun filed for personal bankruptcy. Attached hereto as **Appendix "O"** is a copy of the Notice of Bankruptcy of Pun.

32. The Receiver stated at paragraph 12 of its Notice and Statement of Receiver dated August 28, 2013, that there have not been any receipts in this administration. Attached hereto as **Appendix "P"** is a true copy of the Notice and Statement of Receiver.

33. To date the Trustee has also not recovered any funds from Pun or any of the related companies that may have received part of the Sale Proceeds.

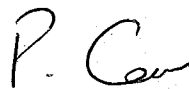
34. The only reasonable prospect of any recovery for the creditors of the Company, of which the Trustee is aware at this time, is the funds that may be recovered from TFI herein.

35. The failure to comply with the BSA has prejudiced the interests of the creditors of the Company in that substantially all of the Company's assets have been disposed of without ensuring the fair distribution of the Sale Proceeds among the Company's creditors based on their respective priorities.

36. The Trustee, therefore, requests that this Court declare the Transaction void, declare that TFI is personally liable to account to the creditors of the Company for the value thereof, and order TFI to pay to the Trustee the sum of \$1,078,020, forthwith.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 22<sup>nd</sup> day of August, 2014

**DELOITTE RESTRUCTURING INC.** in its  
capacity as Trustee in Bankruptcy of Ellen's Food  
Group Inc. and not in its personal capacity



---

Name: Paul M. Casey, CPA, CA, CIRP  
Title: Senior Vice President

# APPENDIX "A"



Industry Canada

Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant  
des faillites Canada

District of: Ontario  
 Division No.: 09 - Toronto  
 Court No.: 31-1806748  
 Estate No.: 31-1806748

In the Matter of the Bankruptcy of:

**Ellen's Food Group Inc.**

Debtor

**DELOITTE RESTRUCTURING INC/RESTRUCTURATION  
DELOITTE INC**

Trustee

Ordinary Administration

---

Date and time of bankruptcy:	November 05, 2013, 13:07	Security:	\$0.00
Date of trustee appointment:	November 05, 2013		
Meeting of creditors:	November 26, 2013, 11:00 25 St. Clair Avenue East, 6th floor Toronto, Ontario Canada,		
Chair:	Official Receiver		

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CERTIFICATE OF APPOINTMENT - Section 49 of the Act; Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforementioned debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforementioned trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: November 05, 2013, 14:49

E-File/Dépôt Electronique

Official Receiver

25 St. Clair Avenue East, 6th floor, Toronto, Ontario, Canada, M4T1M2, (877)376-9902

## **APPENDIX “B”**



Industry Canada

Office of the Superintendent  
of Bankruptcy Canada

25 St. Clair Avenue E, 5<sup>th</sup> Floor  
Toronto, Ontario  
M4T 1M2  
[osb.ic.gc.ca](http://osb.ic.gc.ca)

Industrie Canada

Bureau du surintendant  
des faillites Canada

25, avenue St. Clair Est, 6<sup>e</sup> étage  
Toronto (Ontario)  
M4T 1M2  
[bsf.ic.gc.ca](http://bsf.ic.gc.ca)

District of ONTARIO  
Division No. 09 - Toronto  
Court No. 31-1806748  
Estate No. 31-1806748

IN THE MATTER OF THE BANKRUPTCY OF  
ELLEN'S FOOD GROUP INC.  
MINUTES OF THE FIRST MEETING OF CREDITORS

November 26, 2013, (11:00 AM)  
OSB Toronto Division Office  
25 St. Clair Avenue E.  
Suite 600  
Toronto, Ontario

ATTENDANCE

Chairperson:	Avi Koren - OSB
Trustee:	Catherine Hristow - Deloitte Restructuring Inc.
Trustee:	Anna Koroneos - Deloitte Restructuring Inc.
Estate Solicitor:	Danny Nunes - TGF LLP
Secretary:	Danny Truong - OSB

The attendance is recorded as per the attached list.

ABSENT

Corporate Officer: Ellen Pun

QUORUM

Avi Koren acted as Chair for the meeting under the authority of s.105(1) of the Bankruptcy and Insolvency Act ('BIA').

The Chair determined that a quorum was established from the individuals present.

CALL TO ORDER

The Chairperson called the meeting legally constituted and called the meeting to order at 11:00am. A short recess was called to review the proof of claims that were submitted just prior to the meeting.

Canada



Protecting the  
Integrity of the  
Insolvency System

Protéger l'intégrité  
du système  
d'insolvabilité

The Chairperson explained that the purpose of the meeting was set out in section 102(5) of the BIA.

TABLE DOCUMENTS

The Trustee tabled the estate documents including the trustee's preliminary report, affidavit of mailing and proof of publication.

The Trustee provided an oral presentation of the trustee's report.

GENERAL DISCUSSION/QUESTION

Yu Zhang ("Mr. Zhang"), a creditor for Ellen's Investment Ltd. asked if his claim would be considered in this bankruptcy. The Trustee explained that there are several different entities created by the corporate director (Ellen Pun), but for the sake of this administration, Mr. Zhang's claim would be disallowed for the sake of the vote as his claim is for another entity. Mr. Zhang opted to withdraw the claim filed.

Peter Welsh ("Mr. Welsh"), on behalf of TFI Foods Ltd. ("TFI"), asked if Ms. Pun was in the room. The Trustee confirmed that she was not present at the meeting, nor does the Trustee know where Ms. Pun's current whereabouts is. A creditor, Sara Ching ("Ms. Ching"), identified that she was aware as to Ms. Pun's current residential address and provided the details to the Trustee.

Leslie Kowal, on behalf of the Canada Revenue Agency ("CRA"), asked the trustee if there will be any more attempts to obtain more information on the books & records of the company. The Trustee indentified that she will endeavour to obtain more information if the corporate officer re-appears.

Dau Lien Wong (Wellington Poultry Limited) requested to know if the trustee had received her proof of claim. The Trustee confirmed that the proof of claim was received, but it was filed for another entity. Similar to Mr. Zhang's situation, the Trustee informed Ms. Wong that they can leave it as is and mark it as disallowed for the sake of voting today, and have it determined by the court. Ms. Wong opted to withdraw her claim.

Mr. Zhang asked if any of the other companies related to Ellen Pun have gone bankrupt. The Trustee was unaware if the other entities have filed for bankruptcy.

AFFIRMATION OF THE APPOINTMENT OF THE TRUSTEE

It was moved by CRA and seconded by Dr. Sai-Kui Lee ("Dr. Lee") that Deloitte Restructuring Inc. be affirmed the Trustee. The motion to affirm the appointment of Deloitte Restructuring Inc. was carried.

NOMINATIONS OF INSPECTOR(S)

There was a general discussion as to whether Adrian Dominguez (TFI Foods Ltd.) could act as an inspector on the estate as the Trustee had indicated that the Trustee may file an action, on behalf of the estate,

against TFI Foods Ltd. After consideration, the Chair allowed Mr. Dominguez's name to be put forward as consideration for estate inspector.

Other nominations include:

- Pat Confalone (CRA)
- Dr. Sai-Kui Lee
- Jay Borch (HSBC)

APPOINTMENT OF INSPECTOR(S)

All four names nominated were appointed as estate inspectors.

Name:	Moved:	Seconded:	Carried? Y/N
Adrian Dominguez	CRA	Sara Ching	Yes
Pat Confalone	HSBC	Sai-Kui Lee	Yes
Sai-Kui Lee	HSBC	CRA	Yes
Jay Borch	Sai-Kui Lee	CRA	Yes

DIRECTIONS TO THE TRUSTEE/INSPECTORS AND OTHER MATTERS

There were no directions provided to trustee at this time. A meeting of Inspectors would be scheduled at a later date.

ADJOURNMENT of MEETING

There being no other business a motion was made to adjourn the meeting. Motion to adjourn the meeting was moved by HSBC and seconded by Dr. Lee. The motion was carried and the meeting was adjourned at 11:40 hrs.



Date: November 27, 2013

Avi Koren

Chairperson / Official Receiver

Dated the 27th of November 2013 at the City of Toronto  
OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY

Encl.: Attendance List





Industry Canada

Industrie Canada

ATTENDANCE LIST

LISTE DES PRÉSENCES

Estate Number - N° de l'actif  
31-1906749

Office of the Superintendent of Bankruptcy

Bureau du Surintendant des faillites

Debtor and Representatives - Débiteur et Représentants

Ellen's Food Group Inc.

Trustee and Representatives - Syndic et Représentants

Deloitte - Catherine Hristow

Creditors present or represented - Créanciers présents ou représentés

NAME - NOM	REPRESENTING - REPRÉSENTE	AMOUNT Proven Claim MONTANT Réclamation prouvée
AVI KOREN	OSB	
DAI LIZI WONG	WELLINGTON POULTRY LTD	146,807.42
Yu Zhang	Self	27,000.-
Sua Ching	Self	10,434.19
DANNY TRUONG	OSB	
LESLIE KOWAL	CRA	634,079.35
"	CRA	38,802.23
P. SAI-KUI LEE	P. SAI-KUI LEE	662,478.47
JERRY LAM	SARA CAIN	
Anna Koroneos	Trustee - Deloitte Restructuring	
DANNY NUNES	HSBC BANK CANADA	347,224.79
Catherine Hristow	Trustee - Deloitte Restructuring	
KEVIN R WELSH	TFI FOODS	11,000
Adrian Dominguez	TFI Foods	✓ ✓

## **APPENDIX “C”**



**SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged such that this Motion is properly returnable today, that all parties entitled to notice of the Motion have been duly served with notice, that no other parties are affected by this Order, and that any requirement for service of the Notice of Motion and the Motion Record upon any party other than the parties served is unnecessary and is hereby dispensed with and that the service of the Notice of Motion and the Motion Record is hereby validated in all respects.

**APPROVAL OF RECEIVER'S ACTIVITIES**

2. **THIS COURT ORDERS** that the First Report, and the activities of the Receiver to date as detailed in the First Report, be and they are hereby approved.

**APPROVAL OF PROFESSIONAL FEES**

3. **THIS COURT ORDERS** that the professional fees and disbursements of the Receiver for the period from February 25, 2013 to September 30, 2013, as described in the First Report and the Affidavit of Catherine Hristow sworn on October 17, 2013, be and they are hereby approved.

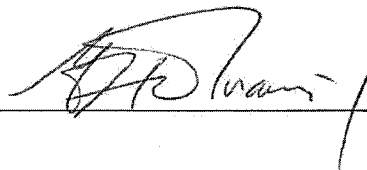
4. **THIS COURT ORDERS** that the professional fees and disbursements of the Receiver's legal counsel, Thornton Grout Finnigan LLP, for the period from February 25, 2013 to September 30, 2013, as described in the First Report and the Affidavit of Leanne Williams sworn on October 17, 2013, be and they are hereby approved.

5. **THIS COURT ORDERS** that the professional fees and disbursements of the Receiver's independent legal counsel, Kronis, Rotsztain, Margles, Cappel, LLP, for the period from February 25, 2013 to September 30, 2013, as described in the First Report and the Affidavit of Lawrence D. Adelberg sworn on October 15, 2013, be and they are hereby approved.

- 3 -

**ASSIGNMENT OF DEBTOR INTO BANKRUPTCY**

6. **THIS COURT ORDERS** that the Receiver is authorized to assign the Debtor into bankruptcy.



ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

OCT 31 2013

MB

**HSBC BANK CANADA**

Applicant and

**ELLEN'S FOOD GROUP INC.**

Respondent

Court File No.: CV-10-9031-00CL

*ONTARIO*  
**SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceedings commenced at **Toronto**

**ORDER  
(Approval of Receiver's Activities)**

**Thornton Grout Finnigan LLP**  
Barristers and Solicitors  
TD West Tower  
100 Wellington Street West, Suite 3200  
Toronto, ON M5K 1K7

**Danny M. Nunes (LSUC#53802D)**  
Tel: 416-304-1616  
Fax: 416-304-1313  
E-mail: [dnunes@tgf.ca](mailto:dnunes@tgf.ca)

Lawyers for the Receiver, Deloitte & Touche Inc.

## **APPENDIX “D”**

Court File No.: CV10-9031-00CL

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

BETWEEN:

**HSBC BANK CANADA**

Applicant

- and -

**ELLEN'S FOOD GROUP INC.**

Respondent

**FIRST REPORT OF THE RECEIVER  
DATED OCTOBER 17, 2013**

**INTRODUCTION**

1. By Order of the Honourable Mr. Justice Morawetz dated February 25, 2013 (the "**Appointment Order**"), Deloitte & Touche Inc. was appointed as the receiver (the "**Receiver**") of all of the assets, undertakings and properties (the "**Property**") of Ellen's Food Group Inc. (the "**Company**") pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") and Section 101 of the *Courts of Justice Act* (Ontario). Attached hereto as Appendix "**A**" is a true copy of the Appointment Order.
2. On July 1, 2013, Deloitte & Touche Inc. changed its name to Deloitte Restructuring Inc. (hereinafter referred to as, "**Deloitte**").



### PURPOSES OF THE RECEIVER'S REPORT

3. The purpose of this First Report of the Receiver (the "**First Report**") is to inform the Court of the status of the receivership since the date of the Appointment Order. This First Report is filed in support of a motion brought by the Receiver for an Order:
  - (a) authorizing the Receiver to assign the Company into bankruptcy;
  - (b) approving the conduct and activities of the Receiver since the date of the Appointment Order; and
  - (c) approving the professional fees and disbursements of the Receiver and its legal counsel, Thornton Grout Finnigan LLP ("**TGF**"), and Kronis, Rotsztain, Margles, Cappel, LLP ("**KRMC**") for the period February 25, 2013 to September 30, 2013.
4. All references to dollars are in Canadian currency unless otherwise noted.
5. Unless otherwise provided, capitalized terms not otherwise defined in this First Report are as defined in the Appointment Order.

### BACKGROUND TO THE RECEIVERSHIP

6. The Company was engaged in the business of manufacturing and distributing quick frozen, ready-to-eat meals to nursing homes in the Asian community and federal institutions. The Company operated out of leased facilities in Richmond Hill and Scarborough, Ontario, including the property located at 30 Sims Crescent, Richmond Hill, Ontario (the "**Sims Crescent Property**").

7. Pursuant to a credit facility letter dated February 10, 2005, as amended, HSBC Bank Canada (the “**Bank**”) extended certain credit facilities to the Company, including an operating lease line to finance the Company’s acquisition of equipment for use in its production plant located at the Sims Crescent Property and a revolving operating loan to assist with the Company’s working capital requirements and the importing of equipment for use in the Company’s business operations (the “**Credit Facilities**”).
8. As security for its obligations to the Bank, the Company granted security over all of its personal property to the Bank pursuant to, among other things, a General Security Agreement dated June 3, 2005 and a Master Lease Agreement No. 230857.ON dated June 3, 2005.
9. On June 24, 2010, the Bank demanded payment from the Company of all amounts then outstanding under the Credit Facilities, namely the sum of \$1,753,971.19, together with interest, fees and costs to the date of payment, and issued a Notice of Intention to Enforce Security to the Company pursuant to Section 244 of the BIA.
10. The Company and the Bank entered into a series of forbearance agreements beginning in November 2010. In consideration for the Bank’s forbearing from taking any further steps to enforce its security, the Company agreed, among other things, to execute a consent to the appointment of a receiver which was to be held in escrow and would only become effective upon the occurrence of a Forbearance Terminating Event or the Forbearance Deadline (as such terms were defined in the

forbearance agreements executed by the Company and the Bank). Attached hereto as Appendix "B" is a true copy of the consent executed by the Company.

11. Having failed to satisfy the terms of the last forbearance agreement dated December 21, 2012, the Bank brought an application to have Deloitte appointed as receiver which relief was granted pursuant to the Appointment Order.
12. As at the date of the Appointment Order, the Company's indebtedness to the Bank was \$269,162.36.
13. The Receiver requested that its independent counsel, KRMC, review the Bank's security and provide an independent legal opinion on its validity and enforceability. The Receiver obtained an opinion confirming the validity, enforceability and first registered priority of the Bank over the Property, subject only to the usual qualifications. Attached hereto as Appendix "C" is a true copy of the independent legal opinion.

#### THE COMPANY RECORDS

14. In accordance with the terms of the Appointment Order, the Receiver attended at the Company's corporate head office at 245 Centurian Drive, Suite 203, Richmond Hill, Ontario, on February 26, 2013.
15. While at the Company's corporate head office, the Receiver spoke to the Company's principal, Ms. Ellen Pun ("Pun"), by telephone and was advised by Pun that the Company's books and records (the "Records") were not located at the

corporate head office. Pun did not advise the Receiver at that time as to the location of the Records or when the Records would be delivered to the Receiver.

