Court File No. CV-10-8991-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

BANK OF MONTREAL

Applicant

and

2110458 ONTARIO LIMITED, 2131413 ONTARIO LIMITED, 787755 ONTARIO LIMITED and TARBRAC HOLDINGS INC.

Respondents

APPLICATION UNDER SUBSECTION 47(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended, and SECTION 101 of the *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C. 43, as amended

MOTION RECORD

(returnable 25 May 2012)

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Michael MacNaughton -LSUC No. 25889U
Mary Arzoumanidis - LSUC No. 53915V

Lawyers for Ernst & Young Inc., in its capacity as Interim Receiver of 2110458 Ontario Limited, 2131413 Ontario Limited, 787755 Ontario Limited and Tarbrac Holdings Inc.

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TAB 1

Court File No. CV-10-8991-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

BANK OF MONTREAL

Applicant

and

2110458 ONTARIO LIMITED, 2131413 ONTARIO LIMITED, 787755 ONTARIO LIMITED and TARBRAC HOLDINGS INC.

Respondents

APPLICATION UNDER SUBSECTION 47(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended, and SECTION 101 of the *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C. 43, as amended

NOTICE OF MOTION

(returnable 25 May 2012)

ERNST & YOUNG INC., ("EYI") in its capacity as interim receiver (the "**Interim Receiver**") of all of the assets, undertakings and properties of 2110458 Ontario Limited, 2131413 Ontario Limited, 787755 Ontario Limited and Tarbrac Holdings Inc. (collectively, the "**Debtors**") will make a motion before a Judge sitting on the Commercial List on 25 May 2012 at 10:00 a.m. at 330 University Avenue, Toronto, Ontario.

THE MOTION WILL BE HEARD ORALLY.

THE MOTION IS FOR AN ORDER:

1. abridging the time of service of this Notice of Motion and Motion Record if necessary, and directing that any further service of this Notice of Motion and the Motion Record be dispensed with such that this Motion is properly returnable on 25 May 2012;

2. approving the activities of the Interim Receiver as described in the First Report of the Interim Receiver dated 25 November 2010 (the "**First IR Report**") and in the Second Report of the Interim Receiver dated 18 May 2012 (the "**Second IR Report**");

3. approving the fees and disbursements of the Interim Receiver and its counsel, Borden Ladner Gervais LLP;

4. discharging EYI as Interim Receiver;

5. releasing EYI from any and all liability; and

6. such further and other relief as counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

1. EYI was appointed Interim Receiver of the Debtors by Order of The Honourable Mr. Justice Campbell dated 10 November 2010 (the "**Interim Receivership Order**") under section 47(1) of the BIA and section 101 of the *Courts of Justice Act* ("**CJA**") (the "**Interim Receivership Proceedings**");

2. on 26 November 2010, EYI was appointed receiver and receiver and manager (the "**Receiver**") of the Debtors by Order of The Honourable Mr. Justice Wilton-Siegel under section 243(1) of the BIA and section 101 of the CJA (the "**Receivership Proceedings**");

3. pursuant to the provisions of the BIA, the appointment of an interim receiver expires upon the appointment of a receiver. Accordingly, by virtue of the appointment of the Receiver on 26 November 2010, the Interim Receivership Proceedings expired and were superseded by the Receivership Proceedings;

4. the Interim Receiver has not yet obtained its discharge as Interim Receiver of the Debtors, nor has it taxed its accounts and those of its legal counsel;

5. the Interim Receivership Order requires that the Interim Receiver pass its accounts and the accounts of its legal counsel;

6. the Interim Receiver performed a variety of activities in furtherance of its responsibilities under the Interim Receivership Order, as set out in the First IR Report previously filed with the Court and in the Second IR Report;

7. in performing the activities outlined in the First IR Report and in the Second IR Report, the Interim Receiver and its legal counsel have provided professional services and have incurred fees and disbursements;

8. the Interim Receiver has completed its mandate under the Interim Receivership Order and it is therefore appropriate that the Interim Receiver be discharged at this time;

9. section 47(1) of the *Bankruptcy and Insolvency Act*;

10. rules 1.04, 2.01, 2.03, 3.02, and 37 of the *Rules of Civil Procedure* (Ontario); and

11. such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. the Second Report of Ernst & Young Inc., as Interim Receiver dated 18 May 2012; and

2. such further and other material as counsel may advise and this Honourable Court may permit.

18 May 2012

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TO: THE SERVICE LIST (ATTACHED)

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(updated 17 May 2012)

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AND TO: **Her Majesty The Queen In Right Of Ontario**
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AND TO:	**Toyota Credit Canada Inc.** 80 Micro Court Suite 200 Markham, ON L3R 9Z5
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AND TO:	**Concordian Realty Management Inc.** 2180 Steeles Avenue West Concord, ON L4K 2Z5
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AND TO:	**United States District Attorney's Office** **Eastern District of New York** 271 Cadman Plaza East Brooklyn, NY 11201 USA Attention: Loretta E. Lynch United States Attorney

Court File No. CV-10-8991-00CL

BANK OF MONTREAL	**- and -**	**2110458 ONTARIO LIMITED, 2121413 ONTARIO LIMITED, 787755 ONTARIO LIMITED and TARBRAC HOLDINGS INC.**
Applicant		Respondents

APPLICATION UNDER SUBSECTION 47(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended, and SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C. 43, as amended

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

NOTICE OF MOTION

(returnable 25 May 2012)

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TOR01: 4866509: v3

TAB 2

Court File No. CV-10-8991-00CL

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SECOND REPORT TO THE COURT OF ERNST & YOUNG INC., AS INTERIM RECEIVER

18 May 2012

Background

1. Ernst & Young Inc. ("**EYI**") was appointed interim receiver (the "**Interim Receiver**") of 2110458 Ontario Limited, 2131413 Ontario Limited, 787755 Ontario Limited, and Tarbrac Holdings Inc. (collectively, the "**Debtors**" or the "**Loretta Group**") (the "**Interim Receivership Proceedings**") by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated 10 November 2010 (the "**Interim Receivership**

Order"). The Interim Receivership Order was made pursuant to section 47(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**") and section 101 of the *Courts of Justice Act* ("**CJA**"). Attached as **Appendix "A"** is a copy of the Interim Receivership Order.

2. On 26 November 2010, EYI was appointed as receiver and receiver and manager (together, the "**Receiver**") of the Debtors pursuant to section 243 of the BIA and section 101 of the CJA ("**Receivership**" or "**Receivership Proceedings**"). Attached as **Appendix "B"** is a copy of the Receivership Order.

3. The appointment of the Interim Receiver has expired under the provisions of the BIA. Pursuant to section 47(1) of the BIA, an interim receiver may be appointed over the debtor's property until the earliest of:

   (a) the appointment of a receiver under section 243 of the BIA over the debtor's property;

   (b) the appointment of a trustee in bankruptcy over the debtor's property over which the interim receiver was appointed; and

   (c) the expiry of 30 days after the day on which the interim receiver was appointed or of any period specified by the court.

4. The Receiver was appointed by the Court on 26 November 2010. Notwithstanding that the Interim Receivership Proceedings have been superseded by the Receivership Proceedings, the Interim Receiver has not yet obtained its discharge as Interim Receiver of the Loretta Group, nor has the Interim Receiver taxed its accounts and those of its legal counsel.

Purpose of Report

5. The purpose of this second report of the Interim Receiver (the "**Second IR Report**") is to request that the Court grant an Order:

(a) approving the activities of the Interim Receiver as described in the First Report of the Interim Receiver dated 25 November 2010 (the "**First IR Report**"), attached hereto as **Appendix "C"**, and in the Second IR Report;

(b) dispensing with the requirement that the Interim Receiver tax its accounts and seek its discharge in accordance with the General Rules of the *Bankruptcy and Insolvency Act* (the "***BIA General Rules***");

(c) approving the fees and disbursements of the Interim Receiver and its counsel, Borden Ladner Gervais LLP ("**BLG**");

(d) discharging EYI as Interim Receiver; and

(e) releasing EYI from any and all liability.

Activities of the Interim Receiver

6. The activities of the Interim Receiver from the date of its appointment (10 November 2010) are set out in the First IR Report, attached as Appendix "C" and in the Second IR Report.

7. the Interim Receiver's activities from the date of the First IR Report to the issuance of the Receivership Order consisted primarily of (a) monitoring the receipts and disbursements of the Debtor, which included reviewing support for proposed payments and shipments by the Debtors, and (b) reviewing vehicle registration records from the Ministry of Transportation and discussing them with Loretta operating management in an attempt to identify all owned and leased vehicles in the possession of the Debtors. The activities of the Interim Receiver following the date of the Receivership Order have been limited to the preparation of this Second IR Report and coordinating the preparation of the related affidavits.

Professional Fees and Disbursements

8. In respect of the fees and disbursements of the Interim Receiver, the Affidavit of Mike Dean sworn May 18, 2012 (the "**Dean Affidavit**") is attached hereto as **Appendix "D"**.

In respect of the fees and disbursements of BLG, the Affidavit of Roger Jaipargas sworn 18 May 2012 (the "**Jaipargas Affidavit**") is attached hereto as **Appendix "E"**.

9. During the Interim Receivership Proceedings, for the period 8 November 2010 to 26 November 2010, the Interim Receiver's accounts amounted to $173,989.20 in fees, $16,248.90 in disbursements and $24,730.95 in HST for a total amount of $214,969.05. In respect of such fees and disbursements, the Dean Affidavit is attached as Appendix "D" and includes copies of the accounts rendered by the Interim Receiver.

10. During the Interim Receivership Proceedings, for the period 9 November 2010 to 26 November 2010, BLG rendered legal services to the Interim Receiver for a total of $38,953.85, comprising of $33,278.96 in fees, $1,194.51 in taxable and non-taxable disbursements and $4,480.38 in HST. In respect of such fees and disbursements, the Jaipargas Affidavit is attached as Appendix "E" and includes copies of the accounts rendered by BLG.

Taxation of Accounts and Discharge of Interim Receiver

11. The *BIA General Rules* (rules 79-82) set out the procedure for taxing the accounts of an interim receiver and for obtaining its discharge. That process involves the interim receiver sending a notice (in prescribed form) to certain parties, including creditors of the debtor, informing them of the interim receiver's intention to pass its accounts and seek its discharge and also advising them that they can object to the taxation of accounts and discharge by filing a notice of objection with the court within 30 days of the notice. If no objections are filed within the 30 day period, then the interim receiver's accounts are deemed to have been taxed and the interim receiver is deemed to be discharged. If objections are filed, then the court will tax the interim receiver's accounts and may authorize its discharge.

12. The *BIA General Rules* do not apply in these Interim Receivership Proceedings since (i) the Interim Receivership Order requires the Interim Receiver and its legal counsel to pass their accounts with the Court, and (ii) the *BIA General Rules* do not apply to receivers

appointed under the CJA. The Interim Receiver was also appointed receiver under the CJA.

13. Accordingly, since the Interim Receiver completed its duties on 26 November 2010 upon the appointment of the Receiver, the Interim Receiver requests that the Court approve its accounts and those of its counsel and authorize its discharge.

Relief Sought by the Interim Receiver

14. The Interim Receiver respectfully requests that this Court grant an Order:

(a) approving the activities of the Interim Receiver as described in the First IR Report and in the Second IR Report;

(b) approving the fees and disbursements of the Interim Receiver, and its counsel, BLG;

(c) discharging EYI as Interim Receiver; and

(d) releasing EYI from any and all liability.

All of which is respectfully submitted this 18th day of May 2012.

ERNST & YOUNG INC., in its capacity as Interim Receiver of 2110458 Ontario Limited, 2131413 Ontario Limited, 787755 Ontario Limited and Tarbrac Holdings Inc., and not in its personal or corporate capacity.

