

**THE QUEEN'S BENCH  
WINNIPEG CENTRE**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT  
ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR  
ARRANGEMENT OF THE PURATONE CORPORATION, NIVERVILLE  
SWINE BREEDERS LTD., AND PEMBINA VALLEY PIGS LTD.**

**APPLICANTS**

**ELEVENTH REPORT OF THE MONITOR  
DATED JANUARY 29<sup>th</sup>, 2016**

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**INTRODUCTION**

1. On September 12, 2012, 4444043 Manitoba Ltd., formerly called The Puratone Corporation, 0263672 Manitoba Ltd., formerly called Niverville Swine Breeders Ltd., and 5561630 Manitoba Ltd., formerly called Pembina Valley Pigs Ltd. (collectively the “**Applicants**”) filed for and obtained protection under the *Companies' Creditors Arrangement Act* (the “**CCAA**”). Pursuant to the Order of the Manitoba Court of Queen's Bench (the “**Court**”) dated September 12, 2012 (the “**Initial Order**”), Deloitte Restructuring Inc.

(“**Deloitte**”), formerly Deloitte & Touche Inc., was appointed as the Monitor of the Applicants (the “**Monitor**”) in the CCAA proceedings and a stay of proceedings was granted in favour of the Applicants.

2. On October 10, 2012, the Court extended the stay of proceedings until November 2, 2012.
3. On October 30, 2012, the Court extended the stay of proceedings until November 12, 2012.
4. On November 8, 2012, the Court extended the stay of proceedings until January 15, 2013.
5. On January 4, 2013, the Court extended the stay of proceedings until March 15, 2013.
6. On March 12, 2013, the Court further extended the stay of proceedings until July 28, 2013 (collectively the “**Stay Period**”).
7. On or prior to July 28, 2013, no further extension of the Stay Period was requested and accordingly the Stay Period expired.
8. The Monitor has provided the Court with the following reports:
  - i. The Pre-Filing Report of the Proposed Monitor dated September 11, 2012 (the “**Pre-Filing Report**”) in connection with the Applicants’ application for protection under the CCAA;
  - ii. The First Report of the Monitor dated October 5, 2012 (the “**First Report**”) in connection with the Applicants’ motion to extend the Stay Period;

- iii. The Second Report of the Monitor dated October 25, 2012 (the “**Second Report**”) in connection with the Applicants’ motion to extend the Stay Period;
- iv. The Third Report of the Monitor dated November 5, 2012 (the “**Third Report**”) in connection with the Applicants’ motion to i) further extend the Stay Period; and ii) seek approval for the sale transaction (the “**Transaction**”) contemplated by the Asset Purchase Agreement (the “**APA**”) between the Applicants and Maple Leaf Foods Inc. (the “**Purchaser**”), and agreed to by the Monitor;
- v. The Fourth Report of the Monitor dated November 14, 2012 (the “**Fourth Report**”) in connection with the Applicants’ motion to allow the transfer of their shares and limited partnership units in the Partially Owned Subsidiaries (as defined in the APA) and the assignment of certain agreements between the Partially Owned Subsidiaries and/or their shareholders/unit holders to the Purchaser on closing;
- vi. The Fifth Report of the Monitor dated November 20, 2012 (the “**Fifth Report**”) in connection with the Applicants’ motion to assign their rights and obligations under certain Assumed Contracts (as defined in the APA) to the Purchaser on closing, where the consent of the relevant counterparty was required for the assignment and such counterparty had not expressly agreed to an assignment of the Applicants’ rights and obligations to the Purchaser;
- vii. The Sixth Report of the Monitor dated December 27, 2012 (the “**Sixth Report**”) in connection with the Applicants’ motion to extend the

Stay Period and expand the powers and duties of the Monitor to permit it to act as agent for each of the Applicants in order to discharge certain of their obligations under the APA, and to make an application to the Court for a distribution order;