16. On February 27, 2013, the Receiver again spoke to Pun and was advised that the Records were kept by the Company's accountant, Mr. Gabriel Lee ("Lee"). The Receiver was advised by Pun to contact Lee for delivery of the Records and Pun provided the Receiver with contact information for Lee.
17. After efforts to contact Lee on February 27, 2013 proved unsuccessful, the Receiver was able to speak to Lee on the morning of February 28, 2013, at which time the Receiver requested the delivery of the Records. The Receiver was advised by Lee that the Records would be delivered shortly to the Receiver. Attached hereto as Appendix "D" is a true copy of email correspondence between the Receiver and Lee during the period of February 28, 2013 to March 5, 2013.
18. The Receiver's solicitors reiterated the Receiver's request for delivery of the Records and confirmed that Lee had advised the Receiver on February 28, 2013 that the Records would be delivered shortly. Attached hereto as Appendix "E" is a true copy of correspondence from Danny Nunes of TGF dated February 28, 2013 to Keith Juriansz of Juriansz & Li, the Company's then counsel.
19. On or about March 5, 2013, despite having made numerous requests of Pun and Lee for delivery of the Records and having been advised that the Records would be delivered shortly, the Receiver was advised by Pun that the Company had not operated in over a year and did not have any Records. Furthermore, the Receiver

was also advised at that time by Lee that he did not have any Records in his possession and did not act as the accountant for the Company.

20. The Receiver was provided with certain of the Company's bank statements by Pun and based upon its review of a search conducted under the *Personal Property Security Act* (Ontario) (the "PPSA Search"), the Receiver prepared and sent the creditor notice required under Section 245(1) of the BIA (the "Creditor Notice"). Attached hereto as Appendices "F" and "G" are true copies of the PPSA Search and the Creditor Notice, respectively.
21. On March 26, 2013, Pun sent the Receiver the following documentation:
  - (a) copies of the Company's bank statements in respect of accounts held at ICBC for the period January 1, 2013 to October 31, 2013 along with the cancelled cheques;
  - (b) copies of the Company's HST returns for May 2012 to January 2013;
  - (c) the Company's accounts payable listing (without addresses) for the period ending October 31, 2012; and
  - (d) a related party listing for the period ending October 31, 2012.
22. On March 26, 2013 and on June 10, 2013, the Receiver requested that the following related party accounts receivable be settled:
  - (a) 2274965 Ontario Inc. in the amount of \$1,005.24;
  - (b) 2213813 Ontario Inc. in the amount of \$212.50; and
  - (c) 2200657 Ontario Ltd. in the amount of \$23,600.96.

No payments have been received.

23. On August 29, 2013, the Receiver prepared and sent the creditor notice required under Subsection 246(2) of the BIA. Attached hereto as Appendix "H" is a true copy of the Subsection 246(2) notice.

#### **THE COMPANY'S SECURED CREDITORS**

24. The PPSA Search revealed that, aside from the Bank, other parties had registered security interests against the Property, including the following:
- (i) Redstone Investment Corporation ("**Redstone**") on April 6, 2011 in respect of "accounts" and "other";
  - (ii) Industrial and Commercial Bank of China (Canada) ("**ICBC**") on April 3, 2012 in respect of all classes of collateral with the exception of "motor vehicle" and "consumer goods"; and
  - (iii) Dr. Sai Kui Lee on January 28, 2013 in respect of all classes of collateral with the exception of "motor vehicle" and "consumer goods".
25. The Receiver sent correspondence to Redstone, ICBC and Dr. Lee advising of the Receiver's appointment and requesting copies of all security documentation, including any history of payments made to and from the Company. Attached hereto as Appendix "I" is a true copy of the correspondence (excluding enclosures) sent by the Receiver to Redstone, ICBC and Dr. Lee dated March 1, 2013.

26. In the letter sent to ICBC, the Receiver also requested information regarding any bank accounts held at ICBC by the Company. The Receiver was advised by ICBC that the Company's bank account at ICBC was opened on October 21, 2011 and closed on October 26, 2012. With respect to ICBC's PPSA registration, the Receiver was advised that it had been registered in anticipation of a credit facility that was to be extended to the Company. However, ICBC ultimately did not extend the credit facility to the Company and, as such, it advised the Receiver that it would discharge the PPSA registration. Attached hereto as Appendix "J" is a true copy of correspondence from ICBC to the Receiver dated March 1, 2013.
27. With respect to Dr. Lee, the Receiver was provided with copies of a promissory note from Pun in favour of Dr. Lee (the "**Promissory Note**") and a General Security Agreement from the Company in favour of Dr. Lee (the "**Lee GSA**"), both dated April 18, 2011, by Robert Leck of Stiver Vale, counsel to Dr. Lee. Attached hereto as Appendices "**K**" and "**L**" are the Promissory Note and the Lee GSA.
28. The Promissory Note provides that Pun promised to pay the amount of \$857,623.00, plus interest, to Dr. Lee and as collateral security for payment of the Promissory Note, the Company agreed to guarantee Pun's obligations and provide the Lee GSA.

29. In a letter dated March 5, 2013, counsel for Dr. Lee advised the Receiver that Dr. Lee had received payments on account of the Promissory Note indebtedness in the aggregate amount of \$468,220.41 on the following dates:

- (i) April 27, 2011 - \$69,985.00;
- (ii) May 5, 2011 - \$80,000.00;
- (iii) May 19, 2011 - \$103,000.00;
- (iv) June 16, 2011 - \$85,235.41;
- (v) June 29, 2011 - \$50,000.00;
- (vi) October 18, 2012 - \$10,000.00;
- (vii) October 20, 2012 - \$10,000.00;
- (viii) October 27, 2012 - \$10,000.00;
- (ix) November 3, 2012 - \$10,000.00;
- (x) November 13, 2012 - \$10,000.00;
- (xi) November 25, 2012 - \$10,000.00;
- (xii) December 1, 2012 - \$10,000.00; and
- (xiii) December 8, 2012 - \$10,000.00.

Attached hereto as Appendix "M" is a true copy of correspondence from Robert Leck of Stiver Vale to the Receiver dated March 5, 2013.

30. Counsel for Dr. Lee also advised the Receiver that as of January 18, 2013, the outstanding indebtedness under the Promissory Note was \$620,708.92, inclusive of legal costs. Attached hereto and marked as Appendix "N" is a true copy of correspondence from Robert Leck to the Receiver dated March 15, 2013.

31. The Receiver also requested that KRMC review Dr. Lee's security and provide an independent legal opinion on its validity and enforceability. The Receiver obtained



an opinion confirming the validity and enforceability of Dr. Lee's security. Attached hereto as Appendix "O" is a true copy of the independent legal opinion.

32. On April 19, 2013, the Receiver was advised by legal counsel to Redstone that Redstone did not advance any funds to the Company.

#### **SALE OF EQUIPMENT TO TFI FOODS LTD.**

33. In accordance with the terms of the Appointment Order, the Receiver attended at the Sims Crescent Property.
34. Upon attending at the Sims Crescent Property, the Receiver noted that the sign affixed to the building read "Imago Foods" which is the operating name of 3243222 Ontario Inc. ("3243222"). The Receiver was advised by individuals working at the premises that the Company no longer operated out of the premises and that TFI Foods Ltd. ("TFI"), a related company to 3243222, had purchased all of the Property located at the Sims Crescent Property (the "**Purchased Assets**").
35. The Receiver was advised by David Lam ("**Lam**"), TFI's president, and Pun that TFI had acquired the Purchased Assets and assumed the lease for the Sims Crescent Property in July 2012.
36. Pun provided the Receiver with a copy of the Sales Agreement, the Sales Invoice and the Assignment of Lease Agreement executed by, among others, Pun, Lam, the Company and 3243222 o/a Imago Foods. Attached hereto as Appendices "P", "Q" and "R" are true copies of the Sales Agreement, Sales Invoice and Assignment of Lease Agreement, respectively.

37. Pursuant to the Sales Agreement, TFI agreed to pay the Company \$954,000.00 for any and all equipment located at the Sims Crescent Property. The estimated closing date for the transaction contemplated in the Sales Agreement was August 30, 2012.
38. According to the Sales Invoice issued by the Company to TFI, TFI paid the amount of \$1,078,000.00, including Harmonized Sales Tax (“HST”), on account of the Purchased Assets. TFI paid the purchase price in four installments:
- (i) June 15, 2012 - \$200,000.00;
  - (ii) June 20, 2012 - \$100,000.00;
  - (iii) June 21, 2012 - \$500,000.00; and
  - (iv) July 3, 2012 - \$278,020.00
39. Based upon the Receiver’s review of the Company’s bank statements, it was determined that funds corresponding to the four installments noted above were received by the Company.

#### **DISTRIBUTION OF SALE PROCEEDS**

40. Based upon the Receiver’s review of the Company’s bank statements and discussions with Pun, it determined that on June 22, 2012, \$400,000 was paid to 1812238 Ontario Inc., a related party, and \$70,000 was paid to Pun, the principal of the Company.
41. Pun claimed that, at the time of the transaction with TFI, the Company was no longer indebted to the Bank. From the information made available to it, the Receiver does not agree with this statement.

42. On July 3, 2012, HSBC Bank Canada received a partial repayment of its secured advances in the amount of \$150,000.

43. During this period, Pun was actively funding other business and personal interests from the Company's bank account. A review of the bank statements and supporting documents provided by ICBC regarding the transfer of funds between related parties indicates that from June 1, 2012 to July 31, 2012 there were the following net transfers to/(from) the Company:

i.	2220968 Ontario Inc.	\$37,600.00
ii.	2192607 Ontario Inc.	\$28,700.00
iii.	Ellen's Health Food Ltd.	\$ 8,900.00
iv.	2133185 Ontario Corporation	\$ 5,400.00
v.	2213813 Ontario Inc.	\$35,600.00
vi.	2200657 Ontario Limited	\$28,500.00
vii.	Ellen Pun	(\$67,000.00)
viii.	1812238 Ontario Inc.	(\$124,600.00)
ix.	2282698 Ontario Limited	<u>(\$7,100.00)</u>
	Total net transfers	<u>(\$54,000.00)</u>

44. The opening bank balance as at June 1, 2012 was \$1,113.06 and the closing balance as at June 30, 2012 and July 31, 2012 were \$21,275.43, and \$45,258.82, respectively. During the month of June, there were cash withdrawals totalling \$50,000.00. For the month of June, there were related party deposits of \$299,600.00 and withdrawals of \$669,900.00. In the month of July, there were related party deposits of \$316,300.00 and nil withdrawals. Attached as Appendices "S" and "T" are true copies of the bank statements for June and July 2012.

45. The Receiver was provided information by Pun including amounts owed to other unsecured creditors of the Company at this time. A review of the accounts payable listing indicated the following amounts were owed as at the corresponding dates:

(i)	June 30, 2012	\$330,580.40;
(ii)	July 31, 2012	\$367,827.57; and
(iii)	October 31, 2012	\$923,805.14.

46. A summary of the related party indebtedness prepared from information provided to the Receiver by the Company is as follows:

Name of Related Party	Amount (\$) owed as at 06/30/2012	Amount (\$) owed as at 07/31/2012	Increase/ (decrease) (\$) from June 2012	Amount (\$) owed as at 10/31/2012
2274965 Ontario Inc.				(1,005.24)
1812238 Ontario Inc.	1,355,257.62	1,215,790.79	(139,466.83)	1,229,132.63
2192607 Ontario Ltd.	253,464.07	302,200.91	48,736.84	279,926.04
2213813 Ontario Inc.	39,032.65	71,332.19	32,299.54	(212.50)
Long Hó Fong Restaurant	30,000.00	30,000.00	-	30,000.00
2200657 Ontario Ltd.	(24,938.28)	(24,878.95)	59.33	(23,600.96)
2133195 Ontario Limited	155,767.53	135,864.56	(19,902.97)	131,693.64
2282698 Ontario Ltd.	330,541.77	370,105.90	39,564.13	481,993.32
2220968 Ontario Inc.	422,293.05	443,297.88	21,004.83	497,331.06
<b>Total</b>	<b>2,561,418.41</b>	<b>2,543,713.28</b>	<b>(17,705.13)</b>	<b>2,625,257.99</b>

47. The related party schedule provided by the Company does not include Pun. The information provided by ICBC regarding the transfers between related parties does not tie into the related party schedule provided by the Company.

48. On May 28, 2013, the Receiver contacted Canada Revenue Agency (“CRA”) and requested both an HST and source deduction audit. The Receiver provided CRA with copies of certain documents in its possession, including an undated, unsigned 2012 T4 summary which showed that CRA was owed \$17,427.62. The Receiver has not audited or otherwise verified the amounts owing to CRA.
49. CRA was also provided with copies of the GST/HST netfile confirmations for the period January 31, 2011 to January 31, 2013. The returns for the period ending June 30, 2012 and July 31, 2012 did not record any sales or other revenue but did claim income tax credits (“ITCs”) of \$37,791.88 and \$9,273.50 respectively.
50. On September 11, 2013, the Receiver was sent a copy of the results of the CRA audit from Pun’s legal counsel. CRA issued a notice of reassessment on August 27, 2013 in the total amount of \$633,900.04, including penalties and interest. Attached hereto as Appendix “U” is a true copy of the CRA assessment. CRA assessed the following amounts:

Disallowed all ITC 2010	\$132,015
Disallowed all ITC 2011	\$181,475
Disallowed all ITC 2012 January-June, August - November	\$102,321
Disallowed ITC 2012 July	\$9,274
Assessed HST Collectible-sale of equipment July 2012	\$124,020
<b>Total adjustments</b>	<b>\$549,105</b>

**TFI FOODS LTD. AND THE *BULK SALES ACT***

51. Upon being advised by Lam and Pun of the transaction between the Company and TFI, the Receiver's counsel sent correspondence to Lam advising that the Purchased Assets may be subject to security held by the Company's creditors, including the Bank. As such, the Receiver requested that it be allowed to re-attend at the Sims Crescent Property to conduct a detailed inventory of the equipment located at the premises. Attached hereto as Appendix "V" is a true copy of correspondence from Danny Nunes to David Lam dated February 28, 2013.
52. The Receiver was advised by Adrian Dominguez ("**Dominguez**"), Director- Legal and Risk Management Department at TFI, that the Receiver's request to re-attend at the Sims Crescent Property was denied. Attached hereto as Appendix "W" is a true copy of email correspondence between the Receiver and Adrian Dominguez dated March 1, 2013.
53. In response to TFI's refusal to allow the Receiver to re-attend at the Sims Crescent Property, the Receiver's counsel sent further correspondence advising that, given that the Bank had a security interest over all of the Company's assets, the Company could not have sold the equipment located at the Sims Crescent Property without the Bank's consent. Counsel for the Receiver also reiterated the Receiver's request to re-attend at the Sims Crescent Property for the purpose of conducting a detailed inventory. Attached hereto as Appendix "X" is a true copy of correspondence from Danny Nunes to Adrian Dominguez dated March 11, 2013.

54. The Receiver's counsel also advised that it appeared that the transaction contemplated by the Sales Agreement did not comply with the terms of the Bulk Sales Act ("BSA").
55. Dominguez advised the Receiver's counsel that TFI's position was that it was a *bona fide* purchaser of the Purchased Assets and would not grant access to the Sims Crescent Property as it was not in possession of any property that belonged to the Company. Furthermore, the Receiver was advised that TFI saw no need to provide any further information than it had already provided to the Receiver in respect of TFI's acquisition of the Purchased Assets. Attached hereto as Appendix "Y" is a true copy of email correspondence from Adrian Dominguez to Danny Nunes dated March 11, 2013.
56. The Receiver has not been provided with any evidence by TFI that it sought and received a judicial exemption under Section 3 of the BSA. Furthermore, the Receiver has not been provided with evidence that TFI requested or received a statement of creditors as set out in Section 4 of the BSA. Lastly, the Receiver has not been provided with any evidence that TFI filed any documents with the Court as required under Section 11 of the BSA.

#### **PROFESSIONAL FEES**

57. The Receiver and its legal counsel have maintained detailed records of their professional time and costs since the Appointment Order was granted.