Per: ______________________
Mike P. Dean, CA•CIRP
Senior Vice-President

Per: ______________________
Rahn Dodick, CA•CIRP
Vice-President

Court File No. CV-10-8991-00CL

BANK OF MONTREAL - and - **2110458 ONTARIO LIMITED, 2121413 ONTARIO LIMITED, 787755 ONTARIO LIMITED and TARBRAC HOLDINGS INC.**

APPLICATION UNDER SUBSECTION 47(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended, and SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C. 43, as amended

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

SECOND REPORT TO THE COURT OF ERNST & YOUNG INC., AS INTERIM RECEIVER

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TAB A

Court File No.: 10-CV-8991-00CL

THE HONOURABLE MR	)	WEDNESDAY, THE 10th
	)	
JUSTICE CL CAMPBELL	)	DAY OF NOVEMBER, 2010

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

BETWEEN:

BANK OF MONTREAL

Applicant

and

2110458 ONTARIO LIMITED, 2131413 ONTARIO LIMITED, 787755 ONTARIO LIMITED AND TARBRAC HOLDINGS INC.

Respondents

APPLICATION UNDER SUBSECTION 47(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended and SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O 1990 c. C.43, as amended

ORDER

THIS MOTION made by Bank of Montreal for an Order pursuant to section 47.1(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Ernst & Young Inc. ("**E&Y**") as interim receiver (in such capacity the "**Interim Receiver**") without security, of all of the assets, undertakings and properties of 2110458 Ontario Limited ("**211**"), 2131413 Ontario Limited ("**213**"), 787755 Ontario Limited ("**787**") and Tarbrac Holdings Inc. ("**Tarbrac**", and, together with 211, 213 and 787, the "**Debtors**") was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the affidavit of Robert Kiefer, sworn November 10, 2010, and the Exhibits thereto and on hearing the submissions of counsel for Bank of Montreal, counsel for E&Y and counsel for the Debtors, no one else appearing, and on reading the consent of E&Y to act as the Interim Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 47.1(1) of the BIA and section 101 of the CJA, E&Y is hereby appointed Interim Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including any proceeds thereof (the "**Property**").

INTERIM RECEIVER'S POWERS

3. THIS COURT ORDERS that the Interim Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Interim Receiver is hereby expressly empowered and authorized to do any of the following where the Interim Receiver considers it necessary or desirable:

(a) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(b) to monitor the Debtors' receipts and disbursements, including, without limitation, the right to access all information relating to the Debtors' accounts or finance activities at any financial institution, with any trade creditor or with any other party;

(c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Interim Receiver's powers and duties, including, without limitation, those conferred by this Order;

(d) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;

(e) to develop a plan in furtherance of marketing any or all of the Property, including obtaining appraisals of all or any part of the Property as the Interim Receiver in its discretion may deem appropriate, advertising and soliciting offers in respect of the Property or any part or parts thereof, undertaking discussions and negotiations with parties known to have expressed an interest in any or all of the Property, and developing such terms and conditions of sale as the Interim Receiver in its discretion may deem appropriate;

(f) to report to, meet with and discuss with such affected Persons (as defined below) as the Interim Receiver deems appropriate on all matters relating to the Property and the interim receivership, and to share information, subject to such terms as to confidentiality as the Interim Receiver deems advisable;

(g) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(h) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;

(i) to conduct any examinations under oath deemed necessary, including, without limitation, examinations of Guiseppe Gatti, Peter Nelipa, ~~Taragh Bracken~~ or any other director, officer or employee of the Debtors;

(j) to undertake any investigations deemed necessary by the Interim Receiver with respect to the location and/or disposition of assets reasonably believed to be, or to have been, property of the Debtors; and

(k) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Interim Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE INTERIM RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Interim Receiver of the existence of any Property in such Person's possession or control, and shall grant immediate and continued access to the Property to the Interim Receiver.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Interim Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, any transfer of Property outside of the ordinary course of business or obligation incurred by the Debtors outside of the ordinary course of business, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Interim Receiver or permit the Interim Receiver to make, retain and take away copies thereof and grant to the Interim Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Interim Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Interim Receiver for the purpose of allowing the Interim Receiver to

recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Interim Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Interim Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Interim Receiver with all such assistance in gaining immediate access to the information in the Records as the Interim Receiver may in its discretion require including providing the Interim Receiver with instructions on the use of any computer or other system and providing the Interim Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE INTERIM RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Interim Receiver except with the written consent of the Interim Receiver or with leave of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

8. THIS COURT ORDERS that all rights and remedies against the Debtors, the Interim Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Interim Receiver or leave of this Court, provided, however, that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Interim Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE INTERIM RECEIVER

9. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without leave of this Court.

CONTINUATION OF SERVICES

10. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services. The Debtors shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Debtors in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Debtors, or as may be ordered by this Court.

EMPLOYEES

11. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Debtors may terminate the employment of such employees. The Interim Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Interim Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act.*

LIMITATION ON ENVIRONMENTAL LIABILITIES

12. THIS COURT ORDERS that nothing herein contained shall require the Interim Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided, however, that nothing herein shall

exempt the Interim Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Interim Receiver shall not, as a result of this Order or anything done in pursuance of the Interim Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE INTERIM RECEIVER'S LIABILITY

13. THIS COURT ORDERS that the Interim Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Interim Receiver by section 14.06 of the BIA or by any other applicable legislation.

INTERIM RECEIVER'S ACCOUNTS

14. THIS COURT ORDERS that the Interim Receiver and counsel to the Interim Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Interim Receiver and counsel to the Interim Receiver shall be entitled to and are hereby granted a charge (the "**Interim Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Interim Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

15. THIS COURT ORDERS that the Interim Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Interim Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

GENERAL

16. THIS COURT ORDERS that the Interim Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

17. THIS COURT ORDERS that nothing in this Order shall prevent the Interim Receiver from acting as a trustee in bankruptcy of the Debtors.

18. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Interim Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Interim Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Interim Receiver and its agents in carrying out the terms of this Order.

19. THIS COURT ORDERS that the Interim Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Interim Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

20. THIS COURT ORDERS that the Applicant shall have its costs of this Motion, up to and including entry and service of this Order, provided for by the terms of the Respondents' security or, if not so provided by the Respondents' security, then on a substantial indemnity basis to be paid by the Interim Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

21. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than ~~seven~~ four (4) days' notice to the Interim Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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LE / DANS LE REGISTRE NO.:

NOV 10 2010

PER / PAR:

BANK OF MONTREAL	- and -	2110458 ONTARIO LIMITED, 2131413 ONTARIO LIMITED, 787755 ONTARIO LIMITED AND TARBRAC HOLDINGS INC.
Applicant		Respondents

Court File No. CV-10-8991-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)
Proceedings commenced at Toronto

INTERIM RECEIVERSHIP ORDER

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TAB B

Court File No.: CV-10-8991-00CL

THE HONOURABLE MR.) FRIDAY, THE 26th
JUSTICE H.J. WILTON-SIEGEL) DAY OF NOVEMBER, 2010

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

BETWEEN:

BANK OF MONTREAL

Applicant

and

2110458 ONTARIO LIMITED O/A LORETTA FLOUR,
2131413 ONTARIO LIMITED O/A LORETTA FOODS,
787755 ONTARIO LIMITED O/A NEW DURHAM TRADING, AND O/A NDT FOOD SERVICE
AND O/A SKYWAY WHOLESAE
AND TARBRAC HOLDINGS INC.

Respondents

ORDER

THIS MOTION made by the Applicant for an Order pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Ernst & Young Inc. ("**E&Y**") as receiver and receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of 2110458 Ontario Limited o/a Loretta Flour ("**211**"), 2131413 Ontario Limited o/a Loretta Foods ("**213**"), 787755 Ontario Limited o/a New Durham Trading, NDT Food Service and Skyway Wholesale ("**787**") and Tarbrac Holdings Inc. ("**Tarbrac**", and, together with 211, 213 and 787, the "**Debtors**") was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the affidavit of Robert Kiefer, sworn November 10, 2010, and the Exhibits thereto, and the first report of E&Y, dated November 25, 2010 (the "**First Report**"), prepared in its capacity as interim receiver of the Debtors (in such capacity, the "**Interim Receiver**"), and on hearing the submissions of counsel for Bank of Montreal, ~~counsel for Signature Bank, both secured creditors of the Debtors,~~ counsel for the Interim Receiver and proposed Receiver and counsel for the Debtors, no one else appearing although duly served as appears from the affidavit of service of Stella Kostopoulos sworn November 25, 2010, and on reading the consent of E&Y to act as the Receiver, #r.S

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

TITLE OF PROCEEDINGS

2. THIS COURT ORDERS that the title of the within proceedings is hereby amended to such that the Respondents shall be hereafter identified as "**2110458 ONTARIO LIMITED O/A LORETTA FLOUR, 2131413 ONTARIO LIMITED O/A LORETTA FOODS, 787755 ONTARIO LIMITED O/A NEW DURHAM TRADING, AND O/A NDT FOOD SERVICE AND O/A SKYWAY WHOLESALE AND TARBRAC HOLDINGS INC.**".

APPOINTMENT

3. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, E&Y is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality

of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

(a) to take possession of, and exercise control over, the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;

(g) to settle, extend or compromise any indebtedness owing to the Debtors;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;

(i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;

(j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding $250,000, provided that the aggregate consideration for all such transactions does not exceed $1,000,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

(m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

(q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;

(r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;

(s) to conduct examinations of any Person as the Receiver considers necessary or appropriate, including, without limitation, examinations of Guiseppe Gatti, Peter Nelipa, Taragh Bracken, Terry Mak, Michael Falcone or any other current or former director, officer, employee or independent contractor of the Debtors;

(t) to undertake any investigations deemed necessary by the Receiver with respect to the location and/or disposition of assets reasonably believed to be, or to have been, property of the Debtors, including, without limitation, investigating the transactions entered into between one or more of the Debtors and North Dakota Holdings Ltd. ("**NDHL**"); and

(u) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons

acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. THIS COURT ORDERS that NDHL, its current and former directors, officers, employees and independent contractors shall provide such access to books records and documents. information, documents and assistance to the Receiver as the Receiver may request in connection with the dealings between NDHL and any of the Debtors and in connection with the business and affairs of NDHL as they relate to the business and affairs of the Debtors.

7. THIS COURT ORDERS that all Persons, including, without limitation, the current and former officers, directors and employees of any of the Debtors and NDHL shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, any transfer of Property outside of the ordinary course of business or obligation incurred by the Debtors outside of the ordinary course of business, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver

due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

8. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

9. THIS COURT ORDERS any and all Persons shall render any necessary assistance to the Receiver to locate, decode, access, and decrypt the Records and any and all information or electronic data to which the Receiver may not have ready and immediate access, including the provisions of all keys, information codes, passwords, pass phrases, or any other such information or knowledge necessary to achieve access thereto, and for the purpose of accessing electronic mail or other data operated or maintained by, or accessible to, the Debtors which may contain any of the Records, including, but not limited to, any electronic mail or other data stored on or pertaining to any email addresses used by the Debtors or their directors, officers and employees.

10. THIS COURT ORDERS that no Person shall destroy or alter any books, records, documents, information, material or Records related to or touching upon the Property, the Debtors, NDHL, or the business, affairs or dealings of the Debtors or NDHL.

11. THIS COURT ORDERS that, notwithstanding the generality of paragraphs 5 to 10 hereof, upon the Receiver's request:

(a) NDHL shall provide copies of all Records in its possession relating to any transactions with one or more of the Debtors;

(b) any financial institution which holds or has held accounts for one or more of the Debtors shall confirm the existence of such account(s) and shall provide copies of all statements relating to such account(s); and

(c) Bell Sympatico, or any other provider of information technology services to the Debtors shall provide copies of any information related to the business of the Debtors requested by the Receiver.

NO PROCEEDINGS AGAINST THE RECEIVER

12. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

13. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "**eligible financial contract**" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

15. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

16. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the

date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

17. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

18. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

19. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal

information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

20. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in

Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

21. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

22. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

24. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates

and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

25. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

26. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

27. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "A"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

28. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates

evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SALE PROCESS FOR THE "FOOD SERVICE AND CATERING DIVISION"

29. THIS COURT ORDERS that the sale process developed by E&Y, in its capacity as the Interim Receiver, as outlined in the First Report, shall be carried out by the Receiver substantially in accordance with the timeline annexed as **Schedule "B"** hereto, with such changes as the Receiver deems appropriate in its sole discretion, acting reasonably.