- viii. The Seventh Report of the Monitor dated March 8, 2013 (the “**Seventh Report**”) in connection with the Applicants’ motion to extend the Stay Period and the Monitor’s motion for an order approving a proposed distribution (the “**Distribution Order**”);
  - ix. The Eighth Report of the Monitor dated April 4, 2013 (the “**Eighth Report**”) in connection with the claims asserted by Interlake Turkey Breeders Ltd. and others (collectively, the “**TTB Claimants**”) wherein the claimants state that they each delivered feed grains to the Applicants shortly before the commencement of the CCAA proceedings for which payment was not received;
  - x. The Ninth Report of the Monitor dated October 22, 2013 (the “**Ninth Report**”) in connection with the Monitor’s motions for a second interim distribution and for an Order discharging all of the priority charges granted under the Initial Order with the exception of the Administrative Charge; and
  - xi. The Tenth Report of the Monitor dated March 28, 2014 (the “**Tenth Report**”) in connection with the Monitor’s motion for a third interim distribution.
9. Copies of the Initial Order, the Pre-Filing Report, the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth and Tenth Report(s), certain

motion materials and Orders in the CCAA proceedings, and certain other documents related to the CCAA proceedings have been posted and are available on the Monitor's website at [www.deloitte.com/ca/puratone](http://www.deloitte.com/ca/puratone).

## **PURPOSE**

10. The purpose of this eleventh report of the Monitor (the "**Eleventh Report**") is to provide the Court with information with respect to the following:

- a) An update on the remaining matters in these CCAA proceedings, namely (i) the status of the remaining Excluded Assets, (ii) the status of the Third Interim Distribution, (iii) the status of the claims of the ITB Claimants, (iv) the status of potential government priority claims and (v) the Books and Records of the Applicants;
- b) The Monitor's motion for a fourth interim distribution to each of Bank of Montreal ("**BMO**"), Farm Credit Canada ("**FCC**"), and Manitoba Agricultural Services Corporation ("**MASC**") from the funds held by the Monitor;
- c) The fees and disbursements of the Monitor and its legal counsel;
- d) The Monitor's Statement of Receipts and Disbursements for the period between December 14, 2012 and January 22, 2016;
- e) The Monitor's recommendation with respect to the proposed fourth distribution to BMO, FCC and MASC;
- f) The Monitor's request for approval of the Tenth Report; and
- g) The Monitor's motion for termination of these CCAA proceedings and for its discharge.

## TERMS OF REFERENCE

11. In preparing this Eleventh Report, the Monitor has relied upon unaudited interim financial information, the Applicants' books and records, the Affidavits of Raymond Hildebrand sworn on September 11, October 4, October 24, November 1 and November 6, 2012, the Affidavits of Larry Johnson sworn on November 14, November 16, November 20, 2012, January 2, 2013 and March 6, 2013, the Affidavit of John Sigurdson affirmed March 5, 2013 (the "**Sigurdson Affidavit**") and discussions with the Applicants' management and the Applicants' financial and legal advisors.
12. The financial information of the Applicants has not been audited, reviewed or otherwise verified by the Monitor as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles and the reader is cautioned that this Eleventh Report may not disclose all significant matters about the Applicants. Additionally, none of the Monitor's procedures were intended to disclose defalcations or other irregularities. If the Monitor were to perform additional procedures or to undertake an audit examination of the financial statements in accordance with generally accepted auditing standards, additional matters may have come to the Monitor's attention. Accordingly, the Monitor does not express an opinion nor does it provide any other form of assurance on the financial or other information presented herein. The Monitor may refine or alter its observations as further information is obtained or brought to its attention after the date of this Eleventh Report.
13. The Monitor assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction

or use of this Eleventh Report. Any use which any party makes of this Eleventh Report, or any reliance or decision to be made based on this Eleventh Report, is the sole responsibility of such party.

14. Unless otherwise stated, all monetary amounts contained in this Eleventh Report are expressed in Canadian dollars.
15. Capitalized terms used in this Eleventh Report but not defined herein are as defined in the Pre-Filing Report, the First Report, the Second Report, the Third Report, the Fourth Report, the Fifth Report, the Sixth Report, the Seventh Report, the Eighth Report, the Ninth Report, the Tenth Report and the APA, as applicable.

## **EXCLUDED ASSETS**

16. Since the closing of the APA on December 14, 2012, the Monitor has continued to realize on all of the Excluded Assets detailed in section 2.4 of the APA. The Excluded Assets that had not been realized upon as at the date of the Tenth Report were primarily comprised of accounts receivable, Agristability claims, GST claims, Cooperative equity, and other sundry items.
17. As at the date of the Eleventh Report, all of the Excluded Assets have been realized upon as detailed in prior Monitor's Reports, or are substantially realized upon, as detailed below:
  - a) Accounts receivable – since the Tenth Report the Monitor has collected approximately \$71,000 through legal actions and the engagement of a collection agent. Approximately \$78,000 at net book value remains outstanding and is comprised of two accounts. Prior to these proceedings, the Applicants had previously registered judgments

with land titles against the debtor's personal property in an attempt to collect on the outstanding accounts. The Monitor has consulted with legal counsel on further courses of action, but has determined that the likelihood of any further collection is minimal. Given the Monitor's collection activities and efforts to-date, the Monitor estimates that no further collections are expected.