58. The total fees of the Receiver during the period from February 25, 2013 to September 30, 2013 amount to \$36,812.00, together with expenses and disbursements in the sum of \$277.53, and HST in the amount of \$4,821.64, totalling 41,911.17. Time spent by the Receiver in the administration of the receivership proceedings is more particularly described in the Affidavit of Catherine Hristow, Vice President at Deloitte & Touche Inc. filed in support hereof. Attached hereto as Appendix "Z" is the Affidavit of Catherine Hristow sworn October 17, 2013.
59. The total legal fees incurred by the Receiver during the receivership for services provided to the Receiver by its legal counsel, TGF, during the period from February 25, 2013 to September 30, 2013 amount to \$32,172.50, together with disbursements in the sum of \$29.64, and HST in the amount of \$4,186.29, totalling \$36,388.43. The time spent by TGF for legal services rendered to the Receiver is more particularly described in the Affidavit of Leanne Williams, the partner with TGF having carriage of this proceeding as counsel to the Receiver, filed in support hereof. Attached hereto as Appendix "AA" is the Affidavit of Leanne Williams sworn October 17, 2013.
60. The total legal fees incurred by the Receiver during the receivership for services provided to the Receiver by its legal counsel, KRMC, during the period from February 25, 2013 to September 30, 2013 amount to \$4,900.00, together with disbursements in the sum of \$211.25, and HST in the amount of \$664.47, totalling \$5,775.72. The time spent by KRMC for legal services rendered to the Receiver is



more particularly described in the Affidavit of Lawrence Adelberg, the partner with KRMC having carriage of the independent legal review of security, for the Receiver, filed in support hereof. Attached hereto as Appendix "BB" is the Affidavit of Lawrence Adelberg sworn October 15, 2013.

61. The Receiver respectfully requests that its fees and disbursements and those of its legal counsel be approved as filed.

#### **RECEIVER'S RECOMMENDATION**

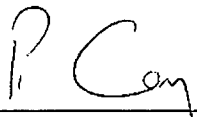
62. For the reasons set out above, the Receiver respectfully requests that this Honourable Court make an Order:

- (a) authorizing the Receiver to assign the Company into bankruptcy;
- (b) approving the conduct and activities of the Receiver since the date of the Appointment Order as set out in the First Report; and
- (c) approving the professional fees and disbursements of the Receiver and its legal counsel, TGF and KRMC, for the period from February 25, 2013 to September 30, 2013, as described in the First Report.

All of which is respectfully submitted at Toronto, Ontario this 17 day of October, 2013.

**Deloitte Restructuring Inc.**  
solely in its capacity as the  
Court-appointed receiver of  
Ellen's Food Group Inc. and  
without personal or corporate  
liability

Per:

  
\_\_\_\_\_  
Paul M. Casey, CPA, CIRP  
Senior Vice-President

## **APPENDIX “E”**

AGREEMENT made June 7<sup>th</sup>, 2012

Sales Agreement of Intent to purchase:

2

ELLEN'S FOOD GROUP INC, ALL AND ANY, FOOD PROCESSING EQUIPMENT

LOCATED AT THE LEASED PREMISES 30 SIMS CRES, RICHMOND HILL, ONTARIO

Between

ELLEN'S FOOD GROUP INC

25 CENTURIAN DRIVE, SUIT 203

RICHMOND HILL ONTARIO

ELLEN PUN, OWNER AND OPERATOR

OF CFIA APPROVED PRODUCTION PLANT AND EQUIPMENT (SELLER)



AND

TAI-FOONG INTERNATIONAL

(BUYER)

2900 MARKHAM ROAD

SCARBOROUGH ONTARIO M1X 1E6

MR DAVID LAM OWNER

\$954,000 <sup>cc</sup> / ~~\$1,000,000~~ *g/r*

- (1) The parties have agreed on a sale price of ~~\$1,000,000.00~~ for all and any equipment located at 30 Sims Cres Richmond hill Ontario
- (2) The parties have agreed to a 20% deposit of \$200,000.00CDN (certified cheque) which will be held in trust by Legal counsel of Ellen's Food Group Inc.
- (3) The parties desire to provide access to said premises for production to commence is at the buyers request and convenience, once this agreement has been signed and a deposit received by sellers legal counsel.
- (4) Seller agrees to cooperate fully with buyer in supplying all production information, The Food Safety Enhancement Program and the Hazard Analysis Critical Control Point (HACCP) systems as required in all federally registered establishments including all intellectual properties.
- (5) Consideration by the buyer must be given to include or release the present HACCP QA Manager employed at 30 Sims Cres.
- (6) The lease agreement as set out is understood and agreed to be discussed by both parties that all terms and conditions remain the same, both seller and buyer must agree to treat this as a separate item for discussion with the landlord and seller as required.
- (7) Seller agrees to provide full cooperation to the buyer in the training of employees in production equipment and startup (where possible) for the first three months of operations

ATTACHMENTS (PENDING) *g/r*

- A. Attached equipment list as per discussion.
- B. Auto CAD layout of said premises.
- C. All building construction drawings
- D. All office, laboratory and chemical equipment
- E. All any other plant and office equipment

ESTIMATED closing date August 30, 2012. *Jan G*

**THIS AGREEMENT WITNESSES that the parties covenant and agree to a BUY-SELL AGREEMENT**

Offer to sell as per above agreement:

ELLEN'S FOOD GROUP INCORPORATED:

Signing Officer: *[Signature]* Date: *Jun 15, 2012*

Offer to purchase as per above agreement:

TAI FOONG INTERNATIONAL: TFI Foods LTD.

Signing Officer: *Wynne Chan* Date: *JUN 15, 2012*

1 (3)

**H.F.E.C.** HALFORD FOOD EQUIPMENT & CONSULTING.



223 REBECCA ST OAKVILLE ONTARIO

EQUIPMENT LIST TO BUYER AS INSPECTED BY H.F.E.C. JUNE 2012

ALL AND ANY EQUIPMENT LOCATED INSIDE 30 SIMS CRES RICHMOND HILL ONTARIO

30 SIMS CRES. RICHMOND HILL ON. BUILDING EXTERIOR IN EXCELLENT CONDITION + PARKING AREA

FEDERAL INSPECTED AND APPROVED ESTABLISHMENT: WITH HACCP EMPLOYEE

COMPLETE RECEPTION AND OFFICE SPACE

LADIES AND GENTS LOCKER ROOMS

LUNCH ROOM

OVERALL PLANT SIZE 22,000 SQ.FT.

PRODUCTION SPACE AVAILABLE FOR IQF 12,000 SQ.FT.

COOLER SPACE AVAILABLE FOR IQF 1200 SQ.FT.

WELFARE AREAS FOR MALE & FEMALE 700 SQ.FT.

LABORATORY ON SITE.

COMPLETE FREEZER AND COOLER RACKING SYSTEM-NEW.

ONE RECEIVING DOCK- ONE SHIPPING DOCK.

FREEZER STORAGE / HOLDING AREA 2,000 SQ.FT.

SELF CONTAINED DRY STORAGE AREA- PACKAGING AND INGREDIENTS

IQF EQUIPMENT IN PLANT AND AVAILABLE:

WEIGH FLOOR SCALES

GLAZING EQUIPMENT CONVEYOR

ONE 750 LITRE TUMBLER.

ONE 500 LITRE TUMBLER.

ONE ICE MACHINE.

ONE INJECTSTAR INJECTOR.

ONE PRAXAIR FREEZER TUNNEL IQF- n2

ONE SIZING SYSTEM (SCANVECT) 4 DROP / TRAY SYSTEMS EACH SIDE.

TWO CONVEYOR SYSTEMS.

PACKAGING CONVEYORS.

BAR CODE SCANNER

NITROGEN PAD AND STORAGE EXTERNAL TANK

COMPLETE KLINK LOK PACKAGING SYSTEM- NEW (FROM 50 GR- 900GR)

NEW VACCUUM PACK MACHINE-NEW- two small separate

METAL DETECTOR

BARTLETT PACKAGING MACHINE-

MEZZANINE ALL STAINLESS STEEL

COMPLTE SCANVECT SIZING SYSTEM- NEW

25 200 LITRE STAILESS BINS – 3 300 LITRE STAINLESS BINS

ONE FORK LIFT TRUCK- BATTERY CHARGING STATION

COMPLETE CLEANING SYSTEM-CHEMICAL ROOM

4 STAILESS STEEL WORK TABLES

ONE 90GPM HYDRAULIC SYSTEM

SEPARATE ANTI SEORATION ROOM

FULL COOK AREA ONLY

TWO FULL COOK OVENS –NEW

TWO GAS COOKING SKILLETS

THREE STEAM COOK TILTING KETTLES

TWO SIDE BY SIDE FLOOR FRYERS

ONE MIXING BOWL

COMPLETE FIRE SUPPRESSION SYSTEM- FOR ABOVE EQUIPMENT

SPIRAL FREEZER SYSTEM

MECHANICAL DEPOSITORS

COMPLETE CONVEYING SYSTEM TO FREEZER

FREEZER DISCHARGE AREA FOR PACKAGING

THREE ANKO MACHINES

DEPOSITOR EQUIPMENT

FORK LIFT TRUCK

FLOOR SCALES – TABLE SCALES

COMPLETE CONVEYING SYSTEM IN FULL COOK ROOM

BOILER ROOM / CHEMICAL ROOM

ALL OFFICE EQUIPMENT INCLUDING LABEL MACHINES

COMPUTERS AND ALL INTELLECTUAL PROPERTIES

ALL IS SUBJECT TO INSPECTION BY BUYER.....



## **APPENDIX “F”**

10/22/2012 14:22

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ELLEN'S GROUP

PAGE 01/01

**ELLEN'S FOOD GROUP INC.**25 Centurian Drive, Suite 102, Markham, Ontario, L3R 5N8  
Business number: 85068 0141RT0001

Tel: 905-947-8268

SALES INVOICE

July 5, 2012

Invoice: 12002

TFI Foods Ltd.  
2900 Markham Road  
Scarborough, Ontario  
M1X 1E6RE: Sale of Equipment located at 30 Sims Crescent, Richmond Hill, OntarioDescription

Food Processing Equipment as per list	\$ 954,000
HST @ 13%	<u>124,020</u>
Total	<u>\$ 1,078,020</u>

Payments received

June 15, 2012	\$ 200,000
June 20, 2012	100,000
June 21, 2012	500,000
July 03, 2012	<u>278,020</u>
Total	<u>\$ 1,078,020</u>

**APPENDIX “G”**

Assignment of Lease

THIS AGREEMENT made as of the 29<sup>th</sup> day of June, 2012

BETWEEN:

ELLEN'S FOOD GROUP INC.  
hereinafter called the "Assignor"

OF THE FIRST PART

and

3243222 CANADA INC. o/a IMAGO FOODS  
hereinafter called the "Assignee"

OF THE SECOND PART

and

TERYLE ANN KIDMAN AND ELEANORE MUCENIK  
hereinafter called the "Landlord"

OF THE THIRD PART

and

~~C.L.~~  
DAVID ~~G.K.~~ LAM  
hereinafter called the "Indemnifier"

OF THE FOURTH PART

and

ELLEN PUN  
hereinafter called the "Previous Indemnifier"

OF THE FIFTH PART

WHEREAS by a lease dated August 18, 2004 (the "Lease") as amended by a Lease Amending Agreement dated January 22, 2007 and extended by an Extension of Lease dated November 10, 2011, the Landlord leased to the Assignor the premises known as 30 Sims Crescent, Richmond Hill, Ontario;

AND WHEREAS the Indemnifier has agreed to guarantee the performance of the obligations of the Assignee under the Lease;

AND WHEREAS the Lease contains a covenant in Article 1.16 on the part of the Assignor not to assign the premises without the written consent of the Landlord;

AND WHEREAS the Assignor has agreed to assign the Lease to the Assignee and the Landlord has agreed to consent to such assignment;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutual covenants and agreements between the parties to this Agreement and the sum of TWO DOLLARS (\$2.00) now paid by each party to the other (the receipt and sufficiency of which is hereby acknowledged), the parties hereby agree as follows:

1. Assignment

The Assignor hereby transfers, sets over and assigns unto the Assignee, as of and from the date of execution of this Agreement (the "Effective Date") all of its right, title and interest in the Leased Premises, together with the unexpired residue of the Term and all benefit and advantages to be derived from the Lease.

TO HAVE AND TO HOLD the same, subject to the payment of rent and the observance and performance of the tenant's covenants and the conditions and agreements contained in the Lease.

2. Assignor's Covenants

The Assignor covenants and agrees with the Assignee that:

(a) notwithstanding any act of the Assignor, the Lease is a good, valid and subsisting lease and the rent thereby reserved has been duly paid up to the Effective Date and the covenants and conditions therein contained have been duly observed and performed by the Assignor up to the Effective Date;

(b) the Assignor has good right, full power and absolute authority to assign its interest in the Leased Premises and the Lease in the manner aforesaid, according to the true intent and meaning of this

**Agreement;**

(c) subject to the payment of rent and to the observance and performance of the tenant's covenants and the conditions and agreements contained in the Lease, the Assignee may enter into and upon and hold and enjoy the Leased Premises for the unexpired residue of the Term granted by the Lease for its own use and benefit without any interruption by the Assignor or by any person whomsoever claiming through or under the Assignor;

(d) the Assignor will from time to time hereafter at the request and cost of the Assignee promptly execute such further assurances pertaining to the Leased Premises as the Assignee may reasonably require; and

(e) the Assignor shall remain liable for all the obligations contained in the Lease despite the herein assignment, and the Assignor shall be responsible for the due performance of the obligations of the tenant as specified in Article 1.16 of the Lease.

**3. Assignee's Covenants**

The Assignee covenants and agrees with the Assignor and the Landlord that:

(a) It will at all times during the unexpired residue of the Term observe and perform the Tenant's covenants and the conditions and agreements contained in the Lease and indemnify and save harmless the Assignor from all actions, suits, costs, losses, charges, demands and expenses for and in respect thereof;

(b) Without restricting the generality of the foregoing, the Assignee covenants and agrees that it will at all times during the unexpired residue of the Term pay all rentals, including all Minimum or Basic Rent, Percentage Rent and Additional Rent reserved by the Lease, and all other payments covenanted to be paid by the Tenant therein at the times and in the manner provided for in the Lease, and will observe and perform all of the terms, covenants, conditions and agreements contained in the Lease on the part of the tenant to be observed and performed.

**4. Indemnifier's Covenants**

The Indemnifier covenants and agrees with the Landlord that:

(a) The Indemnifier will be jointly and severally bound with the Assignee for the fulfilment of all covenants, obligations, and agreements of the Tenant under the Lease, and that in the enforcement of its rights under the Lease the Landlord may proceed against the Indemnifier as if the Indemnifier was named as the Tenant under the Lease;

(b) The Landlord shall not be required to proceed against the Tenant or to proceed against or to exhaust any security held from the Tenant or to pursue any other remedy whatsoever which may be available to the Landlord before proceeding against the Indemnifier, and the Indemnifier hereby waives any rights to require the Landlord to do so; and

(c) No neglect or forbearance of the Landlord in endeavouring to obtain payment of the rent reserved in the Lease or other payments required to be made under the Lease as and when they become due, no delay of the Landlord in taking any steps to enforce performance or observance of the covenants, obligations, or agreements contained in the Lease to be performed, or observed, by the Tenant, nor extensions of time which may be given by the Landlord from time to time to the Tenant and no other act or failure to act of or by the Landlord shall release, discharge, or in any way reduce the obligations of the Indemnifier under its obligations hereunder.

**5. Landlord's Consent**

The Landlord hereby consents to the assignment of the Lease as set out herein in accordance with Section 9 of the Lease, and hereby does not release the Assignor from all liabilities, covenants, obligations, rights, claims, and causes of action under the Lease which may arise after the Effective Date.

The Landlord hereby confirms and acknowledges that:

(a) all rent and other payments required to be made by the Assignor to the Landlord pursuant to the Lease up to and including the date of this Agreement have been made;

(b) the Landlord is holding a security deposit in the amount of \$ 16,046.<sup>84</sup>~~52~~; and

(c) the Lease is in good standing.

**6. Release of Previous Indemnifier**

The Landlord hereby releases the Ellen Pun, the Previous Indemnifier from her obligations as Indemnifier.