GENERAL

30. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

31. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

32. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

33. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the

within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

34. THIS COURT ORDERS that the Applicant shall have its costs of this Motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

35. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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

NOV 2 6 2010

PER / PAR:

SCHEDULE "A"

RECEIVER'S CERTIFICATE

CERTIFICATE NO. ______________

AMOUNT $______________________

1. THIS IS TO CERTIFY that Ernst & Young Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties 2110458 Ontario Limited o/a Loretta Flour ("**211**"), 2131413 Ontario Limited o/a Loretta Foods ("**213**"), 787755 Ontario Limited o/a New Durham Trading and NDT Food Service ("**787**") and Tarbrac Holdings Inc. ("**Tarbrac**", and, together with 211, 213 and 787, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of November, 2010 (the "**Order**") made in an action having Court file number __-CL-_______, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of $___________, being part of the total principal sum of $___________ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the ________ day of each month] after the date hereof at a notional rate per annum equal to the rate of ______ per cent above the prime commercial lending rate of Bank of __________ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _______________, 20__.

ERNST & YOUNG INC., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: ______________________________

Name:
Title:

SCHEDULE "B"

TIMELINE FOR MARKETING AND SALE OF FRESH FOODS AND CATERING DIVISION

November 29 to December 11, 2010	• Prepare brief Confidential Information Memorandum (CIM), including required terms of sale and timeline for submission of purchase offers, and brief Investment Overview e-mail for distribution to prospective purchasers. • Compile list of industry participants that are most likely to be prospective purchasers. • Accumulate available due diligence information and populate electronic data room.
December 14, 2010 to January 7, 2011	• Contact prospective purchasers by phone and e-mail. • Circulate Confidentiality Agreements to interested parties. • Parties executing a Confidentiality Agreement will receive the CIM and access to the electronic data room. • Provide facility tours, as requested.
January 14, 2011	• Deadline for submission of purchaser offers, including required terms of sale.
January 15, 2011 to January 28, 2011	• Analysis and negotiation of purchaser offers. • Selection of successful purchaser. • Application to Court for approval of sale agreement and vesting order. • Closing of sale transaction.

BANK OF MONTREAL

Applicant

- and -

2110458 ONTARIO LIMITED O/A LORETTA FLOUR, 2131413 ONTARIO LIMITED O/A LORETTA FOODS, 787755 ONTARIO LIMITED O/A NEW DURHAM TRADING, AND O/A NDT FOOD SERVICE AND O/A SKYWAY WHOLESAE AND TARBRAC HOLDINGS INC.

Respondents

Court File No. CV-10-8991-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at Toronto

RECEIVERSHIP ORDER

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Lawyers for the Applicant

TAB C

Court File No.10-CV-8991-00CL

ONTARIO SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

IN THE MATTER OF THE INTERIM RECEIVERSHIP OF 2110458 ONTARIO LIMITED, 2131413 ONTARIO LIMITED, 787755 ONTARIO LIMITED AND TARBRAC HOLDINGS INC.

IN THE MATTER OF SECTION 47(1) OF THE *BANKRUPTCY & INSOLVENCY ACT*, R.S.C. 1985, C. B-3, as amended, and SECTION 101 OF THE *COURTS OF JUSTICE ACT* R.S.O. 1990, C.C. 43, as amended

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FIRST REPORT TO THE COURT OF ERNST & YOUNG INC. AS INTERIM RECEIVER

November 25, 2010

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Lawyers for Ernst & Young Inc., in its capacity as Court-appointed Interim Receiver.

Court File No.10-CV-8991-00CL

ONTARIO SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

IN THE MATTER OF THE INTERIM RECEIVERSHIP OF 2110458 ONTARIO LIMITED, 2131413 ONTARIO LIMITED, 787755 ONTARIO LIMITED AND TARBRAC HOLDINGS INC.

IN THE MATTER OF SECTION 47(1) OF THE *BANKRUPTCY & INSOLVENCY ACT*, R.S.C. 1985, C. B-3, as amended, and SECTION 101 OF THE *COURTS OF JUSTICE ACT* R.S.O. 1990, C.C. 43, as amended

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FIRST REPORT TO THE COURT OF ERNST & YOUNG INC. AS INTERIM RECEIVER

November 25, 2010

BACKGROUND

1. On November 10, 2010, Bank of Montreal ("**BMO**") made an application to the Court for an order, and the Court made an order (the "**Appointment Order**"), appointing Ernst & Young Inc. ("**EYI**") as an interim receiver (the "**Interim Receiver**") pursuant to Section 47(1) of the *Bankruptcy & Insolvency Act* and pursuant to Section 101 of the *Courts of Justice Act* of 2110458 Ontario Limited ("211"), 2131413 Ontario Limited ("**213**"), 787755 Ontario Limited ("**787**") and Tarbrac Holdings Inc. ("**Tarbrac**") (collectively the "**Debtors**"). A copy of the issued Appointment Order is attached as Appendix "**A**" to this Report.

2. The Interim Receiver was not authorized or directed to take possession or control of the Property (as defined below) of the Debtors. The Interim Receiver was authorized and directed to protect and preserve the assets of the Debtors, to review the affairs of the Debtors and to report to the Court in connection therewith. One of the initial tasks of the Interim Receiver is to report and make recommendations in respect of the sale of the businesses and assets of the Debtors. The Appointment Order ordered that the Interim Receiver be empowered and authorized, inter alia:

   (a) to receive, preserve and protect the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including any proceeds thereof (collectively, the "**Property**"), and including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(b) to monitor the receipts and disbursements of the Debtors, including, without limitation, the right to access all information related to the Debtors' accounts or finance activities at any financial institution, with any trade creditor or with any other party;

(c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Interim Receiver's powers and duties;

(d) to develop a plan in furtherance of marketing any or all of the Property, including obtaining appraisals of all or any part of the Property as the Interim Receiver in its discretion may deem appropriate, advertising and soliciting offers in respect of the Property or any part or parts thereof, undertaking discussions and negotiations with parties known to have expressed an interest in any or all of the Property, and developing such terms and conditions of sale as the Interim Receiver in its discretion may deem appropriate;

(e) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;

(f) to conduct any examinations under oath deemed necessary, including, without limitation, examinations of Guiseppe Gatti, Peter Nelipa or any other director, officer or employee of the Debtors; and

(g) to undertake any investigations deemed necessary by the Interim Receiver with respect to the location and/or disposition of assets reasonably believed to be, or to have been, property of the Debtors.

PURPOSE

3. This is the first report of the Interim Receiver. The purpose of this Report is to:

- Provide the Court with an overview of the Debtors and their operations;
- Update the Court on the actions taken to date by the Interim Receiver in preserving and protecting the Property and in monitoring the receipts and disbursements of the Debtors;
- Update the Court on the actions taken to date by the Interim Receiver in investigating the location and/or disposition of assets reasonably believed to be, or to have been, property of the Debtors, and the issues identified through those procedures;

- Update the Court on the Interim Receiver's development of a plan in furtherance of marketing any or all of the Property, including the Interim Receiver's recommendation to the Court in that regard;
- Provide the Court with the Interim Receiver's recommendation in respect of the motion that the Interim Receiver understands BMO intends to make for the appointment of EYI as full Court-appointed receiver of the Debtors; and
- Seek the Court's approval of the Interim Receiver's activities to date, including activities undertaken by EYI in contemplation of its potential appointment as Interim Receiver.

Terms of Reference

4. In developing this Report, the Interim Receiver has relied upon unaudited financial information, the Debtors' records, and discussions with the management of the Debtors. The Interim Receiver has not audited, reviewed or otherwise verified such information. The Interim Receiver notes in particular that due to the significant difficulties experienced to date in obtaining information from the accounting system of the Debtors, as described in greater detail below, the Interim Receiver has been unable to corroborate many aspects of the information obtained through discussions with the management of the Debtors.

5. Monetary amounts in this Report are in Canadian dollars unless otherwise indicated. Where applicable in this Report, United States dollar amounts have been converted into Canadian dollars at par.

OVERVIEW OF THE DEBTORS AND THEIR OPERATIONS

Corporate and Senior Management Structure

6. The Interim Receiver's summary understanding of the ownership and senior management structure of the Debtors and their affiliates (collectively, the "**Loretta Group**") is set out below, and is also summarized for the convenience of the Court in Appendix "**B**" to this Report:

   (a) Mr. Giuseppe Gatti is the individual responsible for overall direction of the Loretta Group. In the affidavit of Mr. Robert Kiefer filed with BMO's motion materials seeking the Appointment Order (the "**Kiefer Affidavit**"), Mr. Kiefer indicated his understanding that Mr. Gatti is the Vice-President of each of 211 and 213 and the Chief Operating Officer of 787. Mr. Gatti is listed on the Loretta Foods web site (www.lorettafoods.com) as the President and CEO of Loretta Foods;

   (b) The common shares of Tarbrac are owned by Ms. Taragh Bracken, whom the Interim Receiver understands is the spouse of Mr. Gatti. Ms. Bracken is also the sole director of Tarbrac. The Interim Receiver understands that 100% of the

Class A preference shares of Tarbrac are held by GRS International Ltd., which also acts as broker for 787 on certain of the trading transactions described below;

(c) 211, 213 and North Dakota Holdings Ltd. ("**NDHL**") are wholly-owned subsidiaries of Tarbrac. EYI was not appointed Interim Receiver of NDHL but, under the Appointment Order, is authorized to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have (whether in relation to NDHL or any other entity); and

(d) the sole shareholder of 787 is Mr. Peter Nelipa. As described below, Mr. Nelipa is also the Director of Operations for the flour milling operations carried out by 211.

Operations

7. 211 operates primarily from leased premises located in Whitby, Ontario (the "**Whitby Premises**"). 211 operates under the registered trade name "**Loretta Flour**" and is also known as the "Loretta Flour Division" of the Loretta Group's operations. 211 produces various types of hard wheat flour from wheat sourced from Ontario and Western Canada. The majority of 211's sales are to retail, foodservice, and industrial customers located throughout Eastern Canada and the United States. The Loretta Flour Division employs 10 people and, according to its unaudited internal financial statements, had revenues of approximately $41.2 million for the nine months ended September 30, 2010. Day-to-day operations are directed by Mr. Nelipa, as Director of Operations, from the Whitby Premises.

8. 213 operates from leased premises located on Sismet Drive, Mississauga, Ontario (the "**Sismet Premises**"). 213 operates under the registered trade name "**Loretta Foods**" and is also known as the "Loretta Spice Division" of the Loretta Group's operation. 213 is responsible for sourcing and redistributing spices and food mixes globally, as well as blending and repackaging spices for use in various packs and sizes to satisfy home use and institutional customers. The Loretta Spice Division employs approximately 34 people and, according to its unaudited internal financial statements, had revenues of approximately $27.0 million for the nine months ended September 30, 2010. Day-to-day operations are directed by a Director of Operations located at the Sismet Premises.

9. 213 formerly operated from leased premises located at 6820 Davand Drive, Mississauga, Ontario. The Interim Receiver understands that the premises in question (the "**Vacant Davand Premises**") are still leased by the Debtors but are currently vacant.

10. 787 operates from leased premises located on 6815 Davand Drive in Mississauga, Ontario, (the "**Davand Premises**"). The Davand Premises also serve as the head office location for the Loretta Group.

11. 787 is also known as the "Food Service and Catering Division" of the Loretta Group's operations. Operating under the registered trade name "**NDT Food Service**", 787 is responsible for the daily production of food items, including sandwiches, grab and go meals, soups, fresh salads, desserts and pastries for sale by or in mobile caterers, vending

machines, contract caterers and convenience stores. Orders are taken and filled in person or online and are delivered to the customer or picked-up at the large, on site, cash and carry outlet store located at the Davand Premises. The Foodservice and Catering Division directly services large and small corporate, chain store and institutional client accounts with food products and catering services. The Food Service and Catering Division currently employs approximately 52 people. It is the Interim Receiver's understanding from discussions with management of the Debtors that the Food Service and Catering Division has weekly sales of approximately $90,000. However, because the financial statements of 787 reflect the combined operating results of the Food Service and Catering Division and the trading activities described below, the Interim Receiver has not been able to separately identify the aggregate revenues of the Food Service and Catering Division for the nine months ended September 30, 2010. Day-to-day operations of the Food Service and Catering Division are directed by a Director of Operations and a Production Manager, both of whom are located at the Davand Premises.