- b) Agristability – as detailed in the Tenth Report, all returns have been filed for 5561630 Manitoba Ltd., formerly called Pembina Valley Pigs Ltd., 0263672 Manitoba Ltd., formerly called Niverville Swine Breeders Ltd., and 4444043 Manitoba Ltd., formerly called The Puratone Corporation (“TPC”). The Monitor has received approximately \$1.2 million in refunds under the 2012 Agristability program. As none of the three entities meet the 2013 Agristability program requirements, no further Agristability filings will be submitted by the Monitor.
- c) AgriInvest – AgriInvest is a federal/provincial funded government business risk management program available for agricultural producers, providing coverage for small annual declines in income. For the 2012 program year, qualified producers were able to deposit up to 1.5 percent of their Allowable Net Sales (as defined by the program) into a specially designated AgriInvest bank account. The federal/provincial government would then match up to a maximum of \$22,500 per filing business, and the matching contributions can be withdrawn at any time.



The Monitor compiled and submitted the necessary AgriInvest filings for each of the Applicants for the 2012 program year. On November 8, 2013, the Monitor deposited the following amounts into separate AgriInvest bank accounts:

- i. 5561630 Manitoba Ltd., formerly called Pembina Valley Pigs Ltd. – \$22,500.00.
- ii. 0263672 Manitoba Ltd., formerly called Niverville Swine Breeders Ltd. - \$18,924.32.
- iii. 4444043 Manitoba Ltd., formerly called The Puratone Corporation (“**TPC**”) - \$22,500.00.

On May 1, 2014, the Monitor received matching contributions from the federal/provincial government for each of the Applicants, the aggregate of which totaled \$63,924.32.

On September 8, 2014, the Monitor filed the requisite information for the Applicants for the 2013 AgriInvest program year. For the 2013 program, the federal/provincial government maximum matching contribution was reduced to \$15,000 per qualified business. On December 3, 2014, the Monitor deposited the following amounts into separate AgriInvest bank accounts:

- i. 5561630 Manitoba Ltd., formerly called Pembina Valley Pigs Ltd. – \$15,000.00.
- ii. 0263672 Manitoba Ltd., formerly called Niverville Swine Breeders Ltd. - \$14,858.40.

- iii. 4444043 Manitoba Ltd., formerly called The Puratone Corporation (“TPC”) - \$15,000.00.

On January 2, 2015, the Monitor received matching contributions from the federal/provincial government for each of the Applicants, the aggregate of which totaled \$44,858.32.

- d) Co-Op Equity – the Applicants had various equity interests in Co-Operatives. Since the Tenth Report, the Monitor has collected approximately \$36,000. No further amounts remain outstanding.
- d) Other Sundry Items – all other matters have been resolved with minimal realizations.

### **THIRD INTERIM DISTRIBUTION**

18. On April 10, 2014, subject to the Monitor receiving affidavits confirming the indebtedness owing to each of BMO, FCC and MASC by the Applicants, the Court ordered that the Third Interim Distribution be approved as follows:

- a) The sum of \$1,518,861 to BMO;
- c) The sum of \$714,884 to FCC; and
- d) The sum of \$35,946 to MASC.

19. As the Monitor was in receipt of the necessary affidavits from BMO, FCC and MASC, the following payments were made in accordance with the Distribution Order:

- a) April 29, 2014 – the sum of \$1,518,861 BMO;

- b) April 24, 2014 – the sum of \$714,884 to FCC; and
- c) April 24, 2014 – the sum of \$35,946 to MASC.

### **INTERLAKE TURKEY BREEDERS CLAIM**

20. As detailed in the Tenth Report, on March 1, 2014 the Monitor was advised by counsel that none of the ITB Claimants had filed any statement of claim, nor had any of them provided the required undertakings detailed in the reasons for judgment issued by the Court on February 5, 2014. Accordingly, the holdback of \$903,250, plus interest, was released and formed part of the Third Distribution to BMO and FCC.
21. The Monitor understands the ITB Claimants subsequently filed a statement of claim with the Court on March 6, 2015 naming the Applicants and a number of former Officers and Directors as defendants. Given that priority position of the secured creditors of the Applicants (namely BMO, FCC and MASC), there are no assets of the Applicants that would be available to satisfy the claims of the ITB Claimants, even if such claims were found to be valid. As such, the Monitor understands the Applicants have not taken any steps to defend the claim, nor have the ITB Claimants taken any further steps to advance the claim against the Applicants.