**7. Binding Effect**

*W*  
*[Signature]*

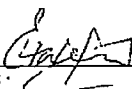
This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

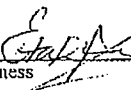
8. Confirmation

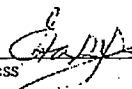
The parties hereto do in all other respect hereby confirm that the Lease is in full force and effect, unchanged and unmodified except in accordance with this Agreement. It is understood and agreed that all terms and expressions used in this Agreement have the same meaning as the terms and expressions used in the Lease. Provided that the Landlord and Tenant are also referred to as "Lessor" and "Lessee"; and if some expression other than "Leased Premises" is used in the Lease to describe the premises demised and leased by the Landlord or Lessor to the Tenant or Lessee, the words "Leased Premises" as used herein shall have the same meaning as such other expression.

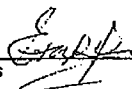
IN WITNESS WHEREOF the parties hereto have duly executed this Agreement.

SIGNED, SEALED AND DELIVERED

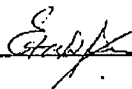
witness 

witness 

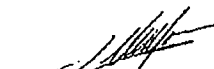
witness 

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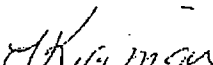
witness 


ELLEN'S FOOD GROUP INC.  
Per:

  
Ellen Pun, President  
I have authority to bind the corporation.

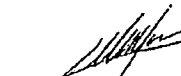
3243222 CANADA INC. o/a IMAGO FOODS  
Per:

  
David C.K. Lam, Director, President, Secretary  
I have authority to bind the corporation.  
C.L.

  
Teryle Ann Kidman

  
Eleonore Muchnik

  
David C.K. Lam

  
Ellen Pun

## **APPENDIX “H”**



Thornton Grout Finnigan LLP  
RESTRUCTURING + LITIGATION

Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON Canada M5K 1K7  
T 416.304.1616 F 416.304.1313

Danny M. Nunes  
T: 416-304-0592  
E: dnunes@tgf.ca  
File No. 100-333

March 11, 2013

VIA EMAIL

TFI Foods Ltd.  
2900 Markham Road  
Scarborough, ON M1X 1E6

Attention: Adrian Dominguez

Dear Sir:

Re: **HSBC Bank Canada (the "Bank") v. Ellen's Food Group Inc. (the "Company")**  
(Court File No. CV-10-9031-00CL)

As you are aware, we act as counsel to Deloitte & Touche Inc. in its capacity as the Court-appointed receiver (the "Receiver") of all of the assets, undertakings and properties of the Company. We also act as counsel to the Bank, the applicant in the above-captioned action.

David Lam, President of TFI Foods Ltd. ("TFI"), previously advised the Receiver that TFI purchased certain food processing equipment (the "Purchased Equipment") from the Company pursuant to a sales invoice dated July 5, 2012. The Purchased Equipment was located at 30 Sims Crescent, Richmond Hill, Ontario which property was previously leased by the Company.

Pursuant to the Sales Invoice, TFI paid the sum of \$1,078,020.00, inclusive of taxes, for the Purchased Equipment. Based upon the Receiver's review of the Company's bank statements and discussions with the Company's principal, we understand that the purchase price was paid by TFI or an affiliate, Lotus Wholesale Food, to the Company.

In our letter dated February 28, 2013, we advised Mr. Lam on behalf of the Receiver that the Purchased Equipment may be subject to security held by the Company's creditors, including the Bank. Further, we requested that the Receiver be allowed to re-attend at the Sims Crescent property to take a detailed inventory of the Purchased Equipment.

In your email dated March 1, 2013, you advised the Receiver that Mr. Lam and Roger Chan would no longer be handling matters relating to the Company on behalf of TFI. Further, you advised that the Receiver's request to attend at the Sims Crescent property to conduct a detailed inventory was denied.

Both TFI and the Company have acknowledged the sale of the Purchased Equipment. If the Receiver is unable to conduct a detailed inventory, we can only assume that the Purchased Equipment is equipment subject to the Bank's security. As such, the Company could not have sold the Purchased Equipment without the Bank's consent.

tgf.ca





Thornton Grout Finnigan LLP

2.

Further in that regard, it would appear that the transaction did not comply with the terms of the *Bulk Sales Act* (Ontario) and that TFI did not do the necessary due diligence to determine whether the Purchased Equipment was subject to any security interests, something which could have been easily determined by reviewing a PPSA search. If TFI was represented by counsel in completing the transaction for the Purchased Equipment, it should notify counsel that they should put their insurer on notice of a possible claim.

We reiterate the Receiver's original request for access to the Sims Crescent property to conduct a detailed inventory of the Purchased Equipment. In the event that this request is again denied, the Receiver will seek a Court order finding TFI in violation of the Order dated February 25, 2013 appointing the Receiver and requiring that TFI provide the Receiver with immediate access.

Should you have any questions, please do not hesitate to contact me.

Yours truly,  
Thornton Grout Finnigan LLP

A handwritten signature in black ink, appearing to read 'Danny M. Nunes', written over a horizontal line.

Danny M. Nunes

DMN/imm

cc: John Borch, *HSBC Bank Canada (via email)*  
Catherine Hristow, *Deloitte & Touche Inc. (via email)*  
David Lam, *TFI Foods Ltd. (via email)*

## **APPENDIX “I”**

**Maria Magni**

---

**From:** Adrian Dominguez [adominguez@tffoods.com]  
**Sent:** Monday, March 11, 2013 2:29 PM  
**To:** Danny Nunes  
**Cc:** john\_borch@hsbc.ca; christow@deloitte.ca; david.lam@tffoods.com  
**Subject:** RE: HSBC Bank Canada v. Ellen's Food Group Inc.

Dear Mr. Nunes,

I am writing you further to your correspondence.

Your clients, either the Bank or the Court Appointed Receiver, has not provided yet any evidence to TFI that the equipment acquired from Ellen's Food (The "Company") is subject to any enforceable security interest by the bank.

If the Receiver has an extensive review of the Company's bank statement and discussion with the Company's principal, the transaction and the inventory list should be reflected at "The Company's" statements therefore is no need to provide you with any further information other than what has been provided already. We do not believe that the access to our premises will accomplish anything at this stage, you can proceed to do you Forensic Audit to confirm if the assets in questions are subject to any bank security.

It is our position that we acted as a Bona Fide purchaser on this transaction. The access is not granted as TFI does not have any control or possession of property that belong to "The Company".

If you have any further information that can assist us to change our position, please do not hesitate to contact me.

Regards,

Adrian Dominguez BLC. MA.  
 Director, Legal and Risk Management Department  
 TFI Food Ltd.  
 44 Milner Ave  
 Scarborough, ON.  
 M1S 3P8  
 Phone: 416 297-3992  
 Mobile: 416-873-2385



**TFI Foods**

---

**From:** Maria Magni [mailto:MMagni@tgf.ca] **On Behalf Of** Danny Nunes  
**Sent:** Monday, March 11, 2013 12:58 PM

To: [adominquez@tfifoods.com](mailto:adominquez@tfifoods.com)  
Cc: [john\\_borch@hsbc.ca](mailto:john_borch@hsbc.ca); [christow@deloitte.ca](mailto:christow@deloitte.ca); [david.lam@tfifoods.com](mailto:david.lam@tfifoods.com)  
Subject: HSBC Bank Canada v. Ellen's Food Group Inc.

Please find attached correspondence of today's date.



Maria Magni | Legal Assistant to Leanne M. Williams, Danny M. Nunes and Jessica Prince | [mmagni@tgf.ca](mailto:mmagni@tgf.ca) | Direct Line: 416-304-1012 |  
Thornton Grout Finnigan LLP | Suite 3200, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 |  
416-304-1616 | Fax: 416-304-1313 | [www.tgf.ca](http://www.tgf.ca)

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## **APPENDIX “J”**



**Kronis, Rotsztain,  
Margles, Cappel LLP**  
Barristers and Solicitors

8 King Street East  
Suite 1000, Toronto, ON  
Canada M5C 1B5

February 5, 2014

**By E-Mail Only**

Peter R. Welsh Professional Corporation  
Barrister & Solicitor  
203-1540 Cornwall Road  
Oakville, ON L6J 7W5  
Attention: Peter R. Welsh

Dear Mr. Welsh:

**Re: Purchase of assets from Ellen's Food Group Inc. ("Ellen's") by TFI Foods Ltd. ("TFI")**

We are counsel to Deloitte Restructuring Inc. ("Deloitte") in its capacity as trustee in bankruptcy ("Trustee") for Ellen's Food Group Inc. ("Ellen's").

We have been provided with a series of emails sent by you to the Trustee in this matter, in particular those dated December 6 and 11, 2013 (some portions of which are said to be "without prejudice", others of which purport to require the Trustee to do certain things) and January 30, 2014, and have been instructed to respond to you as follows.

It is not our intention to respond to all of the many different issues you raise in those emails. If your client wishes to challenge the security of the various secured creditors, and the numerous other matters referenced in your emails, it may take such steps as it deems appropriate.

However, to respond directly to your question with respect to the security of Dr. Lee and the "Guarantor's Clause", please have regard to the Promissory Note attached as Appendix K of the Receiver's First Report to the Court ("Report"). Clause 9 deals with Collateral Security and clause 13 is titled Guarantors' Clause.

As regards the question with respect to the Receiver's notice under the *Bankruptcy and Insolvency Act* ("BIA"), we presume your question deals with Deloitte's initial appointment as a receiver privately by HSBC Bank, pursuant to its security agreement. As you know, Deloitte was later appointed by the Superior Court of Justice as a receiver, and the notices issued by the Receiver pursuant to ss. 245 and 246 of the BIA are attached as Appendices G and H to the Report. As regards the private appointment by HSBC, Deloitte initially attempted to execute its mandate as receiver, but was unable to do so when Ellen's refused to cooperate. In particular, Ellen's refused to provide access to the Receiver to the company's premises and its books and records, claiming that it had not consented to the appointment of the Receiver. Ellen's then contacted HSBC, and the parties negotiated a series of forbearance

**Mervyn D. Abramowitz, C.S.**

Partner

Direct Line: (416) 218-5620

Telephone: (416) 225-8750

Facsimile: (416) 306-9874

Email: mabramowitz@krmc-law.com

agreements, which had the effect of putting the receivership in abeyance. At that point, the Receiver was not in possession or control of any of the business or property of Ellen's, including its books and records. Thus, there was no requirement to issue the notices under the BIA. Later, when Ellen's defaulted under the forbearance agreement, rather than revive the private appointment, HSBC commenced the court proceedings and sought the appointment of a receiver by the Court.

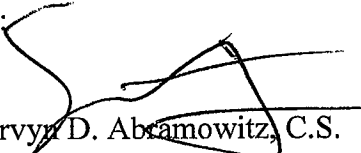
In any event, and more importantly, as you know, the Receiver and Trustee have advised you of its collective position that TFI does not appear to have complied with its obligations under the *Bulk Sales Act*, when it acquired the assets of Ellen's back in July/August 2012. We understand that you have been requested by the Receiver's counsel for evidence of such compliance and that none has been received to date. If you have any such evidence, please provide it forthwith. None of the matters raised in your various emails to the Trustee addresses this issue. If you do not provide such evidence forthwith, the Trustee will be forced to take steps on behalf of the creditors to recover from TFI those amounts that are properly payable to the Trustee. Your attempts to try to deflect attention from this point by raising other, irrelevant matters do not assist your client.

If your client wishes to try to resolve this matter without the need for further proceedings, please provide us with your written proposal by not later than Friday, February 14, 2014. Please note that any such offer must be bona fide, and self-contained, and ought not to include any extraneous or irrelevant matters. Please also note that the prior offer, such as it was, is not acceptable to the Trustee.

Yours very truly,

**KRONIS, ROTSZTAIN, MARGLES, CAPPEL LLP**

Per:

  
Mervyn D. Abramowitz, C.S.  
MDA/sw

## **APPENDIX “K”**





**Via E-mail**

August 12, 2014

Deloitte Restructuring Services Inc.  
181 Bay Street  
Brookfield Place, Suite 1400  
Toronto, ON M5J 2V1

Attention: Ms. Catherine Hristow  
Vice President

Dear Ms. Hristow,

**Subject: In the matter of Ellen's Food Group Inc. (the "Company")**

I am writing to confirm that the indebtedness owing by the Company to HSBC Bank Canada as at July 5, 2012 was CAD 279,276.17.

Yours truly,

**HSBC BANK CANADA**

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

John Borch  
Assistant Vice-President  
Special Credit

## **APPENDIX “L”**

**DR. SAI-KUI LEE**

17150 Keele Street  
Kettleby,  
Ontario, L7B 0J7

August 13, 2014

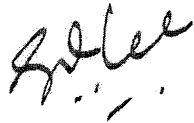
Deloitte Restructuring Services Inc.  
181 Bay Street  
Brookfield Place, Suite 1400  
Toronto,  
Ontario, M5J 2V1

Dear Catherine Hristow,

**Re: Ellen's Food Group Inc.**

This is to confirm that as at July 5, 2012 Ellen's Food Group Inc. owed to Dr. Sai-Kui Lee an amount of \$674,284.07.

Yours truly,



Dr. Sai-Kui Lee

## **APPENDIX “M”**



Canada Revenue Agency  
Agence des Revenus du Canada

Legal Documents - Ottawa

Contact **L. Kowal**  
(O) (416) 954-5647  
(F) (416) 954-5742

## Facsimile Cover Sheet

### IMPORTANT NOTE:

The following material is intended for use only by the individual or entity to which it is specifically addressed below and should not be read by or delivered to any other person. Such material may contain privileged or confidential information, the disclosure or other use of which by other than the intended recipient may result in the breach of certain laws or the infringement of rights of third parties. If you have received this transmission in error, please notify us immediately by telephone (collect if necessary) at 416-954-5647 so that arrangements can be made for its return. We thank you in advance for your cooperation and assistance.

**Date:** November 25, 2013  
**YOUR FAX #:** (416) 601-6690  
**YOUR PH#:** (416) 601-6150

**TO:** Deloitte Restructuring Inc.  
Attn: Catherine Hristow

**RE:** Ellen's Food Group Inc.  
Date of Bankruptcy: November 5, 2013  
ACCT: 850680141RP0001

**Total number of pages including transmittal sheet:** 7  
**Remarks:**  Urgent  For your handling  Please comment  
**Message:**

Please see attached documentation regarding the Bankruptcy of Ellen's Food Group Inc., dated November 5, 2013, in preparation for the 1<sup>st</sup> Meeting of Creditors, November 26<sup>th</sup>, 2013 at the Office of the Superintendent of Bankruptcy, 25 St. Clair Avenue East, Suite 600, Toronto ON at 11:00 o'clock. Documents attached are as follows:

- Proof of Claim-Attached Unsecured Claim (Schedule "A")
- General Proxy, Canada Revenue Agency

Please also be advised that we are in the process of filing an Unsecured Proof of Claim for a Source Deductions debt, owed by Ellen's Food Group Inc, Account #850680141RP0001. You will receive this Proof of Claim shortly.

Please contact me should you require anything further.

Regards,

Mr. L. Kowal



Canada Revenue Agency Agence du revenu du Canada

Tax Centre  
Toronto ON M5J 2X6

November 25, 2013

DELOITTE RESTRUCTURING INC.  
C/O CATHERINE HRISTOW  
181 BAY ST.  
SUITE 1400  
TORONTO ON M5J 2V1

Account Number  
85068 0141 RT0001

Dear Madam:

Re: ELLEN'S FOOD GROUP INC.  
Date of Bankruptcy: November 5, 2013

To support our claim for unpaid GST / HST in the above Bankruptcy, we have enclosed a proof of claim, with Schedule "A", as an unsecured creditor for \$634,079.35.

Filing these proof of claim forms does not affect any rights Canada Revenue Agency (CRA) may have under the "Excise Tax Act." Accordingly filing them should not be construed as a waiver of those rights.

If you require further information with respect to our claim, please contact our office at one of the telephone numbers provided in this letter.

Yours truly,

Leslie Kowal  
Insolvency Officer

Enclosure(s)



Northern Ontario Regional  
Collections/Compliance Centre  
1 Front St. W. Suite 100  
Toronto ON M5J 2X6

Local : 416-954-5647  
Fax : 416-954-6411  
Web site : www.cra.gc.ca

ATTACHMENT PAGE 1

Account Number

85068 0141 RT0001

Proof of Claim (Form 31)  
Bankruptcy and Insolvency Act (Act)

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

Toronto Centre Tax Services Office  
Collections/Compliance Centre  
1 Front St. W. Suite 100  
Toronto ON M5J 2X6  
Attention: Leslie Kowal

In the matter of the bankruptcy of Ellen's Food Group Inc. of the Town of Markham in the Province of Ontario, and the claim of Her Majesty the Queen in Right of Canada as represented by the Minister of National Revenue, creditor.