12. In the recent past, 787 has also engaged in trading bulk sugar, flour, spices and other items, operating under the registered trade names **"New Durham Trading"** and/or **"Skyway Wholesale."** The Interim Receiver understands that this trading was conducted (i) to reduce or hedge the prices paid by 211 and 213 for their commodity inputs, (ii) as a broker, to earn commission income by sourcing low-cost commodities for major customers of 787 and other Loretta Group entities, and (iii) as a principal, for profit for its own account. These activities were directed by Mr. Gatti. It is the Interim Receiver's understanding that 787 is no longer conducting these activities, although certain of the related accounts receivable remain on its balance sheet.

13. It is the Interim Receiver's understanding that Tarbrac is a holding company that holds investments in 211, 213 and NDHL and does not carry on any active business.

14. In the Kiefer Affidavit, Mr. Kiefer indicated his understanding that (i) NDHL leases facilities at 1115 West Elm Avenue, Monroe, Michigan (the **"Monroe Warehouse"**) and Colgate, North Dakota for storage of inventory of the Debtors that is distributed by the Debtors to customers in the United States, and (ii) the estimated value of the Debtors' inventory located at the Monroe Warehouse as at August 31, 2010 was $7,800,000. Based on the activities undertaken to date by the Interim Receiver in respect of NDHL, as discussed below, neither the current business activities of NDHL nor the disposition of the inventory formerly located at the Monroe Warehouse is well understood.

Secured Creditors

15. The primary secured creditors of the Debtors are BMO and Signature Bank, a New York-based financial institution (**"Signature"**).

16. The Interim Receiver understands that BMO is owed approximately US$17.6 million and C$50,000 excluding costs and excluding interest accruing from November 4, 2010 (the **"BMO Debt"**) and has security upon all of the assets of the Debtors (including a pledge of the shares of 787) as security for those obligations. These obligations arise under two agreements. The first is a term sheet pursuant to which BMO provided four credit

facilities to 787, 213 and 211. The Interim Receiver understands that Tarbrac has guaranteed the obligations of 787, 213 and 211 to BMO under the term sheet. The second is a discounting facility agreement between 787 and BMO pursuant to which BMO factored certain of 787's accounts receivable. The Interim Receiver understands that 213, 211 and Tarbrac have each guaranteed the obligations of 787 to BMO under that discounting facility agreement. The Interim Receiver understands that each of 213, 211, 787 and Tarbrac have granted security interests and charges upon all of their property in favour of BMO as security for their obligations to BMO. In addition, the Interim Receiver understands that Mr. Nelipa has pledged the shares in 787 to BMO as security for the obligations arising under his guarantee of the obligations of the Debtors to BMO. The Interim Receiver has not undertaken a review of the security for the BMO Debt and accordingly does not express any opinion thereon.

17. The Interim Receiver understands that 787, 211 and 213 are indebted to Signature in the amount of approximately US$12.3 million (the "**Signature Debt**") and that those Debtors have granted security to Signature for that obligation. The Interim Receiver also understands that Mr. Gatti and Tarbrac have guaranteed those obligations to Signature. On November 22, 2010, Signature demanded payment. A copy of Signature's demand for payment is attached as Appendix "**C**". The Interim Receiver has not undertaken a review of the security for the Signature Debt and accordingly does not express any opinion thereon.

ACTIVITIES OF THE INTERIM RECEIVER, INCLUDING PRE-APPOINTMENT ACTIVITIES OF EYI

Activities Prior to Appointment

18. Prior to the issuance of the Appointment Order, EYI undertook numerous activities to plan for the execution of its responsibilities if appointed as Interim Receiver. These activities included:

   (a) Numerous discussions with BMO and its counsel to obtain a preliminary understanding of the assets, operations and liabilities of the Debtors;

   (b) Review of the financial information and borrowing base certificates provided to BMO by the Debtors. The Interim Receiver understands that the Signature loan agreement required the Debtors to provide Signature with the same information it provided to BMO;

   (c) Discussion with a representative of GDR Advisory Group Inc. ("**GDR**"), a firm specializing in the performance of collateral examinations on behalf of lenders. GDR had previously been retained by BMO to perform test counts of the inventory that served as part of the collateral for the BMO Debt, and EYI's purpose in speaking to GDR was to obtain a better understanding of the premises where GDR had performed test counts and of the quantities and organization of inventory at those premises. GDR indicated to EYI that it had most recently test-counted inventory at the Monroe Warehouse and the Sismet Premises on August

31 and September 1, 2010, respectively, in conjunction with the Debtors' August 31 inventory counts;

(d) Meeting briefly with Mr. Gatti and Mr. Michael Falcone (listed on the Debtors' web site at www.lorettafoods.com as the CFO of the Debtors) to obtain an understanding of the assets and operations of the Debtors, and particularly the physical location of Property of the Debtors; and

(e) Visiting the Davand Premises and the Sismet Premises briefly with Mr. Gatti to obtain an understanding of the steps that would be required to preserve and protect the Property at those facilities. It was not feasible to visit the Whitby Premises before the hearing of the motion for appointment of the Interim Receiver.

Limitations on Availability of Financial Information to the Interim Receiver

19. The individual who formerly acted as controller (the "**Former Controller**") for the Loretta Group resigned on November 3, 2010. The Interim Receiver has been advised by Mr. Gatti, Mr. Falcone and the individuals remaining in the Loretta Group accounting department that the Former Controller performed virtually all of the critical accounting functions. The Interim Receiver has been advised that there is nobody remaining at the Loretta Group who could answer most of the Interim Receiver's questions relating to the financial performance of the Loretta Group.

20. The Interim Receiver was further advised by Mr. Gatti and Mr. Falcone that nobody else at the Loretta Group had complete access to the accounting system and certain other electronic data. The Interim Receiver has been advised that the Debtors have been unable to access the information in order to answer the Interim Receiver's questions.

21. The Interim Receiver obtained access to the accounting system and other electronic data on November 18, 2010. The Interim Receiver engaged a qualified individual, with whom EYI has had experience when she was the accounting controller in a previous receivership, on a contract basis to assist the Interim Receiver in obtaining information from the Loretta Group's accounting systems.

22. The absence of a qualified individual with detailed knowledge of the Loretta Group's accounting records and past transactions has significantly limited the ability of the Interim Receiver to exercise its powers efficiently, on a timely basis, and (in some cases) completely. For example:

(a) As described below, it was necessary for the Interim Receiver to develop a weekly cash flow forecast rather than reviewing one prepared by the Debtors;

(b) The Debtors have been unable to cost the Spice inventory count conducted by the Interim Receiver, thereby requiring the Interim Receiver to attempt to do so using alternative methods; and

(c) The Interim Receiver has been unable to obtain consistent explanations for certain of the discrepancies described below.

Activities of the Interim Receiver to Preserve and Protect the Property

23. Since the issuance of the Appointment Order, the Interim Receiver has taken the following steps to preserve and protect the Property and to monitor receipts and disbursements of the Debtors:

(a) Changed the locks and, where applicable, alarm system security codes at the Davand Premises, the Sismet Premises and the Whitby Premises. After visually confirming that they do not appear to be occupied, the Interim Receiver did not change the locks at the Vacant Davand Premises;

(b) Provided keys to each of the premises to the applicable Director of Operations and to selected other employees (the Interim Receiver believes this is consistent with its mandate of protecting and preserving the Property but not taking possession or control of the Property which remains with the Debtors, subject to the terms of the Appointment Order);

(c) Notified the Debtors' insurers of the appointment of the Interim Receiver, and requested that the Interim Receiver be added as a loss payee and additional named insured;

(d) Conducted or arranged for inventory counts where it was cost-beneficial to do so. None of the Debtors maintains a perpetual inventory system.

(i) The Interim Receiver retained GDR, which had previously conducted test counts of the Debtors' inventory for BMO, to conduct a full count of physical inventory quantities at the Sismet Premises. As discussed in greater detail below, the Interim Receiver has not yet been able to obtain the aggregate book value corresponding to the physical count because it has not been able to obtain the unit costs that should be used to cost the inventory;

(ii) The Interim Receiver was able to conduct a full inventory count at the Whitby Premises when it changed the locks because the only inventory on site was a small quantity of finished goods;

(iii) The Interim Receiver did not conduct an inventory count at the Davand Premises because the inventory of the Food Services and Catering Division consists of a large number of perishable, low-dollar-value items, estimated by its Director of Operations to have an aggregate value of less than $300,000, and for which a full count would be disruptive to the seven-day operation of the Food Services and Catering Division;

(e) Arranged for the ability to electronically view the bank accounts recently established by the Debtors at the Canadian Imperial Bank of Commerce (**"CIBC"**);

(f) Worked with management of the Debtors to put in place procedures whereby support for all proposed payments by the Debtors is reviewed by the Interim Receiver, and the proposed payments are discussed by the Interim Receiver with the Debtors' management, as necessary, to provide the Interim Receiver with a reasonable level of comfort that the proposed payments relate to ordinary-course operation of the Debtors and do not constitute inappropriate dissipation of the Property;

(g) Using information obtained from the applicable Directors of Operations and with a review of historical bank and disbursement records, developed a weekly cash flow forecast against which the Interim Receiver could benchmark actual receipts and disbursements and estimate funding requirements during a sale process. Due to the recent resignation of the Former Controller as discussed in greater detail above, the Debtors did not have a current cash flow forecast or the ability to update any cash flow forecasts prepared previously;

(h) Worked with the Directors of Operations to establish procedures whereby (i) all supporting documentation for proposed shipments of inventory to customers is reviewed, and copies retained by the Interim Receiver prior to shipment of the goods in question, and (ii) copies of supporting documentation for all inventory receipts are provided to the Interim Receiver;

(i) Obtained copies of the accounts receivable subledgers for 211, 213 and 787 and discussed with the accounts receivable accountant and with Mr. Gatti the balances indicated in those subledgers; and

(j) Obtained copies of the fixed and leased asset listings of the Debtors that are available from the records of the Debtors, and attempted to confirm the existence and location of the major items on those lists. Other than a number of leased vehicles used by the Debtors' management and certain employees, the majority of the Debtors' fixed assets consist of the flour milling equipment at the Whitby Premises.

Activities of the Interim Receiver to Investigate the Location/Disposition of Assets

24. Subject to the significant information limitations described above, the information obtained to date by the Interim Receiver indicates that the working capital assets of the Debtors as at the date of the Appointment Order may be substantially less than those reported on the most recent unaudited internal financial statements and borrowing base certificates provided to BMO by the Debtors. Attached as Appendix **"D"** is a copy of the most recent consolidated unaudited internal financial statements of the Loretta Group (211, 213 and 787), which are as at September 30, 2010 (the **"September Statements"**) together with the most recent unaudited internal financial statements for each of 213, 211,

787 and Tarbrac. All of those financial statements are as at September 30, 2010 except for Tarbrac which are as at December 31, 2009.

25. During the course of the Interim Receiver's review of the books, records and affairs of the Loretta Group, the Debtors have not been able to adequately account for approximately $19 million of the inventory referred to in the September Statements. In addition, Mr. Gatti has advised that the amount of the accounts receivable set out in the September Statements is no longer accurate. The amount of the difference is very substantial. The Interim Receiver is continuing its review of the inventory and accounts receivable and is not currently in a position to comment on these differences including their rationale, accuracy, or the explanations provided for them

26. It is unclear whether sufficient value can be realized from the Property to fully repay the BMO Debt and the Signature Debt.

27. The Interim Receiver also notes that the amount of the Signature Debt reflected on the September Statements is approximately $2.4 million less than the amount indicated in Signature's demand letter at Appendix "**C**".

28. To date, neither Mr. Gatti nor Mr. Falcone has been able to provide explanations in respect of inventory and accounts receivable that are consistent with the available financial information or supported by other documentation.

