

PROOF OF CLAIM AND PROXY

IN THE MATTER OF THE BANKRUPTCY OF: P3C MANUFACTURING GROUP INC.



RSM Richter Inc.
Bow Valley Square 2, Suite 3810
205 – 5 Avenue SW Calgary, AB T2P 2V7
Tel: 403.233.8462 Fax: 403.233.8688
www.rsmrichter.com

and the claim of:

Creditor Name: _____

Address: _____

Account No.: _____

Tele: _____

Fax: _____

Email: _____

1. I, _____ of _____ do hereby certify;
2. THAT I have knowledge of all the circumstances connected with this claim.
3. THAT the said debtor was at September 3, 2010 and still is, indebted to the creditor in the sum of \$_____ as specified in the statement of account attached and marked Exhibit "A", after deducting any counterclaims to which the debtor is entitled.
4. THAT this claim is (choose only one):
 - _____ A. An UNSECURED CLAIM and I do not claim a right to a priority. That in respect of this debt, I do not hold any assets of the debtor as security.
 - _____ B. A PREFERRED CLAIM and I claim a right to a priority under Section 136 of the Act. That in respect of this debt, I do not hold any assets of the debtor as security.
 - _____ C. A SECURED CLAIM. That in respect of this debt, I hold assets of the debtor valued at \$_____ as security. (**attach copies of registered documents and financing statements**).
 - _____ D. A CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST. That I hereby make a claim Under subsection 81.2(1) of the Act for the unpaid amount of \$_____.
 - _____ E. A CLAIM BY WAGE EARNER. That I hereby make a claim under subsection 81.3 of the Act.
5. THAT, to the best of my knowledge, I [am] or [am not] related to the debtor within the meaning of section 4 of the Act.
6. THAT the following are the payments that I have received from, and the credits I have allowed to, the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act, 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 and credits**):
7. PROXY APPOINTED: No _____ Yes _____ (If yes, please complete the proxy).
I, (WE) HEREBY APPOINT: _____ (name of individual) to be my (our) general proxy in the above matter except as to the receipt of dividends with (or without) power to appoint another general proxy in his or her place.
8. DATED AT _____, this _____ day of _____, 20_____.

Print name of person signing

Signature of Witness

Signature

Position

WARNING: SECTION 201(1) OF THE BANKRUPTCY AND INSOLVENCY ACT PRESCRIBES SEVERE PENALTIES FOR MAKING A FALSE CLAIM, PROOF, DECLARATION OR STATEMENT OF ACCOUNT.

INSTRUCTIONS TO CREDITORS RESPECTING PROOF OF CLAIM FORM

Note: A properly completed and supported Proof of Claim form must be submitted to the Trustee in order to have a voice in the affairs of the debtor and in order to be eligible for any potential dividend distributions.

Please follow these instructions:

- Heading:
- a) The name of the debtor has been supplied.
 - b) Provide the complete name and address, including postal code, telephone and fax numbers and an e-mail address where all notices or correspondence regarding your claim is to be forwarded.
 - c) Provide an account number, if applicable.
- Clause 1: Print your name and the company name if applicable.
- Clause 2: No action needed.
- Clause 3:
- a) The effective date of the bankruptcy has been supplied.
 - b) Provide the amount of your claim in Canadian funds. The amount claimed for debts owing should be calculated to the effective **DATE OF THE BANKRUPTCY ONLY**.
 - c)
 - i) A statement of Account must be attached in support of the amount claimed.
 - ii) Ensure that the final balance on your Statement of Account agrees to the amount claimed on the Proof of Claim form.
 - iii) The Statement of Account must specify each voucher/invoice and/or other evidence in support of the claim, together with the date of each charge and the amount thereof. A schedule, which indicates only the **BALANCE OF ACCOUNT, IS NOT SUFFICIENT**. The Statement of Account must be clearly marked "Exhibit A" and be attached to the Proof of Claim form submitted. If "Exhibit A" is not attached, your Proof of Claim will be returned.
 - iv) The Statement of Account must also include the last three months transactions, or if the creditor and the debtor are related as defined in Section 4 of the *Bankruptcy and Insolvency Act* (copy attached), the last twelve months transactions. These transactions must include payments and credits received from or allowed to the debtor as well as contra items (if any).
- Clause 4: Choose the appropriate section (A), (B), (C), (D) or (E) which properly applies to the status of your claim and check the appropriate line.
- A. Applies if you are a creditor without any security or priority.
 - B. Applies if you are a creditor to whom any subsection of Section 136 is applicable. A copy of this section of the *Bankruptcy and Insolvency Act* is enclosed for your convenience. Please provide details to support a priority claim.
 - C. Applies if you are a creditor with a statutory or contractual claim against some specific asset of the bankrupt. Ensure you record the value of your security.
 - D. Applies if you are a Farmer, Fisherman or Aquaculturist.
 - E. Applies if you are a wage earner. A copy of Section 81.3 of the *Bankruptcy and Insolvency Act* is enclosed for your convenience.
- Clause 5: Copy of Section 4 of the *Bankruptcy and Insolvency Act* is provided for your convenience. Delete the inapplicable wording to indicate whether the creditor is related or not.
- Clause 6: Provide details of any payments received or credits given within the three months (or within twelve months if the creditor and debtor are related) before the date of the initial bankruptcy event.
- Clause 7: Complete this section if:
- a) The creditor is an individual and you wish someone else to vote on your behalf.
 - b) The creditor is a corporation. An individual must be appointed to vote.
- Clause 8: Ensure that the form is dated, witnessed and signed in the appropriate places. You must also print your name and indicate your position.