I, Leslie Kowal, of the Township of Ajax in the Province of Ontario, do hereby certify:

1. That I am a collections officer of the Canada Revenue Agency.
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of the bankruptcy, namely the 5th of November, 2013, and still is, indebted to the creditor in the sum of \$634,079.35, as specified in the statement of account attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled.
4.  
(X) UNSECURED CLAIM of \$634,079.35.

That in respect of this debt, I do not hold any assets of the debtor as security and

- (X) Regarding the amount of \$634,079.35, I do not claim a right to a priority.

5. That, to the best of my knowledge, the above-named creditor is not related to the debtor within the meaning of section 4 of the Act, and 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 the debtor within the three

ATTACHMENT PAGE 2

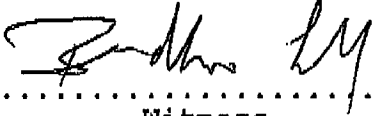
Account Number


85068 0141 RT0001

months immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act.

NIL

Dated at Toronto, the 25th of November, 2013.

  
.....  
Witness

  
.....  
Creditor  
(Signature of person completing this Proof of Claim)



ATTACHMENT PAGE 3

Account Number

85068 0141 RT0001

SCHEDULE "A"

REGISTRANT: Ellen's Food Group Inc.  
 GST/HST Account #: 850680141RT0001  
 Date of Bankruptcy : November 5, 2013

Filing Period From - To YYMMDD - YYMMDD	Net Tax	Interest	Penalty	Period Total
100201 - 100228	\$ 3,822.83	\$ 836.42	\$0.00	\$4,659.25
100301 - 100331	3,948.86	755.58	0.00	4,704.44
100401 - 100430	4,030.66	669.93	0.00	4,700.59
100501 - 100531	4,076.60	667.84	0.00	4,744.44
100601 - 100630	4,231.50	675.46	0.00	4,906.96
100701 - 100731	9,496.02	1,467.00	0.00	10,963.02
100801 - 100831	9,834.84	1,273.58	0.00	11,108.42
100901 - 100930	8,037.70	1,033.65	0.00	9,071.35
101001 - 101031	65,893.77	10,476.64	0.00	76,370.41
101101 - 101130	6,608.40	834.13	0.00	7,442.53
101201 - 101231	6,694.18	838.95	0.00	7,533.13
110101 - 110131	6,900.31	859.14	0.00	7,759.45
110201 - 110228	6,840.92	844.50	0.00	7,685.42
110301 - 110331	8,431.67	1,035.43	0.00	9,467.10
110401 - 110430	7,319.64	891.89	0.00	8,211.53
110501 - 110531	7,159.51	866.66	0.00	8,026.17
110601 - 110630	6,568.79	780.03	0.00	7,348.82
110701 - 110731	19,333.03	2,068.86	0.00	21,401.89
110801 - 110831	26,521.78	2,838.13	0.00	29,359.91
110901 - 110930	33,731.95	2,848.65	0.00	36,580.60
111001 - 111031	52,971.03	4,873.57	696.15	58,540.75
111101 - 111130	3,430.99	254.12	0.00	3,685.11
111201 - 111231	1,935.15	143.32	0.00	2,078.47
120101 - 120131	6,619.28	490.27	0.00	7,109.55
120201 - 120229	13,156.00	1,005.94	35.10	14,197.04
120301 - 120331	4,731.25	351.68	0.00	5,082.93
120401 - 120430	19,772.15	1,464.46	0.00	21,236.61
120501 - 120531	11,968.92	847.93	0.00	12,816.85
120601 - 120630	37,791.88	2,506.31	0.00	40,298.19
120701 - 120731	133,293.50	10,291.37	33,323.38	176,908.25
120801 - 120831	4,102.60	229.84	0.00	4,332.44
120901 - 120930	2,929.67	149.81	0.00	3,079.48
121001 - 121031	366.70	17.28	0.00	383.98
121101 - 121130	882.49	37.80	0.00	920.29
130201 - 130225	1,363.98	0.00	0.00	1,363.98
<b>TOTAL</b>	<b>\$544,798.55</b>	<b>\$55,226.17</b>	<b>\$34,054.63</b>	<b>\$634,079.35</b>



Canada Revenue Agency  
Agence du revenu du Canada

Tax Centre  
Toronto ON M5J 2X6

November 25, 2013

DOLOITTE RESTRUCTURING INC.  
C/O CATHERINE HRISTOW  
181 BAY ST.  
SUITE 1400  
TORONTO ON M5J 2V1

Account Number  
85068 0141 RT0001

Dear Madam:

Yours truly,

Leslie Kowal  
Insolvency Officer

Enclosure(s)



Northern Ontario Regional  
Collections/Compliance Centre  
1 Front St. W. Suite 100  
Toronto ON M5J 2X6

Local : 416-954-5647  
Fax : 416-954-6411  
Web site : www.cra.gc.ca

ATTACHMENT PAGE 1

Account Number

85068 0141 RT0001

PROXY

.....

In the matter of the bankruptcy of: ELLEN'S FOOD GROUP INC.

Her Majesty the Queen in Right of Canada as represented by the Minister of National Revenue, a creditor, hereby appoints Leslie Kowal, of the City of Toronto, ON, an officer of the Canada Revenue Agency to be Her general proxy in the above proceedings, except for the receipt of dividends.

Dated at Toronto, the 25th of November, 2013

Her Majesty the Queen in Right of Canada,  
as represented by the Minister of National  
Revenue

  
WITNESS

Per: .....

Team Leader, Revenue Collections

Toronto Centre Tax Services Office  
Collections/Compliance Centre  
Canada Revenue Agency

## **APPENDIX “N”**



Canada Revenue Agency  
Agence du revenu  
du Canada

Tax Centre  
Toronto ON M5J 2X6

February 21, 2014

DELOITTE RESTRUCTURING INC.  
CATHERINE HRISTOW  
181 BAY ST  
SUITE 1400  
TORONTO ON M5J 2V1

Dear Madam:

Re: ELLEN'S FOOD GROUP INC.  
Date of Bankruptcy: November 5, 2013

To support our claim for unpaid Source Deductions in the above Bankruptcy, we have enclosed an amended property claim, with Schedule "B", for \$27,638.72.

Filing these proof of claim forms does not affect any rights Canada Revenue Agency (CRA) may have under the "Income Tax Act," "Canada Pension Plan," the "Unemployment Insurance Act" or the "Employment Insurance Act." Accordingly filing them should not be construed as a waiver of those rights.

If you require further information with respect to our claim, please contact our office at one of the telephone numbers provided in this letter.

Yours truly,

Rakhee Bhandari  
Collections Officer

Enclosure(s)

**Canada**

Toronto Centre Tax Services Office  
Bankruptcy and Insolvency Unit  
1 Front St. W. Suite 100  
Toronto ON M5J 2X6

Local : 416-954-5647  
Fax : 416-954-6411  
Web site : www.cra.gc.ca

ATTACHMENT PAGE 1

"PROOF OF CLAIM (PROPERTY)"  
The Bankruptcy and Insolvency Act

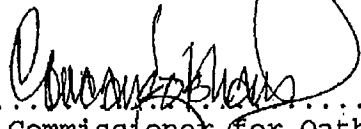
In the matter of the bankruptcy of ELLEN'S FOOD GROUP INC. of MARKHAM, ON, debtor, and the claim of Her Majesty the Queen in Right of Canada, as represented by the Minister of National Revenue, claimant and DELOITTE RESTRUCTURING INC., trustee.

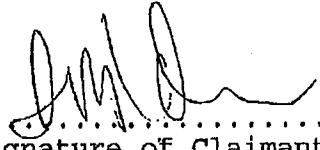
I, Rakhee Bhandari of the city of Mississauga in the Province of Ontario

DO HEREBY CERTIFY:

1. That I am a Collections Officer of the Canada Revenue Agency.
2. That I have knowledge of all the circumstances connected with the claim referred to in this form.
3. That on 5th day of November, the debtor herein made an assignment in accordance with the Bankruptcy and Insolvency Act.
4. That on the said date, the property enumerated in the statement of account attached hereto and marked Schedule "B" was in possession of the debtor and still remains in the possession of the debtor and (or) the trustee.
5. That the claimant hereby claims the said property, or interest in it, by virtue of attached Schedule "B".
6. That the claimant is entitled to demand from the trustee the return of the property enumerated in Schedule "B".

Sworn before me at the City of Toronto, in the Province of ON this 21st day of February 2014

  
 .....  
 A Commissioner for Oaths  
 An Officer designated under subsection 220(5) of the Income Tax Act to Administer Oaths, etc.

  
 .....  
 Signature of Claimant

ATTACHMENT PAGE 2

SCHEDULE "B"  
PROPERTY CLAIM

Name : ELLEN'S FOOD GROUP INC.  
Account Number: 850680141 RP 0001

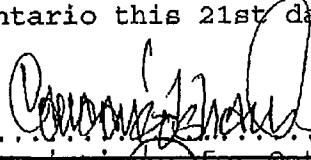
DATE OF ASSESSMENT (d/m/y): 02/07/2013  
TAX YEAR: 2012  
FEDERAL TAX: \$9,678.51  
PROVINCIAL TAX: \$0.00  
CPP EMPLOYEE PORTION: \$2,601.95  
EI EMPLOYEE PORTION: \$1,060.49  
TOTAL: \$13,340.95

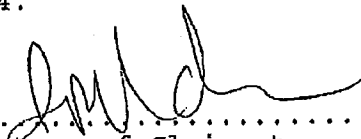
DATE OF ASSESSMENT (d/m/y): 02/07/13  
TAX YEAR: 2013  
FEDERAL TAX: \$5,243.99  
PROVINCIAL TAX: \$  
CPP EMPLOYEE PORTION: \$1,572.61  
EI EMPLOYEE PORTION: \$658.01  
TOTAL: \$7,474.61

DATE OF ASSESSMENT (d/m/y): 17/07/13  
TAX YEAR: 2013  
FEDERAL TAX: \$5,091.92  
PROVINCIAL TAX: \$1,731.24  
CPP EMPLOYEE PORTION: \$  
EI EMPLOYEE PORTION: \$  
TOTAL: \$6,823.16

GRAND TOTAL \$27,638.72

Sworn before me at the City of Toronto in the Province  
of Ontario this 21st day of February 2014.

  
.....  
A Commissioner for Oaths  
An Officer designated under subsection 220(3) of  
the Income Tax Act to Administer Oaths, etc.

  
.....  
Signature of Claimant

"SCHEDULE A"  
Unsecured Claim  
(continued)  
-----

Name : ELLEN'S FOOD GROUP INC.  
Account Number: 850680141RP0001

DATE OF ASSESSMENT (dd/mm/yyyy)	TAX YEAR	CPP EMPLOYER PORTION	UI EMPLOYER PORTION	PENALTY AND INTEREST	TOTAL
02/07/2013	2012	2,601.95	1,484.68	2,252.76	6,339.39
02/07/2013	2013	1,572.61	921.22	1,061.84	3,555.67
17/07/2013	2013	0.00	0.00	508.84	508.84
Accrued Interest					759.61
SUB TOTAL					\$ 11,163.51



ATTACHMENT PAGE 4

Proof of Claim (Form 31)  
Bankruptcy and Insolvency Act (Act)

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

Toronto Centre Tax Services Office  
Bankruptcy and Insolvency Unit  
1 Front St. W. Suite 100  
Toronto ON M5J 2X6  
Attention: Rakhee Bhandari

In the matter of the bankruptcy of ELLEN'S FOOD GROUP INC. of the town of Markham in the Province of Ontario, and the claim of Her Majesty the Queen in Right of Canada as represented by the Minister of National Revenue, creditor.

I, Rakhee Bhandari, of the City of Mississauga in the Province of Ontario, do hereby certify:

1. That I am a collections officer of the Canada Revenue Agency.
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of the bankruptcy, namely the 5th day of November 2013, and still is, indebted to the creditor in the sum of \$11,163.51, as specified in the statement of account attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled.
4. (X) UNSECURED CLAIM of \$11,163.51.

That in respect of this debt, I do not hold any assets of the debtor as security and

(X) Regarding the amount of \$11,163.51, I do not claim a right to a priority.

5. That, to the best of my knowledge, the above-named creditor is not related to the debtor within the meaning of section 4 of the Act, and 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 the debtor within the three months immediately before the date of the initial proposal event

ATTACHMENT PAGE 5

within the meaning of subsection 2(1) of the Act.

NIL

7. 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 subsection 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 Toronto, the 21st day of February 2014.

*P. Cozzolone*

.....

Witness

*[Handwritten Signature]*

.....

Creditor

(Signature of person completing this Proof of Claim)

## **APPENDIX “O”**

District of            Ontario  
 Division No.        09 - Toronto  
 Court No.            31-1887098  
 Estate No.          31-1887098

FORM 69

Notice of Bankruptcy and of Impending Automatic Discharge  
 of Bankrupt, and Request of a First Meeting of Creditors  
 (Paragraphs 155(d.1), 155(h) and 168.1(4) and section 168.2 of the Act)

Original             Amended

In the matter of the bankruptcy of  
 YUK YEE ELLEN PUN (AKA Pun Yuk Yee)  
 of the Town of Markham, in the Province of Ontario

Take notice that:

1. YUK YEE ELLEN PUN filed (or was deemed to have filed) an assignment on the 3rd day of July 2014, and the undersigned, Russo Corp., was appointed as trustee of the estate of the bankrupt by the official receiver (or the Court), subject to affirmation by the creditors of the trustee's appointment or substitution of another trustee by the creditors.
2. Pursuant to paragraph 155(d.1) of the Act, a first meeting of creditors will be required only if the official receiver or creditors who have in the aggregate at least 25 percent in value of the proven claims, request a meeting to be held.
3. To request such a meeting and to vote at the meeting, a creditor must lodge with the trustee, before such request for a meeting, a proof of claim and, where necessary, a proxy.
4. Enclosed with this notice is a proof of claim form, proxy form, and list of creditors with claims amounting to \$25 or more showing the amounts of their claims.
5. Also enclosed pursuant to subsection 102(3) of the Act is information concerning the financial situation of the bankrupt and the obligation of the bankrupt to make payments to the estate of the bankrupt, as required under section 68 of the Act.
6. Creditors must prove their claims against the estate of the bankrupt in order to share in any distribution of the proceeds realized from the estate.
7. Pursuant to section 168.1 of the Act, the bankrupt will be given an automatic discharge on the 4th day of April 2015, unless the Superintendent of Bankruptcy, the trustee of the estate of the bankrupt or a creditor of the bankrupt gives notice of intended opposition to the discharge of the bankrupt before that date.

Check appropriate provision in respect to the bankrupt's discharge

In the case of an individual who has never before been bankrupt:

- on the expiry of 9 months after the date of bankruptcy;  
 on the expiry of 21 months after the date of bankruptcy where the bankrupt is required to make payments under section 68 of the Bankruptcy and Insolvency Act (BIA) to the estate.

In the case of an individual who has been a bankrupt one time before:

- on the expiry of 24 months after the date of bankruptcy;  
 on the expiry of 36 months after the date of bankruptcy where the bankrupt is required to make payments under section 68 of the BIA to the estate.

8. Any creditor who intends to oppose the discharge of the bankrupt shall state in writing the grounds for his/her opposition and send a notice to this effect to the division office, the trustee of the estate of the bankrupt and the bankrupt at any time before the 4th day of April 2015.

9. If any creditor opposes the discharge of the bankrupt, a court fee applies.

10. If the discharge of the bankrupt is opposed, the trustee will apply to the Court without delay for an appointment for the hearing of the opposition in the manner prescribed by the Act unless it is a matter to be dealt with by mediation pursuant to subsection 170.1(4) of the Act.

Dated at the Town of Aurora in the Province of Ontario, this 3rd day of July 2014.

Russo Corp. - Trustee  
 78 Wellington St E  
 Aurora ON L4G 1H8  
 Phone: (905) 503-3328 Fax: (905) 503-2338

District of:  
Division No. -  
Court No.  
Estate No.

-- FORM 21--  
Assignment for the General Benefit of Creditors  
(Section 49 of the Act)

In the matter of the bankruptcy of  
YUK YEE ELLEN PUN (AKA Pun Yuk Yee)  
of the Town of Markham, in the Province of Ontario

This indenture made this 2nd day of July 2014

between  
YUK YEE ELLEN PUN  
273 Angus Grand Blvd  
Markham ON L6C 0K1  
hereinafter called "the debtor"  
and  
Russo Corp.  
hereinafter called "the trustee."