29. In view of the above, the Interim Receiver has also taken a number of preliminary steps to investigate the location and/or disposition of assets it believes may be, or have been, property of the Debtors. These steps have included:

(a) Retaining Honigman, Miller, Schwartz and Cohn LLP as U.S. counsel to the Interim Receiver to advise on matters relating to Property potentially located in the United States, particularly inventory potentially located in the Monroe Warehouse. Although GDR indicated to EYI prior to EYI's appointment that GDR had test-counted inventory of the Debtors (which, at the time, had a book value of approximately $7.8 million) at the Monroe Warehouse on August 31, 2010, in Mr. Gatti's discussions with EYI prior to its appointment he indicated that there was currently no inventory of Loretta in the Monroe Warehouse, and to date he has been unable to provide a comprehensive or consistent explanation for the disposition of the inventory;

(b) Sending two representatives of the Interim Receiver to the Monroe Warehouse to inquire as to whether there was currently, or had recently been, any property of the Debtors on the premises. A representative of the organization occupying the warehouse indicated to the representatives of the Interim Receiver that his organization was not affiliated with the Loretta Group, although he was aware of the Loretta Group's financial situation, and refused to allow the representatives access to the premises or to answer any further questions; and

(c) Conducted an initial preliminary review of certain hard copy and electronic records of the Debtors that may be relevant to further investigation. The records reviewed included, inter alia, wire transfer records from the Debtors' bank accounts indicating that between October 20, 2010 and October 26, 2010, 787 and 213 made wire transfers to bank accounts of NDHL in the aggregate amount of $80,200 plus U.S. $743,100.

30. Before taking further steps with respect to these matters, the Interim Receiver proposes to consult with BMO and Signature.

DEVELOPMENT OF MARKETING PLAN

31. Based on the understanding of the Debtors' businesses gained during the procedures described above, and drawing on the experience of professionals from Ernst & Young Orenda Corporate Finance Inc. ("EYO", an affiliate of EYI) who specialize in the food and beverage industry, the Interim Receiver has developed a general approach to the marketing of the Debtors' assets for sale. For reasons that will be described in greater detail below, to date, the Interim Receiver has only prepared a detailed realization plan for the Food Service and Catering Division.

32. The Interim Receiver is of the view that the Food Service and Catering Division:

(a) Is separately managed, with its own Director of Operations, Production Manager and Purchasing Manager;

(b) Has minimal overlap or synergy with the Flour Division or Spice Division other than the use of the Loretta brand name label, which can also be found on name brand foods prepared by the other two divisions;

(c) Does not appear to derive significant value from the Loretta brand, as the majority of its sales are made to persons such as mobile caterers that pick up products directly and therefore have a level of familiarity with the Food Service and Catering Division employees;

(d) Has limited geographic scope and scalability due to the inherent limitations of transporting fresh foods, and is, therefore, likely to be of interest to a smaller group of potential purchasers, namely organizations that are either carrying on similar businesses or involved locally in areas of the food industry that would allow them to realize sales or purchasing synergies; and

(e) Has no apparent connection with the significant decline in accounts receivable or inventory noted in Appendix "**C**" or described above, because, as a largely cash-based business selling fresh foods, it has minimal accounts receivable or inventory.

33. Accordingly, the Interim Receiver is of the view that the Food Services and Catering Division (including the accounts receivable arising from the operation of that business) should be marketed forthwith for a potential sale of the property by a Court-appointed receiver, and that such an approach is unlikely to impair realizations from the remaining Property. In Appendix "**E**", the Interim Receiver has set out a proposed timeline for such

a sales process that would allow a sale to be closed by January 28, 2011. The "required terms of sale" noted in Appendix "**E**" would include standard insolvency sale terms (as is, where is, no representations, no warranties) as well as a requirement that the Interim Receiver (or, if the relief sought by BMO as described below is granted, the Court-appointed receiver) be allowed to continue to use the head office portion of the Davand Premises for a number of months to allow efficient administration of the receivership proceedings.

34. The Interim Receiver is still in the process of analyzing the factors driving value, and identifying the likely potential purchasers, at the Loretta Flour Division and Loretta Spice Division, and, accordingly, the Interim Receiver has not yet developed a detailed realization plan. The Interim Receiver expects that it (or, if the relief sought as described below is granted, the Court-appointed receiver) will apply to the Court in the near term for approval of a detailed realization plan for these assets.

35. The Interim Receiver does not currently have sufficient information to evaluate the realizable value, if any, of Tarbrac's investment in NDHL and, accordingly, it is not yet in a position to recommend a realization plan for this asset.

MOTION FOR APPOINTMENT OF RECEIVER

36. Based on the Interim Receiver's discussions with representatives of BMO and its advisors, the Interim Receiver understands that BMO intends to make a motion for an Order (the "**Receivership Order**"), inter alia,

(a) appointing EYI as Receiver (the "**Receiver**") of the Debtors;

(b) authorizing the Receiver to carry on the business of the Debtors;

(c) authorizing the Receiver to execute the sale process for the Food Services and Catering Division, as set out above and in Appendix E to this Report;

(d) authorizing the Receiver to develop and (with the further approval of the Court) execute detailed realization plans for the remaining Property;

(e) authorizing the Receiver to conduct inquiries and obtain copies of the books and records of NDHL as they relate to transactions with one or more members of the Loretta Group;

(f) authorizing the Receiver to exercise any shareholder, partnership, joint venture or other rights that the Debtors may have;

(g) authorizing the Receiver to make enquiries with Canadian financial institutions to determine if NDHL or members of the Loretta Group hold bank accounts with such financial institutions, and, if so, requiring such financial institutions to disclose the bank statements regarding such accounts;

(h) authorizing the Receiver to contact Bell Sympatico (or any other provider of information technology services to the Loretta Group) and requiring that such service provider disclose information related to the Loretta Group;

(i) amending the style of cause for this proceeding to include the registered trade names of the Debtors;

(j) in addition to granting the standard administrative charge for fees and disbursements of the Receiver and its counsel, granting the Interim Receiver a first-ranking priority charge (the "**IR Admin Charge**") for all amounts that would be subject to the Interim Receiver's Charge pursuant to paragraph 14 of the Appointment Order, subject to the continued requirement that the Interim Receiver and its counsel pass their accounts pursuant to paragraph 15 of the Appointment Order;

(k) approving the activities of the Interim Receiver as set out in this Report.

37. The Interim Receiver recommends (with respect to the relief described in subparagraph 36(k) above, the Interim Receiver respectfully requests) that the Court grant the relief requested. The Interim Receiver is of the view that the appointment of the Receiver will allow the acceleration of realizations from the Property and a more efficient investigation of the significant discrepancies noted previously.

38. The Interim Receiver wishes to bring to the attention of the Court the requested amendments to the style of cause in this proceeding. In these proceedings to date, the Interim Receiver has observed that the vast majority of the parties involved know the Debtors only by their registered trade names. The Interim Receiver is of the view that amending the style of cause to include the trade names will increase the efficiency of the receivership proceedings by making it clear to affected parties that the Debtors and the names they recognize are one and the same.

All of which is respectfully submitted this 25th day of November 2010.

ERNST & YOUNG INC.
Acting in its capacity as Interim Receiver of
2110458 Ontario Limited, 2131413 Ontario Limited,
787755 Ontario Limited and Tarbrac Holdings Inc.
not in its personal or corporate capacity.

Per:

Mike P. Dean, CA•CIRP
Senior Vice-President

Court File No. 10-CV-8991-00CL

IN THE MATTER OF THE INTERIM RECEIVERSHIP OF 2110458 ONTARIO LIMITED, 2131413 ONTARIO LIMITED, 787755 ONTARIO LIMITED AND TARBRAC HOLDINGS INC.

IN THE MATTER OF SECTION 47(1) OF THE *BANKRUPTCY & INSOLVENCY ACT*, R.S.C. 1985, C. B-3, as amended, and SECTION 101 OF THE *COURTS OF JUSTICE ACT* R.S.O. 1990, C.C. 43, as amended

ONTARIO
SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

Proceedings Commenced in Toronto

FIRST REPORT TO THE COURT OF ERNST & YOUNG INC., AS INTERIM RECEIVER

BORDEN LADNER GERVAIS LLP
Barristers and Solicitors
Scotia Plaza, 40 King Street West
Toronto, Ontario, M5H 3Y4

MICHAEL MACNAUGHTON
Tel.: 416-367-6646
Fax: 416-682-2837
LSUC # 25889U

HARRIET GREENWOOD
Tel.: 416-367-6100
Fax: 416-361-2562
LSUC # 58915H

Lawyers for Ernst & Young Inc., in its capacity as Court-appointed Interim Receiver.

TAB D

Court File No. CV-10-8991-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

BANK OF MONTREAL

Applicant

and

2110458 ONTARIO LIMITED, 2131413 ONTARIO LIMITED, 787755 ONTARIO LIMITED and TARBRAC HOLDINGS INC.

Respondents

APPLICATION UNDER SUBSECTION 47(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended, and SECTION 101 of the *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C. 43, as amended

AFFIDAVIT OF MIKE DEAN

I, Mike Dean, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am a Senior Vice-President of Ernst & Young Inc. and, as such, have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

BACKGROUND

2. On November 10, 2010, Bank of Montreal ("**BMO**" or the "**Applicant**") made an application to the Court for an order (the "**Interim Receivership Order**"), and the Court made an order, appointing Ernst & Young Inc. ("**EYI**") as an interim receiver (the "**Interim Receiver**"), pursuant to Section 47(1) of the *Bankruptcy & Insolvency Act* ("**BIA**") and pursuant to Section 101 of the *Courts of Justice Act,* of the assets, undertakings and properties of 2110458 Ontario Limited ("**211**") o/a Loretta Flour, 2131413 Ontario Limited ("**213**") o/a Loretta Foods, 787755 Ontario Limited ("**787**") o/a New Durham Trading and o/a NDT Food Service and o/a Skyway Wholesale, and Tarbrac Holdings Inc. ("**Tarbrac**") (collectively, the "**Debtors**" or the "**Loretta Group**").

3. On November 26, 2010, BMO made an application to the Court for an order, and the Court made an order (the "**Receivership Order**"), appointing EYI as receiver and receiver and manager (together, the "**Receiver**"), pursuant to section 243 of the BIA and section 101 of the *Courts of Justice Act,* of the assets, undertakings and properties of the Debtors (the "**Property**").

4. As described in the various reports to the Court by the Interim Receiver and the Receiver, the unaudited consolidated internal financial statements of the Debtors for the nine months ended September 30, 2010 indicated consolidated net income of $2.8 million for that period and consolidated assets of $64.7 million as at September 30, 2010. In addition, during the interim receivership, Loretta management made numerous oral comments to the Interim Receiver indicating (i) that they had received substantial unsolicited offers from third parties for the businesses of some or all of the debtors, and (ii) that management had obtained an appraisal for the production assets of Loretta Flour that indicated a value of approximately $9 million for these assets. However, due to the issues that included the recent departure of the Former Controller and the absence of any other qualified individual with detailed knowledge of the Debtors' records, the Interim Receiver and the Receiver encountered substantial limitations and delays in supporting the information provided by Loretta management with respect to the Debtors' assets and operations. Faced with this difficult fact pattern, the Interim Receiver and the Receiver recommended, and sought and

obtained Court approval to carry out an approach that combined an (i) an expedited going concern sales processes for the Debtors' three operating businesses, with the intention of realizing values of the magnitude represented by Loretta management and the Debtors' financial statements if those representations were accurate, with (ii) a preliminary investigation of the existence, location and/or disposition of the assets of the Debtors.

5. Net asset realizations were ultimately substantially less than the amounts represented by the Debtors' financial statements and Loretta management, for reason (discussed in detail in the various Receiver's reports) that included substantial discrepancies between recorded and realizable asset values and between recorded net income and the estimated actual operating results of the Debtors' businesses.

6. The operations of the Interim Receivership are complete.

INTERIM RECEIVER'S FEES AND DISBURSEMENTS

7. For the period November 8, 2010 to November 26, 2010 inclusive (the "**IR Period**"), the Interim Receiver's account amounts to $173,989.20 in fees, $16,248.90 in administrative expenses and disbursements and $24,730.95 in HST. Attached hereto as **Exhibit "A"** to this Affidavit is a summary of the invoice rendered by the Interim Receiver (the "**IR Account**") in connection with the interim receivership. A true copy of the IR Account, inclusive of details of the individuals involved in the activities of the Interim Receiver and the hours and applicable rates claimed, is attached as **Exhibit "B"** to this Affidavit.