### **GOVERNMENT CLAIMS**

22. As reported in the Tenth Report, post CCAA filing, the Applicants have been subject to three external audits relating to the period of time prior to the commencement of the CCAA proceeding: 1) Health and Education Tax Levy (“**HET**”), Retail Sales Tax (“**RST**”), and Goods and Services Tax (“**GST**”).

No further liability was identified during the HET audit. The following is the status of the RST and GST audits:

- i. RST – On November 28, 2013, the Monitor received the final Notice of Assessment which detailed that for the audit period of September 1, 2006 to December 31, 2012 the total outstanding liability of 4444043 Manitoba Ltd., formerly called The Puratone Corporation, was \$210,860 and was comprised of \$142,392 in unremitted taxes and \$68,468 in interest and penalties. The Monitor continues to receive monthly Statements of Account for Retail Sales Tax. The most recent statement was dated September 28, 2015 and indicated that \$245,824 was outstanding (\$143,760 in unremitted taxes and \$102,064 in interest and penalties). The Monitor is not aware of the status of actions, if any, being taken against the former directors by the Minister of Finance with respect to the outstanding balance.
- ii. GST – On October 18, 2013, the Monitor received the final Notice of Reassessment for 4444043 Manitoba Ltd., formerly called The Puratone Corporation, which detailed that the total outstanding obligation was \$124,201. On October 22, 2013, the Monitor received the final Notices of Reassessment for 0263672 Manitoba Ltd., formerly called Niverville Swine Breeders Ltd., and 5561630 Manitoba Ltd., formerly called Pembina Valley Pigs Ltd. The total outstanding obligations were \$3,128 and \$12,006 respectively. Collectively, the Applicants' total GST liability was \$139,335 in October 2013.

The Monitor has completed monthly GST filings for 4444043 Manitoba Ltd., as it was the only entity with ongoing receipts and disbursements.

Based on the most recent Notice of Assessment dated March 5, 2015, there was no longer any outstanding GST obligation owing by 4444043 Manitoba Ltd.

The Monitor also received Notices of Assessment dated October 22, 2014 for both 0263672 Manitoba Ltd. and 5561630 Manitoba Ltd. indicating that the respective GST accounts were closed effective September 26, 2014, and that there was no balance owing for either entity.

23. Representatives for these possible claimants were served in connection with the motion for the Approval and Vesting Order, the First Interim Distribution Order, the Second Interim Distribution Order, and the Third Interim Distribution Order and did not appear at the relevant hearings or in any manner assert to the Monitor that they had a priority claim as against any of the assets of the Applicants. Furthermore, the representatives for these possible claimants are also being served in connection with the motion for the present Fourth Interim Distribution Order.

24. As detailed in the Monitor's Ninth Report, the government claims for RST and GST were discussed with its legal counsel, and that in the view of its legal counsel, none of these claims would constitute a priority as against BMO, FCC, or MASC.

## **BOOKS AND RECORDS**

25. Clause 9.2 of the APA required that the Purchaser retain all Books and Records of the Applicants for a minimum of (7) years following the Closing Date. It also provided, that the Monitor and any trustee, receiver, receiver-manager or

interim receiver of the Applicants would be provided with reasonable access to the Books and Records from time to time if required.

26. The Books and Records remain in possession of the Purchaser. In addition the Monitor is advised that certain corporate records remain in possession of counsel to the Applicants.

27. The Monitor understands that it is possible certain parties such as former Officers and Directors of the Applicants may require access to the records in the future.

#### **PROPOSED FOURTH DISTRIBUTION**

28. The calculation of the proposed \$524,710 fourth distribution is attached as Exhibit “A” and is summarized as follows:

- i. The sum of \$411,042 to BMO;
- ii. The sum of \$109,834 to FCC; and
- iii. The sum of \$3,834 to MASC.

29. The Monitor is of the view that a general holdback of \$17,500 should be held to offset fees and disbursement of the Monitor and its counsel in dealing with the current motion for distribution and discharge.

30. Thompson Dorfman Sweatman LLP (“**TDS**”) has provided its opinion (found at Exhibit A to the Seventh Report) that the proposed distribution by the Monitor is in accordance with the security held by BMO, FCC, and MASC, subject to the agreement by BMO to acknowledge the priority of MASC with respect to the TPC head office properties.