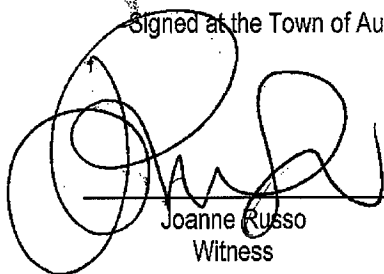
Natural person

Corporate or other legal entity

Whereas the debtor is insolvent and desires to assign and to abandon all his/her property for distribution among his/her creditors, in pursuance of the Act,

This indenture witnesses that the debtor does hereby assign to the trustee all the debtor's property for the uses, intents and purposes provided by the Act.

Signed at the Town of Aurora in the Province of Ontario, in the presence of Joanne Russo.

  
\_\_\_\_\_  
Joanne Russo  
Witness

2-Jul-2014  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
YUK YEE ELLEN PUN  
Debtor

District of  
Division No.  
Court No.  
Estate No.

- FORM 79 -  
Statement of Affairs (Non-Business Bankruptcy)  
(Subsection 49(2) and 158(d) of the Act / Subsections 50(2) and 62(1) and Paragraph 66.13(2)(d) of the Act)

Original     Amended

In the matter of the bankruptcy of  
YUK YEE ELLEN PUN (AKA Pun Yuk Yee)  
of the Town of Markham, in the Province of Ontario

ASSETS							
Type of assets	Description (Provide details)	Estimated Dollar Value	Exempt Property		Secured Amount/ Liens	Estimated net realizable dollar value	
			Yes	No			
1. Cash on Hand							
2. Furniture		2,500.00	x		0.00	0.00	
3. Personal Effects		2,500.00	x		0.00	0.00	
4. Policies & RRSPs							
5. Securities							
6. Real Property or Immovable	House	137779 Leslie St - Aurora - ON	4,200,000.00		x	4,200,000.00	0.00
	Cottage						
	Land						
7. Motor Vehicles	Automobile	2013 - Mercedes - CL S 5504M - WDDLJ9888DA081039	1.00		x	0.00	0.85
		2013 - Mercedes - S550W4M - WDDNF9EBXDA524216	1.00		x	1.00	0.00
		MERCEDES - E350W4M - WDDHF8HB9BA429906	1.00		x	1.00	0.00
	Motorcycle						
	Snowmobile						
	Other						
8. Recreational Equipment							
9. Taxes							
10. Other	Other	Shares- 1871273 Ontario Inc.	1.00		x	0.00	1.00
		Shares - 2282698 Ontario Inc.	1.00		x	0.00	1.00
		Shares - 2213813 Ontario Inc.	1.00		x	0.00	1.00
		shares -1812238 Ontario Inc.	1.00		x	0.00	1.00
		shares-2133195 Ont Corp	1.00		x	0.00	1.00
		shares-2200657 Ontario limited	1.00		x	0.00	1.00

02-Jul-2014  
Date

  
YUK YEE ELLEN PUN  
Bankrupt

District of  
 Division No.  
 Court No.  
 Estate No.

FORM 79 – Continued

ASSETS						
Type of assets	Description (Provide details)	Estimated Dollar Value	Exempt Property		Secured Amount/ Liens	Estimated net realizable dollar value
			Yes	No		
10. Other	Other					
	shares-Ellen's Health Food Ltd.	1.00		x	0.00	1.00
	shares-2192607 Ont ltd	1.00		x	0.00	1.00
	shares-Ellen's Food Group Inc.	1.00		x	0.00	1.00
	shares -2220968 Ontario Inc.	1.00		x	0.00	1.00
	shares-PSS Holdings Inc.	1.00		x	0.00	1.00
	Shares of Ellen & Associates Inc.	1.00		x	0.00	1.00
	Shares of P. Yin Management Services Inc.	1.00		x	0.00	1.00
<b>TOTAL</b>		<b>4,205,016.00</b>			<b>4,200,002.00</b>	<b>13.85</b>

02-Jul-2014

Date

  
 YUK YEE ELLEN PUN  
 Bankrupt

District of  
Division No.  
Court No.  
Estate No.

## FORM 79 – Continued

LIABILITIES						
Liabilities type code (LTC):						
1 Real Property or Immovable Mortgage or Hypothec		5 Credit Cards Other Issuers				
2 Bank Loans (except real property mortgage)		6 Taxes Federal/Provincial/Municipal				
3 Finance Company Loans		7 Student Loans				
4 Credit Cards Bank/Trust Companies Issuers		8 Loans from Individuals				
		9 Other				
Creditor	Address including postal code	Account No.	Amount of debt			Enter LTC
			Unsecured	Secured	Preferred	
1710814 Ontario Inc. c/a Redstone Management Services	c/o Macdonald Sager Manis LLP 150 York Street Suite 800 Toronto ON M5H 3S5	mortgage on Aurora Property	200,000.00	0.00	0.00	
407 c/o Christensen Law Firm	66 Ellis Road CaMBRIDGE ON N3C 2V4	212623145	3,042.44	0.00	0.00	9
407 ETR Express Toll Route Attn: Marion Richardson/Collections	6300 Steeles Avenue West Woodbridge ON L4H 1J1		1.00	0.00	0.00	9
935791 Ontario Limited Attn: D> Barry Prentice	c/o Blaney McMurtry LLP 1500 - 2 Queen Street East Toronto ON M5C 3G5	mortgage Aurora Property	170,000.00	530,000.00	0.00	9
Alcohol & Gaming Commission of Ontario	90 Sheppard Ave. E. Suite 200 Toronto ON M2N 0A4		1.00	0.00	0.00	9
BMO Financial Group c/o BankruptcyHighway.com Attn: Mike Timko	PO Box 57100 Etobicoke ON M8Y 3Y2	5191 2301 58178443	5,200.00	0.00	0.00	
Ching, Sara	503- 1650 Sheppard Ave E. North York ON M2J 1V3	Judgment-CV 1311406200	10,434.19	0.00	0.00	9
Ching, Sara	c/o Hung Law Office 1033 Bay Street Suite 319 Toronto ON M5B 3A5		11,000.00	0.00	0.00	
Costco Canada c/o American Express FCT Default Solutions Attn: Insolvency Department	PO Box 2514, Station B London ON N6A 4G9	3746 179813 61008	1,000.00	0.00	0.00	5
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 113,598.79	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir. liability -2220968 Ont	0.00	0.00	0.00	6
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 101,284.56	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir. liability 2213813 Ontario	0.00	0.00	0.00	6
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 133,822.60	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir. liability-2213813 Ontario	0.00	0.00	0.00	6

02-Jul-2014

Date

  
YUK YEE ELLEN PUN  
Bankrupt




District of  
Division No.  
Court No.  
Estate No.

## FORM 79 – Continued

LIABILITIES						
Creditor	Address including postal code	Account No.	Amount of debt			Enter LTC
			Unsecured	Secured	Preferred	
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 1.00	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir. liability-unpaid wages etc.	0.00	0.00	0.00	6
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 186,365.95	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir liability -2220968 Ont	0.00	0.00	0.00	6
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 1.00	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir. liability-re 2133195 Ontari	0.00	0.00	0.00	6
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 1.00	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir. liability re 2133195 Ont.	0.00	0.00	0.00	6
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 3,822.28	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir liability re 2200657 Ont Ltd	0.00	0.00	0.00	6
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 1.00	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir. liability 2200657 Ont Ltd.	0.00	0.00	0.00	6
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 1.00	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir. liability re Ellen's Health	0.00	0.00	0.00	6
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 1.00	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir. liability-re Ellen's Health	0.00	0.00	0.00	6

02-Jul-2014

Date

  
YUK YEE ELLEN PUN  
Bankrupt

District of  
Division No.  
Court No.  
Estate No.

## FORM 79 – Continued

LIABILITIES						
Creditor	Address including postal code	Account No.	Amount of debt			Enter LTC
			Unsecured	Secured	Preferred	
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 1.00	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir. liability 2282698 Ont Ltd	0.00	0.00	0.00	6
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 1.00	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir liab 2282698 Ont Ltd	0.00	0.00	0.00	6
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 402,283.00	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir liab. 1812238 Ontario Inc.	0.00	0.00	0.00	6
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 210,655.00	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir liab 1812238 Ont inc.	0.00	0.00	0.00	6
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 109,684.00	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir liab. 2192607 Ont Ltd	0.00	0.00	0.00	6
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 71,580.00	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir liab. 2192607 Ontario Ltd.	0.00	0.00	0.00	6
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 633,900.00	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir. liab. Ellen's Food Group In	0.00	0.00	0.00	6
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 1.00	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir. liab Ellen's Food Group Inc	0.00	0.00	0.00	6

02-Jul-2014

Date



YUK YEE ELLEN PUN  
Bankrupt

District of  
Division No.  
Court No.  
Estate No.

FORM 79 -- Continued

LIABILITIES						
Creditor	Address including postal code	Account No.	Amount of debt			Enter LTC
			Unsecured	Secured	Preferred	
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 1.00	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir. liab 2220968 Ontario Inc.	0.00	0.00	0.00	6
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency Contingent \$ = 1.00	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	dir liab 2220968 Ontario inc.	0.00	0.00	0.00	6
CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insolvency	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	t1	0.00	0.00	0.00	6
Credit Bureau of Canada Collections Attn: Client Services	1450 Meyerside Drive, 2nd Floor Mississauga ON L5T 2N5	8526395-900619930 507(powerstream	1,866.41	0.00	0.00	9
CTC Bank of Canada	c/o Blaney McMurtry Suite 1500 -2 Queen Street East Toronto ON M5C 3G5	acct: 70227PPSA re Guarantee ass	1,122,000.00	0.00	0.00	9
Fairview Refrigeration INC.	c/o John Weisdorf 425 University Ave. 6th Floor Toronto ON M5G 2T6		3,000.00	0.00	0.00	
Hanin Credit Consulting	c/o Martin Zenia Goose Barrister & Solicitor 555 Burnhamthorpe Road Suite 504 Toronto ON M9C 2Y3		1.00	0.00	0.00	9
HE, Linda	c/o Dentons Canada LLP 77 King Street West Suite 400 TD Centre, Toronto ON M5K 0A1		1.00	0.00	0.00	
HSBC Bank Canada c/o BankruptcyHighway.com	PO Box 57100 Etobicoke ON M8Y 3Y2	PPSA Registration - Guarantee of	1.00	0.00	0.00	
HSBC MasterCard c/o BankruptcyHighway.com	PO Box 57100 Etobicoke ON M8Y 3Y2	5193951000533414	10,000.00	0.00	0.00	5
Industrial and Commercial Bank of China (Canada)	c/o Dale & Lessmann LLP 181 University Ave. Suite 2100 Toronto ON M5H 3M7	mtge - aurora property	0.00	3,120,000.00	0.00	
INDUSTRIAL AND COMMERCIAL BANK OF CHINA (CANADA)	c/o Dale & Lessmann LLP 181 University Ave. Suite 2100 Toronto ON M5H 3M7	MORTGAGE Aurora Property	175,000.00	0.00	0.00	

02-Jul-2014

Date

  
YUK YEE ELLEN PUN  
Bankrupt

District of  
Division No.  
Court No.  
Estate No.

## FORM 79 – Continued

LIABILITIES						
Creditor	Address including postal code	Account No.	Amount of debt			Enter LTC
			Unsecured	Secured	Preferred	
JVJ Consulting Inc.	c/o Roger A. Gosbee 94 Pathlane Road Richmond Hill ON L4B 4C7	mortgage Aurora Property and oth	0.00	550,000.00	0.00	
Kinsun Properties Incorporated Contingent \$ = 1.00	40 Wynford Drive Suite 316 Toronto ON M3C 1J5	guarantor lease 2220968 Ontario	0.00	0.00	0.00	9
Lawrence C. Wesson	Suite 410- Thornhill Square- 300 JOhn St. Thornhill ON L3T 5W4		1.00	0.00	0.00	
Lee, Sai Kui	c/o Stive Vale 195 Main Street Soule Newmarket ON L3Y 3V9	mortgage Aurora Property	639,331.00	0.00	0.00	
Lee, Sai Kui	c/o Stiver Vale 195 Main Street South Newmarket ON L3Y 3V9	Promissory Note	620,708.00	0.00	0.00	
Li, Linda and Simon	83 Clansnan Blvd Toronto ON M2H 1X7		168,819.52	0.00	0.00	9
Li/Zhang	c/o Eric Freedman Barrister, 1033 Bay Street Suite 319 Toronto ON M5S 3A5		1.00	0.00	0.00	9
Linda He et al.	C/o Denton's Canada LLP 77 King Street West Suite 400 Toronto ON M5K 0A1	re: CV12460780	1,550,000.00	0.00	0.00	9
Lo, Greg	73 Fawdale Crest Scarborough ON M1W 2X3		300,000.00	0.00	0.00	
Mercedes Benz Finance	c/o Kronis, Rotsztain 11th Floor 25 Sheppard Ave. W. Toronto ON M2N 6S6		89,500.00	0.00	0.00	
Mercedes-Benz Financial Services Canada Corporation Attn: Collections Department	500 - 2680 Matheson Blvd East Mississauga ON L4W 0A5	2013 MERCEDES CLS550M	1.00	0.00	0.00	3
Mercedes-Benz Financial Services Canada Corporation Attn: Collections Department	500 - 2680 Matheson Blvd East Mississauga ON L4W 0A5	MERCEDES S550W4M	99,999.00	1.00	0.00	3
Mercedes-Benz Financial Services Canada Corporation Attn: Collections Department	500 - 2680 Matheson Blvd East Mississauga ON L4W 0A5		0.00	1.00	0.00	3
Mercedes-Benz Financial Services Canada Corporation Attn: Collections Department	500 - 2680 Matheson Blvd East Mississauga ON L4W 0A5	re7003191335- DEFICIENCY	1.00	0.00	0.00	3
Ministry of Finance - ON PST, EHT & Other Taxes Attn: Mrs. Asta Alberry	Ministry of Revenue 33 King Street West 6th Floor Oshawa ON L1H 8H5	dir. liability re 2133195 Ont Co	6,985.89	0.00	0.00	6

02-Jul-2014

Date



YOK YEE ELLEN PUN  
Bankrupt

District of  
Division No.  
Court No.  
Estate No.

## FORM 79 – Continued

LIABILITIES						
Creditor	Address including postal code	Account No.	Amount of debt			Enter LTC
			Unsecured	Secured	Preferred	
Ministry of Finance - ON PST, EHT & Other Taxes Attn: Mrs. Asta Alberry Contingent \$ = 5,439.27	Ministry of Revenue 33 King Street West 6th Floor Oshawa ON L1H 8H5	dir. liability EHT	0.00	0.00	0.00	6
Ministry of Labour Attn: Director Contingent \$ = 1.00	11th Floor 400 University Ave. Toronto ON M7A 1T7	dir. liability-unpaid wages	0.00	0.00	0.00	9
Mississauga Chinese Centre Limited	c/o Garth Low, Barrister 70 Bond Street Suite 200 Toronto ON M5B 1X3	judgment -CV-13-478468	314,414.63	0.00	0.00	9
MJR Collection Services Limited Attn: Robert Chirwa, Collections Department	7033 Telford Way, Unit 17-18 Mississauga ON L5S 1V4	023522116921	515.35	0.00	0.00	9
Ng, ALfred et al	c/o MillarsLaw Professional Corp 29 Kilworth Park Drive Kilworth ON N0L 1R0		400,000.00	0.00	0.00	
Ng, Henry	c/o Kurt A Sunn Barrister 7030 Woodbine Ave Suite 500 Markham ON L3R 6G2		621,750.00	0.00	0.00	
Orbit International Co. Ltd.	c/o Victor E. Kasowski Professional Corporation 205-28 Finch Ave. West Toronto ON M2N 2G7	RE: CV-13-477030	130,500.00	0.00	0.00	9
RBC Royal Bank Visa c/o BankruptcyHighway.com Attn: Alison Houston	PO Box 57100 Etobicoke ON M8Y 3Y2	4514 0114 0006 0974	1.00	0.00	0.00	4
Redstone Investment Corp	c/o Macdonald Sager Manis 150 York St Suite 800 Toronto ON M5H 3S5	mortgage -245 Midwest Road, Toro	1.00	0.00	0.00	9
Redstone Investment Corp.	c/o Macdonald Sager Manis LLP 150 York St. Suite 800 Toronto ON M5H 3S5		1.00	0.00	0.00	
Schumacher, Christian Attn: Jordan Hill Contingent \$ = 1.00	77 King Street West Suite 400 Toronto ON M5K 0A1	re:Ellen's Investment Holding-te	0.00	0.00	0.00	9
Shao, Jiong	c/o Haiyun Wang, Barrister & Solicitor 20 Queen Street Suite 3300 po box 33 Toronto ON M5H 3R3		124,750.00	0.00	0.00	
Situ, Connie			50,000.00	0.00	0.00	9
Sitzer Group Holdings No. 1 Limited coba Rockwood Mall Attn: Ken Pimentel	c/o Daoust Vukovich 20 Queen Street West Suite 3000 Toronto ON M5H 3R3	130270	1.00	0.00	0.00	9

02-Jul-2014

Date



YUK YEE ELVEN PUN  
Bankrupt

District of  
Division No.  
Court No.  
Estate No.