Mail the completed Proof of Claim form together with "Exhibit A" to:

RSM Richter Inc.
Bow Valley Square 2, Suite 3810
205 – 5th Avenue SW
Calgary, AB T2P 2V7

Excerpts from the *Bankruptcy and Insolvency Act*

Section 4 – RELATED PARTIES

(1) Definitions - In this section

“related group” means a group of persons each member of which is related to every other member of the group;

“entity” means a person other than an individual;

“unrelated group” means a group of persons that is not a related group.

(2) Definition of “related persons” - For the purposes of this Act, persons are related to each other and are “related persons” if they are

- (a) individuals connected by blood relationship, marriage, common-law partnership or adoption;
- (b) an entity and
 - i) a person who controls the entity, if it is controlled by one person,
 - ii) a person who is a member of a related group that controls the entity, or
 - iii) any person connected in the manner set out in paragraph (a) to a person described in subparagraph (i) or (ii); or
- (c) two entities
 - i) both controlled by the same person or group of persons,
 - ii) each of which is controlled by one person and the person who controls one of the entities is related to the person who controls the other entity,
 - iii) one of which is controlled by one person and that person is related to any member of a related group that controls the other entity,
 - iv) one of which is controlled by one person and that person is related to each member of an unrelated group that controls the other entity,
 - v) one of which is controlled by a related group a member of which is related to each member of an unrelated group that controls the other entity, or
 - vi) one of which is controlled by an unrelated group each member of which is related to at least one member of an unrelated group that controls the other entity.

(3) Relationships - For the purposes of this section,

- (a) if two entities are related to the same entity within the meaning of subsection (2), they are deemed to be related to each other;
- (b) if a related group is in a position to control an entity, it is deemed to be a related group that controls the entity whether or not it is part of a larger group by whom the entity is in fact controlled;
- (c) a person who has a right under a contract, in equity or otherwise, either immediately or in the future and either absolutely or contingently, to, or to acquire, ownership interests, however designated, in an entity, or to control the voting rights in an entity, is, except when the contract provides that the right is not exercisable until the death of an individual designated in the contract, deemed to have the same position in relation to the control of the entity as if the person owned the ownership interests;
- (d) if a person has ownership interests in two or more entities, the person is, as holder of any ownership interest in one of the entities, deemed to be related to himself or herself as holder of any ownership interest in each of the other entities;
- (e) persons are connected by blood relationship if one is the child or other descendant of the other or one is the brother or sister of the other;
- (f) persons are connected by marriage if one is married to the other or to a person who is connected by blood relationship or adoption to the other;
 - (f.1) persons are connected by common-law partnership if one is in a common-law partnership with the other or with a person who is connected by blood relationship or adoption to the other and;
- (g) persons are connected by adoption if one has been adopted, either legally or in fact, as the child of the other or as the child of a person who is connected by blood relationship, otherwise than as a brother or a sister to the other.

(4) Question of fact – It is a question of fact whether persons not related to one another were at a particular time dealing with each other at arm’s length.

(5) Presumption – Persons related to each other are deemed not to deal with each other at arm’s length while so related.