ACTIVITIES OF THE INTERIM RECEIVER

8. The activities undertaken, and services provided, by the Interim Receiver in connection with the Loretta Group during the IR Period are described in the report of the Interim Receiver, and the IR Account, and included:

Activities Prior to the Interim Receivership Appointment

a. numerous discussions with the Applicant, and its counsel, to obtain a preliminary understanding of the assets, operations and liabilities of the Debtors;

b. reviewing the financial information and borrowing base certificates provided to the Applicant by the Debtors.

c. meeting with the Debtors' principals to obtain an understanding of the assets and operations of the Debtors, and particularly the physical location of the Property of the Debtors;

d. visiting the Debtors' premises with management, and discussions with a representative of the inventory count service formerly engaged by the Bank of Montreal in respect of the Debtors, to obtain an understanding of the steps that would be required to preserve and protect the Property at the Debtors', and third party, facilities;

e. obtaining an understanding of the ownership and senior management structure, operations and financial position of the Debtors and their affiliates;

f. engaging a qualified contract controller to assist the Interim Receiver in obtaining information from the Loretta Group's accounting systems, as there was no qualified individual with detailed knowledge of the Loretta Group's accounting records and past transactions remaining in the Loretta Group;

g. developing a weekly cash flow forecast against which the Interim Receiver, and the Receiver, could benchmark actual receipts and disbursements, estimate funding requirements during a sale process and establish procedures which include support for all sales and purchase transactions;

Activities to Preserve and Protect the Property Following the Interim Receivership Appointment

h. conducting and arranging for inventory counts at the Debtors' premises where it was cost beneficial to do so, and costing of 213's inventory count using alternative methods as the Debtor was unable to cost the count itself due to a lack of reliable costing information;

i. changing locks, alarm system security codes, and installing alarms where applicable, at the Debtors' premises and assigning access, as appropriate;

j. notifying the Debtors' insurers of the appointment of the Interim Receiver, and requested that the Interim Receiver be added as a loss payee and additional named insured;

k. working with directors of operations of the Debtors to establish procedures for the Interim Receiver to monitor the on-going operations of the Debtors. These procedures included:

    i. arranging for the ability to electronically view the bank accounts established by the Debtors;

    ii. obtaining support for all proposed payments by the Debtors to be reviewed by the Interim Receiver to provide a reasonable level of comfort that the proposed payments related to ordinary-course operation of the Debtors and did not constitute inappropriate dissipation of the Property;

    iii. reviewing historical bank and disbursement records to develop a weekly cash flow forecast against which the Interim Receiver could benchmark actual receipts and disbursements and estimate funding requirements during a sale process (due to the resignation of the former controller, the Debtors did not have a current cash flow forecast or the ability to update any cash flow forecasts prepared previously); and

    iv. reviewing supporting documentation for proposed shipments of inventory to customers and supporting documentation for all inventory receipts.

l. obtaining copies of the accounts receivable subledgers for 211, 213 and 787 and discussing with the credit manager, and with the principals, the balances indicated in those subledgers;

m. obtaining copies of the fixed and leased asset listings of the Debtors that were available from the records of the Debtors, and attempting to confirm the existence and location of the major items on those lists;

n. locating over fifty vehicles registered in the names of certain of the Debtors as being leased to the Debtors and determining the location of the vehicles, the drivers assigned to the vehicles and arranging for the return of the leased vehicles not needed for the Debtors' operations;

o. preparing one report to Court, assembling the requisite exhibits and attending in Court;

Activities to Develop a Marketing Plan

p. developing a general approach to the marketing of the Debtors' assets for sale, as well as a detailed realization plan for 787;

Activities to Investigate the Location/Disposition of Assets

q. investigating the inventory and accounts receivable on the Debtors' financial statements which the principals have advised was no longer accurate, and which the Debtors have not been able to adequately account for, totalling approximately $19 million; and

r. taking preliminary steps to investigate the location and/or disposition of assets the Interim Receiver believed may be property of the Debtors, which included:

    i. retaining Honigman, Miller, Schwartz and Cohn LLP as U.S. counsel to the Interim Receiver to advise on matters relating to property of the Debtors potentially located in the United States;

    ii. sending two representatives of the Interim Receiver to the Monroe Warehouse to inquire as to whether there was any property of the Debtors on the premises; and

iii. conducting a preliminary review of certain hard copy and electronic records of the Debtors that may be relevant to further investigation.

9. In the course of performing its duties pursuant to the Interim Receivership Order, the Interim Receiver and its staff have expended a total of 540.3 hours during the Period. Attached as **Exhibit "C"** to this Affidavit is a schedule setting out the personnel involved in the activities of the Interim Receiver and the hours and applicable rates claimed for the IR Period.

10. The hourly billing rates outlined in **Exhibit "C"** to this Affidavit are comparable to the hourly rates charged by Ernst & Young Inc. for services rendered in relation to similar proceedings.

11. The Interim Receiver has not received any remuneration or consideration other than the amounts claimed herein.

12. To the best of my knowledge, the rates charged by the Interim Receiver throughout the course of these proceedings are comparable to the rates charged by other large firms in the Toronto market for the provision of similar services.

DATED at Toronto, Ontario this 18th day of May, 2012.

SWORN BEFORE ME at the City of Toronto, in the Province of ~~Ontario on~~ this 18th day of May, 2012	
Commissioner for Taking Affidavits	Mike Dean
DONA C. GILBERTSON BARRISTER & SOLICITOR	

This is Exhibit "A" referred to in
the Affidavit of

Mike Dean

Sworn before me this 18th day of May, 2012.

A Commissioner, etc.

DONA C. GILBERTSON
BARRISTER & SOLICITOR

Exhibit "A"

The Loretta Group

Interim Receiver - Summary of Hours and Rates (15505611)
For the period from November 8 to November 26, 2010

Invoice Date	Invoice #	Period	Gross Fees	Discount	Net Fees	Disbursements	Administrative Expenses	HST	Total	Total Hours
November 26, 2010	CA0189596785	November 8 to November 26, 2010	197,715.00	(23,725.80)	173,989.20	589.87	15,659.03	24,730.95	214,969.05	540.30
		TOTAL	**197,715.00**	**-23,725.80**	**173,989.20**	**589.87**	**15,659.03**	**24,730.95**	**214,969.05**	**540.30**

This is Exhibit "B" referred to in
the Affidavit of

Mike Dean

Sworn before me this 18th day of May 2012.

A Commissioner, etc.

DONA C. GILBERTSON
BARRISTER & SOLICITOR

ERNST & YOUNG

Ernst & Young Inc.
Toronto, Ontario

Invoice

Invoice Number: CA0189596785
Date: December 20, 2010

Remit To:

P.O. Box 57104, Postal Station A
Toronto, Ontario M5W 5M5

A/R Queries :
416-943-3851
1-800-311-1104

Mr. Mike Dean
Senior Vice President
Ernst & Young Inc.
222 Bay Street, P.O. Box 251
Toronto-Dominion Centre
Toronto, ON M5K 1J7
Canada

Client Reference: 15505611

	CAD
TO FEES FOR PROFESSIONAL SERVICES rendered with respect to the Loretta Group for the period to November 26, 2010.	197,715.00
Less: Discount	(23,725.80)
Out-of-Pocket Expenses	589.87
Surcharge at 9%	15,659.03
Subtotal:	190,238.10
HST 13% Ontario:	24,730.95
TOTAL DUE:	$ 214,969.05

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST/HST: R123425522 **QST:** 1006354498

Wire transfer instructions:
Send direct and pay to: Bank of Montreal, International Banking, H.O. Montreal, SWIFT BIC Address BOFMCAM2, Ernst & Young LLP, Transit #2411 Account #24111000237, 6 King Street West, Toronto, Ontario, Canada, M5H 1C3; Reference the name & address of remitter, invoice number & engagement number

Loretta Group - Interim Receiver
Time Analysis for billing
Period ending November 26, 2010

EY Personnel	Title	Rate ($)	Period ending November 26, 2010 Hours		Total Fees Amount
Mike Dean	Senior Vice President, Restructuring	600	85.2	$	51,120.00
Stephen Dewis	Senior Vice President, M&A	600	3.5	$	2,100.00
Jeffrey Kerbel	Senior Vice President, Restructuring	575	4.4	$	2,530.00
Rahn Dodick	Senior Manager, Restructuring	400	105.7	$	42,280.00
Chris Free	Senior Manager, Restructuring	400	4.0	$	1,600.00
Linda Lister	Senior Manager, Forensic Investigation	400	1.5	$	600.00
Naomi Lieberman	Manager, Restructuring	350	41.9	$	14,665.00
Ingo Eckoldt	Manager, Restructuring	350	64.0	$	22,400.00
Paul Hamam	Senior Associate, M&A	350	4.6	$	1,610.00
Scott McKinnon	Manager, Forensic Technology	325	20.6	$	6,695.00
Miguel Rodrigues	Manager, Restructuring	300	26.9	$	8,070.00
Brad Newman	Manager, Restructuring	300	71.6	$	21,480.00
Brad Hehl	Manager, Restructuring	300	4.0	$	1,200.00
Clive Wong	Analyst, Forensic Technology	275	11.8	$	3,245.00
Rob Ferguson	Para-Professional, Manager	200	4.7	$	940.00
Marie Jackson	Para-Professional, Manager	200	2.3	$	460.00
Cameron Bear	Para-Professional, Manager	200	83.6	$	16,720.00
Total			**540.3**	**$**	**197,715.00**
Less: Discount					**23,725.80**
Sub-Total				**$**	**173,989.20**
Total out of pocket				**$**	**589.87**
Administrative Charge - 9%				**$**	**15,659.03**
Total				**$**	**190,238.10**

Loretta Group (60877372) - Loretta Foods (15505611)
Time Detail Summary by Individual

Person	Date	Hours	Description
Bear,Cam	9-Nov-10	1.2	LG - Prep for protection of Property review co. background material, correspond with Jeff
Bear,Cam	10-Nov-10	4.0	Attend Flour division, meet with P. Nelipa, tour facility, meet with locksmith, video premises and various assets on location. Discuss documentation with manager, employees, payroll issues.
Bear,Cam	11-Nov-10	9.0	Attend facility in Whitby, meet with Plant Manager, staff, complete equipment listing, supervise shipment, review Milling process, calls with alarm comnpany
Bear,Cam	12-Nov-10	0.5	Correspond with Rob re: Whitby facility, review Rahn's memo
Bear,Cam	15-Nov-10	7.6	Attend facility, meet with alarm co. rep. Operations discussion with Pete. Correspond with Brad at HO regarding production numbers.
Bear,Cam	16-Nov-10	3.0	Attend Whitby location, call to and from alarm co., discussions with Peter about documentation tracking going forward
Bear,Cam	16-Nov-10	2.9	Travel to Spice division, tour facility with Miguel, discuss documentation tracking, meet staff, call to alarm co. to set up appt., discuss same with Rahn
Bear,Cam	17-Nov-10	6.1	OS issues, speak with John about packaging to be added to inventory, meet with Mike, walk through, supervise shipments out, in.
Bear,Cam	18-Nov-10	0.5	Review shipments in and out of Flour Nov 17th, log. Correspond with Brad re: Flour
Bear,Cam	18-Nov-10	6.5	Review and approve shipments in, review Monroe doc's, correspond with Brad, discussions with John.
Bear,Cam	19-Nov-10	0.4	Review and Log Wheat in and Fllour out from previous day
Bear,Cam	19-Nov-10	2.0	Approve and Log shipments in, Dcw Admin staff at Spice, upload on Inventory tracking spreadsheet
Bear,Cam	19-Nov-10	0.3	Complete re protection of property memo
Bear,Cam	22-Nov-10	0.1	Log flour shipment out from prior Friday
Bear,Cam	22-Nov-10	8.0	Attend facility, supervise shipments, review inventory tracking workbook and discuss with Diana
Bear,Cam	23-Nov-10	7.4	Attend facility, supervise shipments out, dcw John vehicle reg's, tcw Ingo re: inventory, update workbook with Oct 19th costs, review Rahn's wire email, call bank to discuss, respond back to Rahn. Call from supplier wanting to retrieve goods, review email and advise Rahn.
Bear,Cam	24-Nov-10	6.0	Attend Spice, shipment approval, work on inventory costing, discussions with John, log shipments, meet with Mike.
Bear,Cam	25-Nov-10	0.3	Drive to Flour, observe and email back to Rahn
Bear,Cam	25-Nov-10	8.0	Attend Spice, review shipments, patrol warehouse per Rahn, meet with Ingo, make corrections to inventory tracker workbook for Diana.
Bear,Cam	25-Nov-10	1.0	Call to Garda, discuss Flour, email Order, call back from Rep to discuss requirements at Flour, email update back to Rahn.
Bear,Cam	25-Nov-10	0.2	Review Rahns email re: security at Flour, call to discuss.
Bear,Cam	26-Nov-10	0.3	Discuss with Rahn and call Pete to arrange for meeting at Flour on Monday
Bear,Cam	26-Nov-10	0.3	EMail Garda to advise of change in Appointment, precedural changes that will be needed at Flour regarding shipments. Review service contract and fax back.
Bear,Cam	26-Nov-10	5.0	Attend Spice, supervise shipments, format final inventory costing spreadsheet and email to team. Meet with Operations Director and Sales Director to explain Receivership appointment. Follow up meeting with Rahn included to discuss go forward plan. Correspond with Naomi re: vehicles.
Bear,Cam	26-Nov-10	3.0	Attend Flour, inspect facility, meet with staff to discuss security staffing, take posessioin back of keys to site. Meet with Garda Supervisor and guard, walk through premises. Call Pete Nelipa to advise him of security staffing, leave for Spice.
Bear,Cam Total		83.6	
Dean,Mike	8-Nov-10	6.1	LORETTA GROUP: detailed review of background info (BDO reports, financial statements); planning, coordinate staffing; ccw BMo/Aird & Berlis re status and next steps, follow-up call with Graff; tcw MacNaughton re independent counsel conflict search
Dean,Mike	9-Nov-10	7.2	LORETTA GROUP: planning, continued review of materials and coordinate staffing, third-party inventory counts (including tcw RDC Group) for potential interim receivership; various tcws Gatti re overall approach and on-site attendance
Dean,Mike	9-Nov-10	3.8	LORETTA GROUP: tcw Graff re approach to IR/NOI; tcw Kerbel re approach to IR protecting assets and expected timing; attend at Mississauga head office to meet with Gatti, Falcone, Dodick, improve general understanding of business and issues, tour Fresh Food facility; mtw Dodick to consider issues from Gatti discussion; ccw Dodick/Hill re status and expected timing; tcw Kerbel re HO attendance, impact on IR procedures and expected timing; v-mail to Kiefer re status and issues