## FORM 79 – Continued

LIABILITIES						
Creditor	Address including postal code	Account No.	Amount of debt			Enter LTC
			Unsecured	Secured	Preferred	
Tong, Henry & Phillip	c/o Basman Smith LLP 1 Dundas Street West Suite 2400 Box 37 Toronto ON M5G 1Z3		46,200.00	0.00	0.00	9
Town of Aurora	Aurora Town Hall 100 John West Way Box 1000 Aurora ON L4G 6J1	property taxes -1946000 10531000	46,242.72	0.00	0.00	9
Wong, Kit Ling Eliza	c/o Ho Tse Wal, Philip Li & Partners 7th Floor Bangkok Bank Building No 28 Des Voeux Road Central Hong Kong		110,000.00	0.00	0.00	9
Workplace Safety and Insurance Board Attn: c/o Collection Services Contingent \$ = 1.00	200 Front Street West Toronto ON M5V 3J1	2192607 Ontario Ltd.	0.00	0.00	0.00	9
Yee Hong Community Wellness Foundation	c/o Fasken Martineau 333 Bay Street Suite 2400 Bay Adelaide Centre Box 20 Toronto ON M6H 2T6	sc-12-16647-00	11,500.00	0.00	0.00	
Yu Zhang and Jonefu Realty Inc.	c/o Gregory Roberts 1596.16th Ave, Suite 301 Richmond Hill ON L4B 3N9		131,125.00	0.00	0.00	9
	<b>TOTAL</b>	<b>Unsecured</b>	<b>7,174,897.15</b>			
	<b>TOTAL</b>	<b>Secured</b>		<b>4,200,002.00</b>		
	<b>TOTAL</b>	<b>Preferred</b>			<b>0.00</b>	
			<b>TOTAL</b>	<b>11,374,899.15</b>		

Pledged Assets		
Creditor	Rank	Asset
1710814 Ontario Inc. o/a Redstone Management Services	5	Real Property or Immovable - House - Aurora - 137779 Leslie St
935791 Ontario Limited	3	Real Property or Immovable - House - Aurora - 137779 Leslie St
Industrial and Commercial Bank of China (Canada)	1	Real Property or Immovable - House - Aurora - 137779 Leslie St
INDUSTRIAL AND COMMERCIAL BANK OF CHINA (CANADA)	6	Real Property or Immovable - House - Aurora - 137779 Leslie St
JVJ Consulting Inc.	2	Real Property or Immovable - House - Aurora - 137779 Leslie St

02-Jul-2014

Date

  
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 Bankrupt

District of  
 Division No.  
 Court No.  
 Estate No.

FORM 79 – Continued

Pledged Assets		
Creditor	Rank	Asset
Lee, Sai Kui	4	Real Property or Immovable - House - Aurora - 137779 Leslie St
Mercedes-Benz Financial Services Canada Corporation	1	Motor Vehicles - Automobile - 2013 - Mercedes - S550W4M - WDDNF9EBXDA524216
Mercedes-Benz Financial Services Canada Corporation	1	Motor Vehicles - Automobile - MERCEDES - E350W4M - WDDHF8HB9BA429906

02-Jul-2014

Date

  
 YUK YEE ELLEN PUN  
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District of  
 Division No.  
 Court No.  
 Estate No.

FORM 79 -- Continued

INFORMATION RELATING TO THE AFFAIRS OF THE BANKRUPT			
A. PERSONAL DATA			
1. Family name: PUN	Given names: YUK YEE ELLEN Gender: Female	Date of birth: YYYY / MM / DD 1957/04/12	
2. Also known as:	Pun Yuk Yee, Cindy Ho, Sindy Ho		
3. Complete address, including postal code: 273 Angus Grand Blvd Markham ON L6C 0K1			
4. Marital status: (Specify month and year of event if it occurred in the last five years)		Single	
5. Full name of spouse or common-law partner:			
6. Name of present employer:		Occupation:	
7A. Number of persons in household family unit, including bankrupt:		2	
7B. Number of persons 17 years of age or less:		0	
8. Have you operated a business within the last five years?		Yes	
Business Name	Business Type	From	To
2351412 Ontario Inc.		27-Nov-2012	
2274965 Ontario Inc.		17-Feb-2011	
1812238 Ontario Inc. o/a Regal Chinese Cuisine and Banquet Hall	Chinese Restaurant	14-Dec-2009	28-Feb-2014
Ellen's International Inc.		02-Aug-2007	
Ellen's Investment Holding Ltd.		01-Jan-2001	
Full Smart Consultants Limited	immigration consultant (incorporated in China)	01-Jan-2001	
1454083 Ontario Limited (amalg. to Ellen's Health Food Ltd.)		13-Dec-2000	
1395982 Ontario Ltd (amalg. to Ellen's Health Food Ltd.)		12-Feb-2000	
1395983 Ontario Ltd (amalg to Ellen's Health Food Ltd.)		12-Jan-2000	
Long Ho FOng Restaurant ?	fro deloitee report of related co payments	01-Jan-2000	
1871273 Ontario Inc.	Chinese Restaurant	01-Jan-2000	28-Jan-2014
2282698 Ontario Inc.	Chinese Restaurant	01-Jan-2000	
2213813 Ontario Inc. o/a Regal Palace on Yonge	Chinese Restaurant	01-Jan-2000	
2133195 Ontario Corp	Chinese Restaurant	01-Jan-2000	
2200657 Ontario Limited	Chinese Restaurant	01-Jan-2000	
Ellen's Health Food Ltd.		01-Jan-2000	
2192607 Ontaril Ltd.o/a Regal Palace Chinese Cuisine	Chinese Restaurant	01-Jan-2000	01-Aug-2013
Ellen's Food Group Inc.		01-Jan-2000	05-Nov-2013
2220968 Ontario Inc.o/a Regal Palace on Mississauga	Chines Restaurant	01-Jan-2000	
Ellen Associates Ltd.		16-Nov-1999	
PSS Holdings Inc.	Holding Co.	04-Jun-1998	

02-Jul-2014

Date

  
 YUK YEE ELLEN PUN  
 Bankrupt



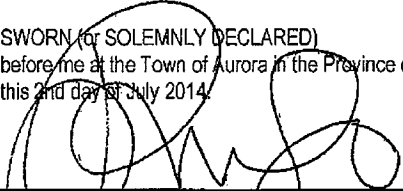
District of  
Division No.  
Court No.  
Estate No.

FORM 79 -- Concluded

P. Yin Management Services Inc.	holding co	28-May-1998
Jardine Hills Realty Inc.	real estate- brokerage	16-Nov-1995
Ellen's Cleaning Service Company Ltd.	cleaning services -incorporated in Hong Kong	21-Jun-1983
<b>B. WITHIN THE 12 MONTHS PRIOR TO THE DATE OF THE INITIAL BANKRUPTCY EVENT, HAVE YOU, EITHER IN CANADA OR ELSEWHERE:</b>		
9A. Sold or disposed of any of your property?		No
9B. Made payments in excess of the regular payments to creditors?		No
9C. Had any property seized by a creditor?		Yes
<b>C. WITHIN FIVE YEARS PRIOR TO THE DATE OF THE INITIAL BANKRUPTCY EVENT, HAVE YOU, EITHER IN CANADA OR ELSEWHERE:</b>		
10A. Sold or disposed of any property?		No
10B. Made any gifts to relatives or others in excess of \$500?		No
<b>D. BUDGET INFORMATION: Attach Form 65 to this Form.</b>		
11A. Have you ever made a proposal under the Bankruptcy and Insolvency Act?		No
11B. Have you ever been bankrupt before in Canada?		No
12. Do you expect to receive any sums of money which are not related to your normal income, or any other property within the next 12 months? No		
13. If you answered Yes to any of questions 9, 10 and 12, provide details: <b>9C:</b> Home at 13779 Leslie St. Aurora under Power of Sale Proceedings.		
14. Give reasons for your financial difficulties:  I had several businesses. I had cash flow problems with the businesses which resulted in landlord's locking me out and various lawsuits were begun by landlords, suppliers and various people I borrowed money from. I was a director on many companies and have large debts for director's liabilities potentially owing also. I have very limited income and can not pay my debts as they come due.		

I, YUK YEE ELLEN PUN of the Town of Markham in the Province of Ontario, do swear (or solemnly declare) that this statement is, to the best of my knowledge, a full, true and complete statement of my affairs on the 2nd day of July 2014, and fully discloses all property and transactions of every description that is or was in my possession or that may devolve on me in accordance with the Bankruptcy and Insolvency Act.

SWORN (or SOLEMNLY DECLARED)  
before me at the Town of Aurora in the Province of Ontario, on  
this 2nd day of July 2014.

  
Joanne Russo, Commissioner of Oaths  
For the Province of Ontario  
Expires Nov. 1, 2016

**Giovanna Russo, a Commissioner, etc.,  
Province of Ontario  
for Russo Corp., Trustee in Bankruptcy  
Expires November 1, 2016**

02-Jul-2014

Date

  
YUK YEE ELLEN PUN  
Bankrupt

District of  
 Division No. -  
 Court No.  
 Estate No.

- FORM 65 -  
 Monthly Income and Expense Statement of the Bankrupt and the Family Unit  
 and Information (or Amended Information) Concerning  
 the Financial Situation of the Individual Bankrupt  
 (Section 68 and Subsection 102(3) of the Act; Rule 105(4))

Original       Amended

In the matter of the bankruptcy of  
 YUK YEE ELLEN PUN (AKA Pun Yuk Yee)  
 of the Town of Markham, in the Province of Ontario

Information concerning the monthly income and expense statement of the bankrupt and the family unit, the financial situation of the bankrupt and the bankrupt's obligation to make payments required under section 68 of the Act to the estate of the bankrupt are as follows:

MONTHLY INCOME	Bankrupt	Other Members of the family unit	Total
Net employment income .....	<u>0.00</u>		
Net pension/Annuities .....	<u>0.00</u>		
Net child support .....	<u>0.00</u>		
Net spousal support .....	<u>0.00</u>		
Net employment insurance benefits .....	<u>0.00</u>		
Net social assistance .....	<u>0.00</u>		
Self-employment income			
Gross 0.00 Net .....	<u>1,250.00</u>		
Child tax benefit .....	<u>0.00</u>		
Other net income .....	<u>0.00</u>		
<b>TOTAL MONTHLY INCOME</b>	<u>1,250.00 (1)</u>	<u>0.00 (2)*</u>	
<b>TOTAL MONTHLY INCOME OF THE FAMILY UNIT ((1) + (2))</b> .....			<u>1,250.00 (3)</u>
<b>MONTHLY NON- DISCRETIONARY EXPENSES</b>			
Child support payments .....	<u>0.00</u>		
Spousal support payments .....	<u>0.00</u>		
Child care .....	<u>0.00</u>		
Medical condition expenses .....	<u>0.00</u>		
Fines/penalties imposed by the Court .....	<u>0.00</u>		
Expenses as a condition of employment .....	<u>0.00</u>		
Debts where stay has been lifted .....	<u>0.00</u>		
Other expenses .....	<u>0.00</u>		
<b>TOTAL MONTHLY NON-DISCRETIONARY EXPENSES</b>	<u>0.00 (4)</u>	<u>0.00 (5)</u>	
<b>TOTAL MONTHLY NON-DISCRETIONARY EXPENSES OF THE FAMILY UNIT ((4) + (5))</b> .....			<u>0.00 (6)</u>
<b>AVAILABLE MONTHLY INCOME OF THE BANKRUPT</b> ((1) - (4)) .....	<u>1,250.00 (7)</u>		
<b>AVAILABLE MONTHLY INCOME OF THE FAMILY UNIT ((3) - (6))</b> .....			<u>1,250.00 (8)</u>
<b>BANKRUPT'S PORTION OF THE AVAILABLE MONTHLY INCOME OF THE FAMILY UNIT</b>			<u>100.00 % (9)</u>

- FORM 65 — Concluded -

MONTHLY DISCRETIONARY EXPENSES: (Family unit)

**Housing expenses**

Rent/mortgage/hypothec. ....	3,800.00
Property taxes/condo fees. ....	0.00
Heating/gas/oil. ....	180.00
Telephone. ....	200.00
Cable. ....	0.00
Hydro. ....	200.00
Water. ....	50.00
Furniture. ....	0.00
Other. ....	0.00

**Personal expenses**

Smoking. ....	0.00
Alcohol. ....	0.00
Dining/lunches/restaurants. ....	50.00
Entertainment/sports. ....	0.00
Gifts/charitable donations. ....	0.00
Allowances. ....	0.00
Other. ....	0.00

**Non-recoverable medical expenses**

Prescriptions. ....	50.00
Dental. ....	0.00
Other. ....	0.00

**Living expenses**

Food/grocery. ....	1,000.00
Laundry/dry cleaning. ....	0.00
Grooming/toiletries. ....	50.00
Clothing. ....	0.00
Other. ....	0.00

**Transportation expenses**

Car lease/payments. ....	0.00
Repair/maintenance/gas. ....	300.00
Public transportation. ....	0.00
Other. ....	0.00

**Insurance expenses**

Vehicle. ....	300.00
House. ....	150.00
Furniture/contents. ....	0.00
Life insurance. ....	0.00
Other. ....	0.00

**Payments**

Payments to the estate. ....	0.00
To secured creditor. ....	0.00
(Other than mortgage and vehicle). ....	0.00
Other. ....	0.00

TOTAL MONTHLY DISCRETIONARY EXPENSES (FAMILY UNIT) .....	6,330.00 (10)
MONTHLY SURPLUS OR (DEFICIT) FAMILY UNIT ((8) - (10)) .....	-5,080.00 (11)

**Information (or Amended Information) Concerning the Financial Situation of the Individual Bankrupt**

**Payments to the estate as per agreement**

Number of persons in household family unit, including bankrupt: _____	2
Total amount bankrupt has agreed to pay monthly. ....	0.00 (12)
Amount bankrupt has agreed to pay monthly to repurchase assets. ....	0.00 (13)
Residual amount paid into the estate ((12) - (13)). ....	0.00 (14)

**Payments required by Directive No. 11R2 (Surplus Income)**

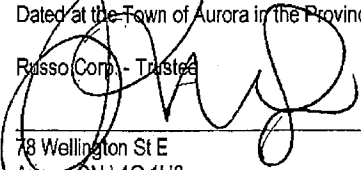
Monthly amount required by Directive No. 11R2 (Surplus Income) based on percentage established on line (9). ...	0.00 (15)
Difference between amounts at lines (14) and (15). ....	0.00 (16)

Note:

The Bankrupt's personal expenses are being supplemented by friends and family as necessary. The Bankrupt borrows a friends vehicle and pays insurance costs.

Dated at the Town of Aurora in the Province of Ontario, this 2nd day of July 2014.

Russo Corp. - Trustee

  
 78 Wellington St E  
 Aurora, ON L4G 1H8  
 Phone: (905) 503-3328 Fax: (905) 503-2338

  
 YUK YEE ELLEN PUN

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-1887098  
Estate No. 31-1887098

FORM 31 / 36  
Proof of Claim / Proxy

In the matter of the bankruptcy of  
YUK YEE ELLEN PUN (AKA Pun Yuk Yee)  
of the Town of Markham, in the Province of Ontario

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

\_\_\_\_\_  
\_\_\_\_\_

In the matter of the bankruptcy of YUK YEE ELLEN PUN of the Town of Markham in the Province of Ontario and the claim of \_\_\_\_\_, creditor.

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

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, namely the 3rd day of July 2014, 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.