31. As noted in the Monitor’s Seventh Report, the amount payable to each of BMO, FCC and MASC is limited to amounts owing for principal, interest and

costs due and owing pursuant to each party's credit agreement or security. Each of BMO, FCC, and MASC will incur significant shortfalls on their outstanding indebtedness.

## **FEES AND DISBURSEMENTS OF THE MONITOR AND ITS LEGAL COUNSEL**

32. Pursuant to paragraph 37 of the Initial Order, at the request of the Applicants, or any party of interest or this Court, the Monitor and its legal counsel shall pass their accounts from time to time. The Monitor is of the view that the primary parties of interest are BMO, FCC, and MASC given that they hold priority security interests over virtually all of the assets of the Applicants. The Applicants, BMO, FCC, and MASC have been served with all of the reports of the Monitor as well as other materials within these proceedings. As at the date of the Eleventh Report, the Monitor and its legal counsel have not received any request to pass their accounts.
33. Attached as Exhibit "B" is a summary of the invoices of the Monitor for fees and disbursements incurred during the course of the proceedings. The Monitor's accounts total \$764,275 in fees and disbursements excluding GST, which includes \$267,198 paid directly by the Applicants.
34. The fees charged by the Monitor are based on the amount of professional time required at standard hourly billing rates, which vary depending upon the experience level and location of the professionals involved. The average blended hourly rate charged by the Monitor in these proceedings for invoices issued to date is \$332 per hour. The rates charged by Monitor are comparable to the rates charged for the provision of services by other professional firms providing specialized financial advisory and restructuring services.

35. In the Monitor's view, the services rendered in respect of its fees and disbursements have been duly rendered in response to the required and necessary duties of the Monitor, and are reasonable in the circumstances.
36. Attached as Exhibit "C" is a summary of the invoices of counsel to the Monitor for fees and disbursements incurred during the course of the proceedings. The accounts total \$228,591 in fees and disbursements excluding RST and GST, which includes \$142,445 paid directly by the Applicants.
37. The Monitor has reviewed the invoices rendered by its legal counsel and finds them reasonable and validly incurred in accordance with the provisions of the Initial Order.

#### **STATEMENT OF RECEIPTS AND DISBURSEMENTS**

38. Attached as Exhibit "D" are the Monitor's Statement of Receipts and Disbursements for the period between December 14, 2012 and January 22, 2016.

#### **MONITOR'S CONCLUSIONS AND RECOMMENDATIONS**

39. For the reasons set out above, the Monitor recommends that from the monies collected from the sale of the assets under the APA, the realization of Excluded Assets, and the collection of accounts receivable or otherwise that, in accordance with the Court Order dated January 4, 2013, the Monitor pay to BMO \$411,042 in accordance with amounts owing pursuant to the BMO Facility.
40. The Monitor further recommends that \$109,834 be paid to FCC from the monies collected from the sale of the assets under the APA and the realization



of Excluded Assets, in accordance with amounts owing pursuant to the FCC Facility.

41. The Monitor further recommends that \$3,834 be paid to MASC from the monies collected from the sale of the assets under the APA in accordance with amounts owing pursuant to the MASC Facility.
42. The Monitor recommends that its accounts and the accounts of its legal counsel, inclusive of an accrual for fees in connection with the completion of these proceedings of \$10,000 for the Monitor and \$7,500 for its legal counsel be approved.
43. In addition, the Monitor requests that the Tenth Report and Eleventh Report of the Monitor be approved.
44. Upon payment of the amounts set out herein and certifying that it has completed all outstanding matters in the administration of this proceeding, the Monitor recommends that these CCAA proceedings be terminated and that it be discharged as Monitor, provided however that notwithstanding such discharge:
  - i. The Monitor shall remain Monitor for the performance of such incidental duties as may be required to complete the administration of these proceedings; and
  - ii. The Monitor shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stay of proceedings in favor of Deloitte Restructuring Inc. in its capacity as Monitor.
45. The Monitor recommends that the Court declare that it has duly and properly discharged its duties, responsibilities and obligations as Monitor. Furthermore,

the Monitor recommends that it be forever released and discharged from any and all liability that the Monitor now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Monitor while acting in its capacity as Monitor pursuant to its appointment in accordance with the Initial Order, or otherwise, save and except for any gross negligence or wilful misconduct on the part of the Monitor.