Loretta Group (60877372) - Loretta Foods (15505611)
Time Detail Summary by Individual

Person	Date	Hours	Description
Dean,Mike	10-Nov-10	5.3	LORETTA GROUP: 2 x tcws Kiefer re status and issues; visit Mississauga spice plant (with Gatti, Dodick); mtw Dodick re planning for potential IR appointment; tcw Kiefer w update re spice plant visit; e-mails w GRD Consulting to update re potential inventory count; e-mails w EY US to update/coordinate re potential approach to Monroe; tcw Hill re potential approach to Monroe and need for US recognition; ccw Kiefer, Graff, Hill re overall timing and approach to US recognition/Monroe warehouse; tcws Sherick (U.S. counsel) re conflict check and approach to US recognition; supervision of property protection team including various update calls/e-mails with same; planning next steps; update to BMo/Aird & Berlis re status
Dean,Mike	10-Nov-10	2.6	LORETTA GROUP: Planning for taking possession/control of flour plant, including coordination of staffing; consider approach to realization process; review of/comments on draft IR order; supervision of possession-taking team; planning next steps; update to BMo/Aird & Berlis re status
Dean,Mike	10-Nov-10	2.9	LORETTA GROUP: Planning for possession/control of Fresh Foods operation, particularly communication with mgmt/employees, premises access and cash monitoring; review of/comments on draft IR order; supervision of property protection team; planning next steps; update to BMo/Aird & Berlis re status
Dean,Mike	11-Nov-10	2.4	Call with Gatti re EY Detroit attendance at Monroe warehouse; call with EY Detroit personnel to clarify same; further tcw Gatti re EY Detroit attendance at Monroe warehouse, Gatti explanation for Loretta/Quality transaction terms, inconsistency between Sep 2010 f/s and BMo borrowing base certificate vs explanation, supporting documentation available; update call w Dodick re Gatti discussions and approach to documentation; review EY Detroit summary e-mail re premises attendance, send reply with further questions re same, e-mails with Masse re same; consider issues re documentary inconsistency re Monroe inventory
Dean,Mike	11-Nov-10	0.3	Dcw Ferguson re on-site attendance in Whitby, additional information required, and approach to Saturday operation/shipments; 1/3 of dcw Dewis re status and overall realization approach
Dean,Mike	11-Nov-10	0.7	LORETTA GROUP: Tcw Sherick et al re approach to US recognition order for Monroe warehouse; develop and send list of procedures re same to EY Detroit team
Dean,Mike	11-Nov-10	1.1	LORETTA GROUP: Ccw EY Detroit team re approach to Monroe visit, e-mail to Sherick to update on timing and suggest land registry search re warehouse ownership, 1/3 of general Loretta update call with Dodick
Dean,Mike	11-Nov-10	0.2	LORETTA GROUP: 1/3 of general Loretta update call with Dodick
Dean,Mike	11-Nov-10	0.1	1/3 of dcw Dewis re status and overall realization approach
Dean,Mike	11-Nov-10	0.5	LORETTA GROUP: Dcw Kerbel re next steps - obtaining asset list, approach to prospective monitoring, 1/3 of general Loretta update call with Dodick
Dean,Mike	11-Nov-10	0.1	1/3 of dcw Dewis re status and overall realization approach
Dean,Mike	11-Nov-10	0.6	Consider issues re Monroe warehouse, review e-mail from US counsel re warehouse ownership, send update to Cdn and US counsel
Dean,Mike	12-Nov-10	0.6	Consider approach to sale process and CIM, including mtg with Dewis re same, update e-mail to Dodick re financial information required; review Dodick e-mail re status and next steps of control/monitoring work (1/3 of combined time on these issues)
Dean,Mike	12-Nov-10	0.2	Dcw Kerbel re on-site attendance alternatives; 1/3 of general communication with Merlo (signature) and LSRSG
Dean,Mike	12-Nov-10	0.6	Consider approach to sale process and CIM, including mtg with Dewis re same, update e-mail to Dodick re financial information required; review Dodick e-mail re status and next steps of control/monitoring work (1/3 of combined time on these issues)
Dean,Mike	12-Nov-10	0.6	2 x tcws Dodick re cash preservation/monitoring; 1/3 of general communication with Merlo (Signature) and LSRSG
Dean,Mike	12-Nov-10	1.5	Ccw Hill, Sherick re issues and next steps re Monroe inventory set-off; e-mail Dodick and tcw Dodick re additional information required for same; call to update Keifer re Monroe inventory issues; 1/3 of general communication with Merlo (Signature) and LSRSG
Dean,Mike	12-Nov-10	0.6	Consider approach to sale process and CIM, including mtg with Dewis re same, update e-mail to Dodick re financial information required; review Dodick e-mail re status and next steps of control/monitoring work (1/3 of combined time on these issues)
Dean,Mike	12-Nov-10	0.3	Consult w Kerbel re approach to Monroe inventory situation, EDC coverage on receivables
Dean,Mike	15-Nov-10	0.5	1/3 of ccw Signature Bank (Segona/Merlo) re background, status and issues and documentation of same; 1/3 of consultation w Lister re external vs former contract controller and imaging HDs and tcw Dodick re same; 1/3 of consultation w Lister re external vs former contract controller and imaging HDs and tcw Dodick re same
Dean,Mike	15-Nov-10	0.9	1/3 of ccw Signature Bank (Segona/Merlo) re background, status and issues and documentation of same; e-mails w Dodick and tcw Dodick re Quality flour pricing issue; 1/3 of consultation w Lister re external vs former contract controller and imaging HDs and tcw Dodick re same

Loretta Group (60877372) - Loretta Foods (15505611)
Time Detail Summary by Individual

Person	Date	Hours	Description
Dean,Mike	15-Nov-10	1.1	1/3 of ccw Signature Bank (Segona/Merlo) re background, status and issues and documentation of same; e-mails w Dodick re potential retention of previous or external contract controller, additional forensic procedures and consider issues re same; 1/3 of consultation w Lister re external vs former contract controller and imaging HDs and tcw Dodick re same
Dean,Mike	16-Nov-10	1.3	Tcw MacNaughton re issues re operation of unit in receivership, e-mails and tcw Dodick re employee base and projected cash flows, consider approach to realization, 1/3 of time to begin drafting 1st Report, 1/3 of general update tcw Kiefer.
Dean,Mike	16-Nov-10	1.6	Complete background review of BDO monitoring reports and consider impact of same on realizations, tcw Dodick re same, tcw MacNaughton re same, 1/3 of time to begin drafting 1st Report, 1/3 of general update tcw Kiefer, consider approach to realization.
Dean,Mike	16-Nov-10	0.8	Tcw MacNaughton re issues for continued operation, tcw Dodick re terms of continuing sales, 1/3 of time to begin drafting 1st Report, 1/3 of general update tcw Kiefer, consider approach to realization.
Dean,Mike	17-Nov-10	0.2	(1/3 of total time) Develop and provide summary comments to BMo on status and issues
Dean,Mike	17-Nov-10	0.2	(1/3 of total time) Develop and provide summary comments to BMo on status and issues
Dean,Mike	17-Nov-10	1.2	Consult w Hildebrand re blanket policy liability coverage for potential operation of Fresh Foods, e-mails w Dodick re existing Loretta policy coverage for same; consult w Pernica re potential operation of Fresh Foods; tcw Dodick and e-mails w Dodick re health inspection etc status of Fresh Foods; tcw MacNaughton re approach to potential operation of Fresh Foods, esp. tax/labour issues
Dean,Mike	17-Nov-10	0.2	(1/3 of total time) Develop and provide summary comments to BMo on status and issues
Dean,Mike	18-Nov-10	1.2	1/3 of general discussion w MacNaughton, Savage, Sclisizzi re potential forensic/litigation issues and approach to same; 1/3 of calls/e-mails w Dodick, MacNaughton re letter to Terry Mak demanding immediate delivery of passwords
Dean,Mike	18-Nov-10	1.2	1/3 of general discussion w MacNaughton, Savage, Sclisizzi re potential forensic/litigation issues and approach to same; 1/3 of calls/e-mails w Dodick, MacNaughton re letter to Terry Mak demanding immediate delivery of passwords
Dean,Mike	18-Nov-10	2.6	E-mails w Dodick re customer/staff attrition, consider impact of same on realization process, e-mail and multiple dcws Dewis re potential buyers, next steps and approach to CIM; 1/3 of general discussion w MacNaughton, Savage, Sclisizzi re potential forensic/litigation issues and approach to same; 1/3 of calls/e-mails w Dodick, MacNaughton re letter to Terry Mak demanding immediate delivery of passwords
Dean,Mike	19-Nov-10	2.4	1/3 of total time to prep for (esp. preparation of book value comparison schedule) and attend mtg w BLG, Bank of Montreal, Aird & Berlis re status, issues and proposed next steps; 1/3 of total time to update Dodick re BMo discussion, various e-mails w Dodick re operating issues and access to accounting system; 1/3 of total time to update draft book value comparison schedule and begin drafting first Court report
Dean,Mike	19-Nov-10	2.4	1/3 of total time to prep for (esp. preparation of book value comparison schedule) and attend mtg w BLG, Bank of Montreal, Aird & Berlis re status, issues and proposed next steps; 1/3 of total time to update Dodick re BMo discussion, various e-mails w Dodick re operating issues and access to accounting system; 1/3 of total time to update draft book value comparison schedule and begin drafting first Court report
Dean,Mike	19-Nov-10	2.4	1/3 of total time to prep for (esp. preparation of book value comparison schedule) and attend mtg w BLG, Bank of Montreal, Aird & Berlis re status, issues and proposed next steps; 1/3 of total time to update Dodick re BMo discussion, various e-mails w Dodick re operating issues and access to accounting system; 1/3 of total time to update draft book value comparison schedule and begin drafting first Court report
Dean,Mike	21-Nov-10	1.2	1/3 of time spent drafting first Court report, including various e-mails with BLG/Aird & Berlis re same
Dean,Mike	21-Nov-10	1.2	1/3 of time spent drafting first Court report, including various e-mails with BLG/Aird & Berlis re same
Dean,Mike	21-Nov-10	1.2	1/3 of time spent drafting first Court report, including various e-mails with BLG/Aird & Berlis re same
Dean,Mike	22-Nov-10	0.3	Draft first report; various e-mails with AB, LSRSG, BMo, BLG to coordinate BMo/Signature meeting; various e-mails with Dodick re additional information being obtained (1/3 of total time for all of the preceding)
Dean,Mike	22-Nov-10	1.1	Tcw Kiefer (BMo) re status and issues; tcw Lerner (Lenczner) re status, issues and next steps; tcw Savage and e-mails w Savage re next steps; exchange e-mails with creditor/potential purchaser re status of sale process; e-mails to set up secured creditor meeting; draft first Court report (1/3 of total time for all of the preceding)
Dean,Mike	22-Nov-10	0.8	Draft first IR report, including various e-mails w Dodick, MacNaughton, Rai (GDR) re same; e-mails w Kiefer re BMO request to Loretta that bank accounts move to BMO (1/3 of total time for all of preceding)
Dean,Mike	22-Nov-10	0.3	Draft first report; various e-mails with AB, LSRSG, BMo, BLG to coordinate BMo/Signature meeting; various e-mails with Dodick re additional information being obtained (1/3 of total time for all of the preceding)
Dean,Mike	22-Nov-10	0.8	Finalize first draft of Court report and circulate to BLG/Dodick for comments; tcw Dodick re status, issues and next steps and review documents located by Dodick re potential additional assets; general organization (1/3 of total time for the preceding)