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: \_\_\_\_\_

Russo Corp. - Trustee

\_\_\_\_\_  
78 Wellington St E  
Aurora ON L4G 1H8  
Phone: (905) 503-3328 Fax: (905) 503-2338  
E-mail: russo@russocanhelp.com

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

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

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

# APPENDIX “P”

Ontario Superior Court of Justice  
Court No. CV-10-9031-00CL

**NOTICE AND STATEMENT OF RECEIVER  
(SUBSECTION 246(2) OF THE ACT)**

In the matter of the receivership of the property of Ellen's Food Group Inc. (the "Company").

The Receiver gives notice and declares that:

1. By order of the Ontario Superior Court of Justice dated the 25<sup>th</sup> day of February, 2013, the undersigned, Deloitte & Touche Inc., was appointed receiver (the "Receiver") in respect of all of the assets, undertakings and properties of the Company, an insolvent company.
2. The undersigned commenced the exercise of its power in respect of that appointment on the 25<sup>th</sup> day of February, 2013.
3. The following information relates to the receivership.

- i. Address of insolvent company: 25 Centurian Drive, Suite 102  
Markham, Ontario, L3R 5N8
- ii. Principal line of business: Manufacturer of branded oriental and specialty foods,  
and individually quick frozen products targeting the food  
service industry and retail markets.

- iii. Amounts owed by the Company to the creditors who hold a security interest on the property described above include:

HSBC Bank Canada	\$ 269,162.36
Mercedes Benz Financial	\$ 57,035.39
Redstone Investment Corporation	NIL
Dr. Sai Kui Lee	<u>\$ 620,708.92</u>
	<u>\$ 946,906.67</u>

4. On February 27, 2013, TFI Foods Ltd. ("TFI") provided the Receiver with a copy of an invoice issued to TFI by the Company dated July 5, 2012 and a listing of equipment from the Company. The invoice was for the sale of equipment located at the Company's leased premises at 30 Sims Crescent, Richmond Hill, to TFI for a purchase price of \$954,000, plus HST of \$124,020, for a total purchase price of \$1,078,020 (the "Purchase Price"). The invoice acknowledges the receipt of the following payments by the Company from TFI on the following dates in respect of the Purchase Price:

June 15, 2012	\$ 200,000
June 20, 2012	\$ 100,000
June 21, 2012	\$ 500,000
July 3, 2012	<u>\$ 278,020</u>
<b>TOTAL</b>	<b><u>\$1,078,020</u></b>

Notice and Statement of Receiver (Subsection 246(2) of the Act)  
Page 2

5. On March 5, 2013, the Receiver was provided with copies of the Company's bank statements from Industrial and Commercial Bank of China (Canada) ("ICBC") for the period from January 3, 2010 to October 31, 2012 and was able to verify that the Company did receive the Purchase Price. The ICBC bank account was closed on October 31, 2012.
6. TFI has not provided the Receiver, or the Receiver's legal counsel, with any documentation that shows that the transaction with the Company complied with the Bulk Sales Act (the "BSA"). The Receiver has been advised that HSBC Bank Canada will be commencing an application under the BSA seeking an order, among other things, declaring the above noted transaction void.
7. On June 22, 2012, \$400,000 was paid to 1812238 Ontario Inc., a related party, and \$70,000 was paid to Ms. Ellen Pun, the principal of the Company.
8. On July 3, 2012, HSBC Bank Canada received a partial repayment of its secured advances in the amount of \$150,000.
9. According to the principal of the Company, there are no remaining assets other than a management contract with a related party, a copy of which the Receiver has requested and has not yet received.
10. As at the filing of the Section 245(1) and Section 246(1) Notice dated March 7, 2013, the Receiver had very limited information with respect to the books and records of the Company. On March 26, 2013, Ms. Pun sent the Receiver the Company's accounts payable listing (without addresses) for the period ending October 31, 2012. The Receiver has been able to locate most, but not all, of the addresses.
11. The amount owed by the Company to secured and unsecured creditors, including related parties, is \$4,521,103.03. Attached is a list of creditors to be notified of the receivership which include the parties identified as secured creditors and potential government creditors. The secured creditors and government creditors were notified of the receivership on March 7, 2013.
12. There is no Interim Statement of Receipts and Disbursements as there have not been any receipts in this administration.
13. On July 1, 2013, Deloitte & Touche Inc. changed its name to Deloitte Restructuring Inc.
14. The intended plan of action of the Receiver during the receivership, to the extent that such a plan has been determined, is as follows:

The Receiver will be issuing its First Report to the Court shortly and once issued, the First Report, as well as all motion materials, will be available on the Receiver's website at [www.deloitte.com/ca/ellensfoodgroup](http://www.deloitte.com/ca/ellensfoodgroup)



Notice and Statement of Receiver (Subsection 246(2) of the Act)  
Page 3


Contact person for the Receiver:

Catherine Hristow  
Deloitte Restructuring Inc.  
181 Bay Street, Suite 1400  
Toronto, ON M5J 2V1  
Telephone: (416) 775-8831 / Fax: 416-601-6690

Dated at Toronto this 28th day of August, 2013

**DELOITTE RESTRUCTURING INC.**

In its capacity as Receiver of all of the assets,  
undertakings and properties of Ellen's Food Group Inc.  
and not in its personal or corporate capacity



---

Catherine A. Hristow, CMA, CIRP  
Vice President

**In the Matter of the Receivership of  
Ellen's Food Group Inc.**

No.	Creditor Name	Amounted Owed
1	1812238 Ontario Inc.	1,229,132.63
2	2133195 Ontario Limited	131,693.64
3	2192607 Ontario Ltd.	279,926.04
4	220 Bay Management Inc.	16,466.59
5	2220968 Ontario Inc.	497,331.06
6	2282698 Ontario Ltd.	481,993.32
7	2302161 Ontario Inc.	5,085.00
8	407 ETR	977.06
9	Abell Pest Control Inc.	483.10
10	Aladdin Temp Rite	2,936.07
11	Alkachem Products Inc.	372.90
12	An Ji Food	732.00
13	Aquasoft	484.77
14	Atlantic Packaging Products Ltd.	719.11
15	B.J. Management & Accounting Services Inc.	2,508.78
16	Beaver Fishery Inc.	103.35
17	Bell Canada - (Internet, Phone & TV)	2,630.62
18	Bell Mobility Inc.	642.21
19	Best Deal Office Products Ltd.	180.80
20	BFI Canada Inc.	8,298.39
21	Brome Lake Ducks Ltd.	19,819.38
22	Burnbrae Farms Limited	7,569.27
23	Camcarb Ltd. Compressed Gases	271.20
24	Cammita Service Inc.	834.50
25	Canada Bread Co. Ltd.	2,542.40
26	Canada Revenue Agency	1.00
27	Canadlan LInen & Uniform Service	372.95
28	Canadian Springs	242.95
29	Canadian Tech Air Systems Inc.	7,060.35
30	Caneast Seafood Ltd.	1,728.00
31	Cannon Hygiene Canada Limited	77.62
32	CCT Printing	2,994.50
33	Charlies Meat & Seafood Supply Ltd.	22,593.12
34	Chung Kin Carpets Limited	4,421.69
35	Cintas Canada Limited - Newmarket	961.97
36	Cintas Canada Limited - Toronto	1,681.61
37	Citi Cards Canada Inc.	165.02
38	City Telecom	1.16
39	Classic Fire Protection Inc.	542.40
40	CM Meat Trading Ltd.	7,015.06
41	Coca-Cola Refreshment Canada Company	580.00
42	Colabor Summit Distribution	18,992.25
43	Compass Services	5,164.10
44	ConduS Electric	2,825.00
45	Desjardins Card Services	292.46
46	Direct Energy Essential Services	480.25
47	Direct Plumbing & Renovations Ltd.	1,033.95
48	Discover Network	133.50
49	Double H Delivery Service	101.81
50	Dr. Sai Kui Lee	620,708.92
51	Easy Systems	159.61
52	EcoLab	4,514.46
53	Enbridge	363.75
54	E-Tech Home Security Inc.	412.20
55	Fairview Refrigeration Inc.	6,361.90
56	Fung Sing International Trading Inc.	20,486.28
57	Garden Valley Produce	975.25
58	Genesis	61.00
59	GFL Environmental East Corporation	2,716.52

**In the Matter of the Receivership of  
Ellen's Food Group Inc.**

<b>No.</b>	<b>Creditor Name</b>	<b>Amounted Owed</b>
60	GH Built-In Security Systems Ltd.	678.00
61	Grand Fortune Food Mart	54,986.03
62	Happy Meal Market Ltd.	1,858.00
63	HSBC Bank Canada	269,162.36
64	Hung Wang Food Inc.	3,557.70
65	J&F Waste Systems Inc.	2,329.53
66	Jia Duo Food Products	544.50
67	Jim's Brother Trading Co.	2,291.60
68	JMV Food Service Canada Ltd.	2,607.13
69	Kam Li Food Co. Ltd.	300.00
70	Kanada Glass & Windows Corp.	6,400.00
71	Kar Heung Yuen Food Processing Inc.	1,021.00
72	KC Meat Export Brokers	3,447.66
73	King's Pastry	90.00
74	Kingston Renovation Ltd.	2,034.00
75	Kong Lan Renovation	180.80
76	Kwan Shun Food Trading Ltd.	150.79
77	Kwok Shing Trading Co. Ltd.	8,076.00
78	Lantao Farm Market	4,788.83
79	LC Lock Security E-Home Services	632.80
80	Leung Lam & Company	128,295.35
81	Living Water (Exhaust Hood and Filter Service)	135.60
82	Lobster Island Seafood Co.	355.76
83	Long Ho Fong Restaurant	30,000.00
84	M&L Printing Co.	300.00
85	M.P.M. International Inc.	807.95
86	Magnetsigns (GTA)	366.85
87	Maple Leaf Air System	607.94
88	Maxguard Alarm and Security Company Ltd.	259.90
89	Mercedes-Benz Financial Services Canada Corp.	57,035.39
90	Mercer Cleaning Supplies	320.75
91	Ming Pao Daily News	4,208.12
92	Ministry of Finance	3,850.20
93	Mobile Mini Inc.	770.55
94	Moneris Solutions	167.83
95	Mr. Potato	15,893.00
96	Ms. Electric Motor Service Ltd.	316.40
97	MZA Carpet & Janitorial Service Inc.	587.60
98	Nam Hai Wholesale Bakers	1,189.00
99	Nick's Feta Cheese	366.00
100	Ocean Seafood Company	86,762.04
101	Oliver Packaging & Equipment Company	5,818.66
102	Olympic Dust Control	714.85
103	Olympic Wholesale Co.	6,208.00
104	OMNI Contracting	2,147.00
105	Oriental Computer Graphics	666.70
106	PCS Fire & Safety Supplies	819.25
107	People's Donut Co.	5,261.50
108	Perlman Vegetable	3,689.86
109	PlanNet Logix Inc.	841.86
110	Polyway Technology Ltd.	474.60
111	Power Stream	1,453.11
112	Precision Elevator Ltd.	1,484.48
113	Profect Security and Locksmiths	429.40
114	Public Supplies Ltd.	1.00
115	Pure Grass Landscaping & Property Service	1,010.00
116	Qi Ji Trading Inc.	26,657.78
117	Re-Ink Depot Inc.	367.01
118	Rentokil Pest Control Canada Ltd.	10,631.11

**In the Matter of the Receivership of  
Ellen's Food Group Inc.**

<b>No.</b>	<b>Creditor Name</b>	<b>Amounted Owed</b>
119	Rex Services	1,401.20
120	Richy Leung	1,264.85
121	Riviera Bakery Limited	260.90
122	Rockwood Mall	17,367.76
123	Rogers Payment Centre	146.31
124	Roslin Enterprises Inc.	1.00
125	Royal J's Cleaning Co.	300.00
126	Ryman Landscaping Inc.	4,703.06
127	Sea Source (Canada) Inc.	31,639.51
128	Seacore Seafood Inc.	268.08
129	Sealot Trading Co. Ltd.	281.30
130	Shah Trading Company	588.30
131	Sharply Restaurant Equipment and Supplies	10,061.17
132	Sheng Kee Food Co.	198.00
133	Silverstein's	376.20
134	Sincere Pest Management Inc.	124.30
135	Sing Tao Dally Limited	2,193.46
136	Song Xing Trading Co. Ltd.	8,178.40
137	St. Clair Ice Cream Limited	196.40
138	Style Window Covering	1,042.99
139	Suncor Energy Products Partnership	1,439.09
140	Sunnic Signs Ltd.	3,600.00
141	Sunny Meat Market	223.00
142	TechStar Fire Protection Ltd.	1,881.45
143	TFI Foods Ltd.	13,664.02
144	The Beer Store	1,499.88
145	The Cook's Mate	1,993.32
146	The Fair Trading Company Ltd.	166.00
147	Tim Kee Company Ltd.	255.39
148	Toner Express Officetech	953.83
149	Toronto Hydro	4,395.28
150	Toronto Printing Co.	5,090.65
151	Toronto Sun Wah Trading Inc.	3,484.19
152	Town of Richmond Hill	0.61
153	Uncle Bill Trading Inc.	1.00
154	Vio Water Treatment Systems (Durham) Inc.	1,457.70
155	Wah Soon Supermarket	11,262.88
156	Wah Teng Produce Ltd.	3,341.68
157	Wayne's Meat Products	6,750.44
158	Wellbond Import Export Inc.	1.00
159	Wellington Poultry Ltd.	107,606.12
160	Win Win Seafoods Inc.	597.00
161	Wing Lee Trading Company	4,116.21
162	Wing Loon Food Products Company	1.00
163	Winsun Laundry & Linen Supply	32,951.82
164	World Journal (Daily News) Inc.	95.88
165	WSIB	1.00
166	Wui Chun Yuen Trading Co.	3,634.05
167	Xiang Yu Tea House Limited	4,310.72
168	Yong Cheng Cleaning Inc.	28,871.50
169	Yue Po (Canada) Co. Ltd.	497.20

Total Amount Due - Secured & Other Creditors

\$ 4,521,103.03

# TAB 4

Court File No. CV-04-10628-00CL

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
 (COMMERCIAL LIST)

THE HONOURABLE ) WEDNESDAY, THE 12<sup>th</sup> DAY  
 )  
 JUSTICE ) OF NOVEMBER, 2014

IN THE MATTER OF THE *BULK SALES ACT*,  
 R.S.O. 1990, c.B.14, AS AMENDED

AND IN THE MATTER OF A TRANSFER OF ASSETS FROM  
 ELLEN'S FOOD GROUP INC. TO TFI FOODS LTD

B E T W E E N:

**DELOITTE RESTRUCTURING INC., IN ITS CAPACITY AS TRUSTEE  
 IN BANKRUPTCY OF ELLEN'S FOOD GROUP INC.**

Applicant

and

**TFI FOODS LTD.**

Respondent

**ORDER**

**THIS APPLICATION**, made by Deloitte Restructuring Inc. ("Deloitte") in its capacity as Trustee in Bankruptcy (the "Trustee") of Ellen's Food Group Inc. (the "Company"), was heard this day at 330 University Avenue, Toronto, Ontario in the presence of the lawyers for all parties,

**ON READING** the Application Record, the Respondent's Application Record and the facts, and on hearing submissions of the lawyers for the parties,

1. **THIS COURT DECLARES** that the transaction (the "Transaction") contemplated by the sale agreement dated June 7, 2012 (the "Sale Agreement") and sales invoice

dated July 5, 2012 (the "Invoice") between Ellen's Food Group Inc. ("Ellen's") and the Respondent constitutes a sale in bulk under the *Bulk Sales Act*, R.S.O. 1990, c. B.14 ("BSA").

2. **THIS COURT DECLARES** that the Transaction is void.

3. **THIS COURT DECLARES** that the Respondent is personally liable to account to the Trustee for the value of the property purchased by the Respondent pursuant to the Sale Agreement and the Invoice.

4. **THIS COURT ORDERS AND ADJUDGES** that the Respondent pay to the Trustee the sum of \$1,078,020.00, plus costs of this Application fixed in the amount of \$ \_\_\_\_\_, inclusive of disbursements and HST.

THE AMOUNTS in paragraph 4 bear interest at the rate 3.0% per annum from this date.

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**DELOITTE RESTRUCTURING INC., IN ITS CAPACITY AS  
TRUSTEE IN BANKRUPTCY OF ELLEN'S FOOD GROUP  
INC.**

-and-

**TFI FOODS LTD.**

Applicant

Respondent

Court File No. cv-14-10628-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**APPLICATION RECORD  
(APPLICATION RETURNABLE NOVEMBER 12, 2014)**

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