46. Finally, the Monitor recommends that the Court order that no action or other proceeding shall be commenced against the Monitor in any way arising from or related to its capacity or conduct as Monitor except with prior leave of this Court and on prior written notice to the Monitor and such further order securing, as security for costs, the costs of the Monitor in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

All of which is respectfully submitted at Winnipeg, Manitoba, this 29<sup>th</sup> day of January, 2016.

**DELOITTE RESTRUCTURING INC.**

In its capacity as Monitor of  
The Puratone Corporation, Niverville Swine  
Breeders Ltd., and Pembina Valley Pigs Ltd.,  
and not in its personal capacity.



Per: Brent Warga, CPA, CA, CIRP  
Senior Vice-President

**Exhibit A – Proposed Fourth Interim Distribution**

**THE PURATONE CORPORATION, NIVERVILLE SWINE BREEDERS LTD.,  
AND PEMBINA VALLEY PIGS LTD.**

**PROPOSED FOURTH DISTRIBUTION  
As At January 22, 2016**

RECEIPTS		BMO	FCC	MASC	Notes
MAFR Holdback	1,573,765				
Interest	15,113	\$ 1,588,878	\$ -	\$ 1,588,878	\$ -
Asset Purchase Agreement Proceeds		43,847,129	23,075,256	19,516,873	1,255,000
Accounts Receivable		417,106	417,106	-	-
Agristability		1,345,151	1,076,121	269,030	-
Birch Bay		209,013	-	209,013	-
Co-Op Equity		268,187	214,549	53,637	-
GST		11,708	11,708	-	-
Insurance Rebates		31,813	25,451	6,363	-
Interest		191,958	153,566	38,392	-
Transfer from Niverville Credit Union Accounts		5,965	4,772	1,193	-
Other		60,485	48,388	12,097	-
<b>Subtotal</b>		<b>47,977,394</b>	<b>25,026,918</b>	<b>21,695,476</b>	<b>1,255,000</b>
<b>DISBURSEMENTS</b>					
Birch Bay		209,013	-	209,013	-
Corporate Expenses		676	541	135	-
Farm Purchases		29,830	23,864	5,966	-
Payroll and Benefits		78,236	62,589	15,647	-
Professional Fees		716,927	573,542	143,385	-
Property Taxes		21	17	4	-
Utilities		12,606	10,085	2,521	-
Other		2,760	2,208	552	-
<b>Subtotal</b>		<b>1,050,069</b>	<b>672,845</b>	<b>377,224</b>	<b>-</b>
<b>EXCESS OF RECEIPTS OVER DISBURSEMENTS PRIOR TO INTERIM DISTRIBUTIONS</b>					
	\$ 46,927,325	\$ 24,354,073	\$ 21,318,252	\$ 1,255,000	
<b>First Interim Distribution</b>					
DIP Repayment		4,036,111	2,205,701	1,767,660	62,750
BMO (as per Distribution Order)		18,023,212	17,726,173	-	-
FCC (as per Distribution Order)		15,520,264	-	15,817,303	-
Adjustment (as agreed upon between BMO and FCC)		-	297,039	(297,039)	-
MASC (as per Distribution Order)		1,041,524	-	-	1,041,524
<b>Subtotal</b>		<b>38,621,111</b>	<b>20,228,913</b>	<b>17,287,924</b>	<b>1,104,274</b>
<b>Second Interim Distribution</b>					
BMO (as per Distribution Order)		2,181,548	2,181,548	-	-
FCC (as per Distribution Order)		3,201,946	-	3,201,946	-
MASC (as per Distribution Order)		110,818	-	-	110,818
<b>Subtotal</b>		<b>5,494,312</b>	<b>2,181,548</b>	<b>3,201,946</b>	<b>110,818</b>
<b>Third Interim Distribution</b>					
BMO (as per Distribution Order)		1,518,861	1,518,861	-	-
FCC (as per Distribution Order)		714,884	-	714,884	-
MASC (as per Distribution Order)		35,946	-	-	35,946
<b>Subtotal</b>		<b>2,269,691</b>	<b>1,518,861</b>	<b>714,884</b>	<b>35,946</b>
<b>EXCESS OF RECEIPTS OVER DISBURSEMENTS</b>					
	\$ 542,210	\$ 424,751	\$ 113,498	\$ 3,962	
<b>PROPOSED FOURTH INTERIM DISTRIBUTION</b>					
BMO		411,042	411,042	-	-
FCC		109,834	-	109,834	-
MASC		3,834	-	-	3,834
<b>Subtotal</b>		<b>524,710</b>	<b>411,042</b>	<b>109,834</b>	<b>3,834</b>
<b>RESIDUAL FUNDS HELD IN TRUST</b>					
	\$ 17,500				
Represented By					
Funds in Trust - Provision for Professional Fees to complete administration		17,500			
	\$ 17,500				

**NOTES:**

<sup>1</sup> Fourth interim distribution allocated based on the Excess of Receipts Over Disbursements on a pro-rata basis.