Section 136 - SCHEME OF DISTRIBUTION

(1) Priority of claims - Subject to the rights of secured creditors, the proceeds realized from the property of a bankrupt shall be applied in priority of payment as follows:

- (a) in the case of a deceased bankrupt, the reasonable funeral and testamentary expenses incurred by the legal representative of the deceased bankrupt;
- (b) the costs of administration, in the following order,
 - (i) the expenses and fees of any person acting under a direction made under paragraph 14.03(1)(a),
 - (ii) the expenses and fees of the trustee, and
 - (iii) legal costs;
- (c) the levy payable under section 147;
- (d) the amount of any wages, salaries, commissions, compensation or disbursements referred to in sections 81.3 and 81.4 that was not paid;
 - (d.01) the amount equal to the difference a secured creditor would have received but for the operation of sections 81.3 and 81.4 and the amount actually received by the secured creditor;
 - (d.02) the amount equal to the difference a secured creditor would have received but for the operation of sections 81.5 and 81.6 and the amount actually received by the secured creditor;
- (d.1) claims in respect of debts or liabilities referred to in paragraph 178(1)(b) or (c), if provable by virtue of subsection 121(4), for periodic amounts accrued in the year before the date of the bankruptcy that are payable, plus any lump sum amount that is payable;
- (e) municipal taxes assessed or levied against the bankrupt, within the two years immediately preceding the bankruptcy, that do not constitute a secured claim against the real property or immovables of the bankrupt, but not exceeding the value of the interest of the bankrupt in the property in respect of which the taxes were imposed as declared by the trustee;
- (f) the lessor for arrears of rent for a period of three months immediately preceding the bankruptcy and accelerated rent for a period not exceeding three months following the bankruptcy if entitled to accelerated rent under the lease, but the total amount so payable shall not exceed the realization from the property on the premises under lease, and any payment made on account of accelerated rent shall be credited against the amount payable by the Trustee for occupation rent;
- (g) the fees and costs referred to in subsection 70(2) but only to the extent of the realization from the property exigible thereunder;
- (h) in the case of a bankrupt who became bankrupt before the prescribed date, all indebtedness of the bankrupt under any Act respecting workers' compensation, under any Act respecting unemployment insurance or under any provision of the *Income Tax Act* creating an obligation to pay to Her Majesty amounts that have been deducted or withheld, rateably;
- (i) claims resulting from injuries to employees of the bankrupt in respect of which the provisions of any Act respecting workers' compensation do not apply, but only to the extent of moneys received from persons guaranteeing the bankrupt against damages resulting from those injuries; and
- (j) in the case of a bankrupt who became bankrupt before the prescribed date, claims of the Crown not mentioned in paragraphs (a) to (i), in right of Canada or any province, ratably notwithstanding any statutory preference to the contrary.

(2) Payment as funds available - Subject to the retention of such sums as may be necessary for the costs of administration or otherwise, payment in accordance with subsection (1) shall be made as soon as funds are available for the purpose.

(3) Balance of claim - A creditor whose rights are restricted by this section is entitled to rank as an unsecured creditor for any balance of claim due him.

Section 81.3 - WAGE EARNER PROTECTION

- (1) **Security for unpaid wages, etc. – bankruptcy** - The claim of a clerk, servant, travelling salesperson, labourer or worker who is owed wages, salaries, commissions or compensation by a bankrupt for services rendered during the six months immediately before the date of bankruptcy is secured, as of that date, to the extent of \$2,000, by security on all the current assets of the bankrupt on that date.
- (2) **Commissions** - For the purposes of subsection (1), commissions payable when goods are shipped, delivered or paid for, if shipped, delivered or paid for within the six month period referred to in that subsection, are deemed to have been earned in those six months.
- (3) **Security for disbursements – bankruptcy** - The claim of a travelling salesperson who is owed money by a bankrupt for disbursements properly incurred in and about the bankrupt's business during the six months immediately before the date of bankruptcy is secured, as of that date, to the extent of \$1,000, by security on all the bankrupt's current assets on that date.
- (4) **Rank of security** - A security under this section ranks above every other claim, right, charge or security against the bankrupt's current assets, regardless of when that other claim, right, charge or security arose, except rights under sections 81.1 and 81.2 and amounts referred to in subsection 67(3) that have been deemed to be held in trust.
- (5) **Liability of trustee** - If the trustee disposes of current assets covered by the security, the trustee is liable for the claim of the clerk, servant, travelling salesperson, labourer or worker to the extent of the amount realized on the disposition of the current assets, and is subrogated in and to all rights of the clerk, servant, travelling salesperson, labourer or worker of the amounts paid to that person by the trustee.
- (6) **Meaning of "compensation"** - For the purpose of this section and section 81.4, "compensation" includes vacation pay but does not include termination or severance pay.
- (7) **Proof by delivery** - A claim referred to in this section is proved by delivering to the trustee a proof of claim in the prescribed form.