**Exhibit B – Fees of the Monitor**

**THE PURATONE CORPORATION, NIVERVILLE SWINE BREEDERS LTD.,  
AND PEMBINA VALLEY PIGS LTD.**

**SUMMARY OF MONITOR'S FEES AND DISBURSEMENTS**

**Paid by Applicants**

<b>Date</b>	<b>Invoice #</b>	<b>Fees</b>	<b>Disbursements</b>	<b>GST</b>	<b>Total</b>	<b>Hours</b>
10/11/2012	3175535	\$ 19,700	\$ -	\$ 985	\$ 20,685	51.0
11/5/2012	3190174	72,833	210	3,652	76,695	161.8
11/27/2012	3203755	38,659	125	1,939	40,724	103.0
12/14/2012	3218444	29,575	802	1,519	31,896	80.0
1/25/2013	3232909	103,013	2,282	5,265	110,559	341.7
<b>Subtotal</b>		<b>263,780</b>	<b>3,419</b>	<b>13,360</b>	<b>280,558</b>	<b>737.5</b>

**Paid by Monitor**

<b>Date</b>	<b>Invoice #</b>	<b>Fees</b>	<b>Disbursements</b>	<b>GST</b>	<b>Total</b>	<b>Hours</b>
3/14/2013	3264201	93,408	1,020	4,721	99,149	261.6
4/19/2013	3293745	-	1,635	82	1,717	-
4/24/2013	3297708	57,993	-	2,900	60,892	182.2
7/25/2013	3384288	124,041	-	6,202	130,243	417.2
8/23/2013	3397154	23,643	-	1,182	24,825	79.2
8/23/2013	3397166	1,300	-	65	1,365	4.0
9/20/2013	3411572	37,605	-	1,880	39,485	114.2
10/16/2013	3423021	21,183	-	1,059	22,242	70.0
10/17/2013	3426196	-	796	40	836	-
11/16/2013	3444498	21,170	-	1,059	22,229	70.4
12/12/2013	3460619	17,708	485	910	19,102	56.5
1/11/2014	3470722	11,128	-	556	11,684	34.6
3/8/2014	3507373	30,335	-	1,517	31,852	95.6
4/14/2014	3533972	15,365	-	768	16,133	47.3
7/25/2014	3626065	6,968	-	348	7,316	19.6
9/17/2014	3651487	9,950	-	498	10,448	32.5
9/17/2014	3651492	325	-	16	341	1.0
1/7/2015	3713899	4,910	503	271	5,683	15.0
1/18/2016	3974811	15,610	-	781	16,391	38.7
<b>Subtotal</b>		<b>492,639</b>	<b>4,438</b>	<b>24,854</b>	<b>521,930</b>	<b>1,539.6</b>

<b>Total Fees and Disbursements</b>		<b>756,418</b>	<b>7,857</b>	<b>38,214</b>	<b>802,489</b>	<b>2,277.1</b>
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**Blended Rate Per Hour**

**\$ 332.18**

**Exhibit C – Fees of Counsel to the Monitor**

**THE PURATONE CORPORATION, NIVERVILLE SWINE BREEDERS LTD.,  
AND PEMBINA VALLEY PIGS LTD.**

**SUMMARY OF LEGAL FEES AND DISBURSEMENTS  
December 14, 2012 to January 22, 2016**

**Paid by Applicants**

Date	Fees	Disbursements	RST	GST	Total	Hours
27-Aug-12	\$ 15,600	\$ 178	\$ 1,092	\$ 789	\$ 17,659	36.7
14-Sep-12	6,760	322	473	354	7,909	16.6
25-Sep-12	7,580	74	531	383	8,567	19.5
10-Oct-12	9,565	265	670	491	10,991	26.1
24-Oct-12	15,080	101	1,056	759	16,995	48.1
7-Nov-12	25,410	507	1,779	1,296	28,992	83.2
21-Nov-12	20,680	409	1,448	1,054	23,591	64.7
5-Dec-12	9,490	64	664	478	10,696	30.0
18-Dec-12	11,755	146	823	595	13,319	41.4
9-Jan-13	12,375	135	866	626	14,002	36.1
24-Jan-13	745	9	52	38	844	2.0
15-Feb-13	4,980	216	349	260	5,804	14.5
<b>Subtotal</b>	<b>140,020</b>	<b>2,425</b>	<b>9,801</b>	<b>7,122</b>	<b>159,369</b>	<b>418.9</b>

**Paid by Monitor**

Date	Fees	Disbursements	RST	GST	Total	Hours
27-Feb-13	1,300	6	91	65	1,462	4.4
20-Mar-13	21,700	519	1,519	1,111	24,849	74.2
19-Apr-13	9,435	452	660	494	11,042	31.9
9-May-13	5,130	88	359	261	5,838	23.3
29-May-13	1,375	22	96	70	1,563	3.8
29-Jun-13	2,690	56	188	137	3,072	11.2
18-Jul-13	5,520	50	442	279	6,290	15.1
20-Aug-13	2,245	35	180	114	2,574	6.2
12-Sep-13	2,385	59	191	122	2,757	8.5
9-Oct-13	4,965	1,773	397	303	7,438	16.1
15-Nov-13	4,225	219	338	222	5,004	16.2
19-Dec-13	4,460	227	357	226	5,270	16.3
18-Feb-14	8,035	472	643	417	9,566	32.9
17-Mar-14	1,010	210	81	61	1,362	4.2
11-Apr-14	4,665	123	373	239	5,401	18.7
12-May-14	905	117	72	46	1,140	3.4
16-Jun-14	540	16	43	28	627	2.1
15-Jul-14	135	2	11	7	155	0.6
10-Sep-14	90	4	7	5	106	0.3
14-Nov-14	240	7	19	12	278	0.8
9-Apr-15	250	8	20	13	290	0.8
15-May-15	190	-	15	10	215	0.6
18-Dec-15	190	2	15	10	217	0.6
<b>Subtotal</b>	<b>81,680</b>	<b>4,466</b>	<b>6,118</b>	<b>4,252</b>	<b>96,516</b>	<b>292.2</b>
<b>Total</b>	<b>\$ 221,700</b>	<b>\$ 6,891</b>	<b>\$ 15,920</b>	<b>\$ 11,374</b>	<b>\$ 255,884</b>	<b>711.1</b>

**Blended Rate Per Hour**

**\$ 311.77**



**Exhibit D – Statement of Receipts and Disbursements**

**THE PURATONE CORPORATION, NIVERVILLE SWINE BREEDERS LTD.,  
AND PEMBINA VALLEY PIGS LTD.**

**STATEMENT OF RECEIPTS AND DISBURSEMENTS OF THE MONITOR  
December 14, 2012 to January 22, 2016**

**RECEIPTS**

MAFR Holdback	1,573,765		
Interest	15,113	\$	1,588,878
Asset Purchase Agreement Proceeds	43,847,129		
Interest	<u>191,958</u>		44,039,087
Accounts Receivable			417,106
Agristability / AgrilInvest			1,345,151
Birch Bay			209,013
Co-Op Equity			268,187
GST			11,708
Insurance Rebates			31,813
Transfer from Niverville Credit Union Accounts			5,965
Other			60,485
<b>Subtotal</b>			<b>47,977,394</b>

**DISBURSEMENTS**

Birch Bay			209,013
Corporate Expenses			676
Farm Purchases			29,830
Payroll and Benefits			78,236
Professional Fees			716,927
Property Taxes			21
Utilities			12,606
Other			2,760
<b>Subtotal</b>			<b>1,050,069</b>

**EXCESS OF RECEIPTS OVER DISBURSEMENTS  
PRIOR TO INTERIM DISTRIBUTIONS**

\$ 46,927,325

Interim Distribution	First Distribution	Second Distribution	Third Distribution	
DIP Repayment	4,036,111	-	-	4,036,111
BMO	18,023,212	2,181,548	1,518,861	21,723,621
FCC	15,520,264	3,201,946	714,884	19,437,094
MASC	1,041,524	110,818	35,946	1,188,288
<b>Subtotal</b>	<b>38,621,111</b>	<b>5,494,312</b>	<b>2,269,691</b>	<b>46,385,114</b>

**EXCESS OF RECEIPTS OVER DISBURSEMENTS**

\$ 542,210