Loretta Group (60877372) - Loretta Foods (15505611)
Time Detail Summary by Individual

Person	Date	Hours	Description
Dean,Mike	22-Nov-10	1.2	Tcw Kiefer (BMo) re status and issues; tcw Lerner (Lenczner) re status, issues and next steps; tcw Savage and e-mails w Savage re next steps; exchange e-mails with creditor/potential purchaser re status of sale process; e-mails to set up secured creditor meeting; draft first Court report (1/3 of total time for all of the preceding)
Dean,Mike	22-Nov-10	0.8	Draft first IR report, including various e-mails w Dodick, MacNaughton, Rai (GDR) re same; e-mails w Kiefer re BMO request to Loretta that bank accounts move to BMO (1/3 of total time for all of preceding)
Dean,Mike	22-Nov-10	0.3	Draft first report; various e-mails with AB, LSRSG, BMo, BLG to coordinate BMo/Signature meeting; various e-mails with Dodick re additional information being obtained (1/3 of total time for all of the preceding)
Dean,Mike	22-Nov-10	1.1	Tcw Kiefer (BMo) re status and issues; tcw Lerner (Lenczner) re status, issues and next steps; tcw Savage and e-mails w Savage re next steps; exchange e-mails with creditor/potential purchaser re status of sale process; e-mails to set up secured creditor meeting; draft first Court report (1/3 of total time for all of the preceding)
Dean,Mike	22-Nov-10	0.8	Finalize first draft of Court report and circulate to BLG/Dodick for comments; tcw Dodick re status, issues and next steps and review documents located by Dodick re potential additional assets; general organization (1/3 of total time for the preceding)
Dean,Mike	22-Nov-10	0.8	Draft first IR report, including various e-mails w Dodick, MacNaughton, Rai (GDR) re same; e-mails w Kiefer re BMO request to Loretta that bank accounts move to BMO (1/3 of total time for all of preceding)
Dean,Mike	22-Nov-10	0.8	Finalize first draft of Court report and circulate to BLG/Dodick for comments; tcw Dodick re status, issues and next steps and review documents located by Dodick re potential additional assets; general organization (1/3 of total time for the preceding)
Dean,Mike	23-Nov-10	2.5	1/3 of time to review BLG comments on draft report, make revisions to same (including appendices), discuss proposed sale timeline with Dewis, coordinate Dewis site visit, tcw BLG re further report revisions and circulate draft IR report to counsel for BMo and Signature; various e-mails with Dodick, GDR re inventory costing and inventory rollforward from Dec 31/09
Dean,Mike	23-Nov-10	1.9	E-mails w Dodick re 787 A/R collections, e-mails w BMO re sample factored receivable documentation; 1/3 of time to review BLG comments on draft report, make revisions to same (including appendices), discuss proposed sale timeline with Dewis, coordinate Dewis site visit, tcw BLG re further report revisions and circulate draft IR report to counsel for BMo and Signature
Dean,Mike	23-Nov-10	1.4	1/3 of time to review BLG comments on draft report, make revisions to same (including appendices), discuss proposed sale timeline with Dewis, coordinate Dewis site visit, tcw BLG re further report revisions and circulate draft IR report to counsel for BMo and Signature
Dean,Mike	24-Nov-10	2.3	Mtw Curly, Dodick, Dewis, Hamam to tour Fresh Foods plant and obtain understanding of key advantages/opportunities for CIM; mtw Dodick, Eckoldt re key financial info required for Fresh Foods sales process; dcw Gatti re pending draft of first IR report
Dean,Mike	24-Nov-10	0.8	Review Dodick comments on draft report, e-mail MacNaughton re certain issues noted in same, revise draft report for additional information; tcw Dodick re status, issues and next steps; e-mails with BMo, AB, LSRSG re expected timing for draft report, ccw MacNaughton/Collins re draft rec'p order (1/3 of total time for the preceding)
Dean,Mike	24-Nov-10	0.8	Review Dodick comments on draft report, e-mail MacNaughton re certain issues noted in same, revise draft report for additional information; tcw Dodick re status, issues and next steps; e-mails with BMo, AB, LSRSG re expected timing for draft report, ccw MacNaughton/Collins re draft rec'p order (1/3 of total time for the preceding)
Dean,Mike	24-Nov-10	1.6	Review Dodick comments on draft report, e-mail MacNaughton re certain issues noted in same, revise draft report for additional information; tcw Dodick re status, issues and next steps; e-mails with BMo, AB, LSRSG re expected timing for draft report, ccw MacNaughton/Collins re draft rec'p order (1/3 of total time for the preceding); e-mails/calls with GDR, Fuller Landau, BDO re mgmt representations for Monroe inventory
Dean,Mike	24-Nov-10	2.0	Visit Spice location: mtw Bear re shipment and inventory costing status, tour warehouse, mtw Coticone/Dodick re key suppliers, additional packaging needed and extent of inventory on hand Visit Spice location: mtw Bear re shipment and inventory costing status, tour warehouse, mtw Coticone/Dodick re key suppliers, additional packaging needed and extent of inventory on hand
Dean,Mike	25-Nov-10	0.7	E-mails and tcws Dodick to add security firm coverage on Whitby location
Dean,Mike Total		85.2	
Dewis,Stephen	24-Nov-10	3.5	Meeting at Loretta Foods - Fresh Food Business
Dewis,Stephen Total		3.5	
Dodick,Rahn	10-Nov-10	3.0	Fresh food business asset protection
Dodick,Rahn	10-Nov-10	3.5	Vist premises with Mike.

Person	Date	Hours	Description
Dodick,Rahn	10-Nov-10	3.0	Spice facility asset protection
Dodick,Rahn	11-Nov-10	4.1	cash flow, inventory, purchases, discussions with Mike Dean. Manage staff.
Dodick,Rahn	11-Nov-10	4.1	cash flow, inventory, purchases, asset protection, discussions with Mike Dean. Manage staff.
Dodick,Rahn	11-Nov-10	4.1	cash flow, inventory, purchases, asset protection, discussions with Mike Dean. Manage staff.
Dodick,Rahn	12-Nov-10	4.1	cash flow, inventory, purchases, asset protection, discussions with Mike Dean. Manage staff.
Dodick,Rahn	12-Nov-10	4.1	cash flow, inventory, purchases, asset protection, discussions with Mike Dean. Manage staff.
Dodick,Rahn	12-Nov-10	4.1	cash flow, inventory, purchases, asset protection, discussions with Mike Dean. Manage staff.
Dodick,Rahn	14-Nov-10	0.4	review of quality foods transactions
Dodick,Rahn	14-Nov-10	0.4	review of quality foods transactions
Dodick,Rahn	14-Nov-10	0.4	review of quality foods transactions
Dodick,Rahn	15-Nov-10	3.8	cash flow, discussions with John Curley, operations, staffing matters, other matters
Dodick,Rahn	15-Nov-10	3.8	cash flow, discussions with Miguel, operations, staffing matters, other matters
Dodick,Rahn	15-Nov-10	3.8	cash flow, meeting with Paul Carter operations, other matters
Dodick,Rahn	16-Nov-10	2.4	cash flow, meeting with Paul Carter operations, other matters
Dodick,Rahn	16-Nov-10	2.4	cash flow, discussions with Miguel, operations, staffing matters, other matters
Dodick,Rahn	16-Nov-10	2.4	cash flow, discussions with John Curley, operations, staffing matters, other matters
Dodick,Rahn	17-Nov-10	2.8	review computer records, supervize staff, cash flow, discussions with company staff and suppliers, discussions wtih Mike Dean, other matters
Dodick,Rahn	17-Nov-10	2.8	review computer records, supervize staff, cash flow, discussions with company staff and suppliers, discussions wtih Mike Dean, other matters
Dodick,Rahn	18-Nov-10	3.1	review computer records, supervize staff, cash flow, discussions with company staff and suppliers, discussions wtih Mike Dean, other matters
Dodick,Rahn	18-Nov-10	3.1	review computer records, supervize staff, cash flow, discussions with company staff and suppliers, discussions wtih Mike Dean, other matters
Dodick,Rahn	19-Nov-10	3.1	cash flow, access to servers, back up of servers, temp controller, inventory costing, inventory reports, operations, other matters
Dodick,Rahn	19-Nov-10	3.1	cash flow, access to servers, back up of servers, temp controller, inventory costing, inventory reports, operations, other matters
Dodick,Rahn	22-Nov-10	3.3	supervising EY staff, review IR report, discussions with company staff, cash flow matters, e-mail exchanges with Mike Dean, reports from accounting system, review of files to locate assets, other matters re: interim receivership
Dodick,Rahn	22-Nov-10	3.3	supervising EY staff, review IR report, discussions with company staff, cash flow matters, e-mail exchanges with Mike Dean, reports from accounting system, review of files to locate assets, other matters re: interim receivership
Dodick,Rahn	23-Nov-10	3.1	supervising EY staff, review IR report, discussions with company staff, cash flow matters, e-mail exchanges with Mike Dean, reports from accounting system, review of files to locate assets, other matters re: interim receivership
Dodick,Rahn	23-Nov-10	3.1	supervising EY staff, review IR report, discussions with company staff, cash flow matters, e-mail exchanges with Mike Dean, reports from accounting system, review of files to locate assets, other matters re: interim receivership
Dodick,Rahn	24-Nov-10	3.2	supervising EY staff, review IR report, discussions with company staff, cash flow matters, e-mail exchanges with Mike Dean, reports from accounting system, review of files to locate assets, other matters re: interim receivership
Dodick,Rahn	24-Nov-10	3.2	supervising EY staff, review IR report, discussions with company staff, cash flow matters, e-mail exchanges with Mike Dean, reports from accounting system, review of files to locate assets, other matters re: interim receivership
Dodick,Rahn	25-Nov-10	4.2	supervising EY staff, review IR report, discussions with company staff, cash flow matters, e-mail exchanges with Mike Dean, reports from accounting system, review of files to locate assets, other matters re: interim receivership
Dodick,Rahn	25-Nov-10	4.2	supervising EY staff, review IR report, discussions with company staff, cash flow matters, e-mail exchanges with Mike Dean, reports from accounting system, review of files to locate assets, other matters re: interim receivership
Dodick,Rahn	26-Nov-10	3.1	supervising EY staff, review IR report, discussions with company staff, cash flow matters, e-mail exchanges with Mike Dean, reports from accounting system, review of files to locate assets, other matters re: interim receivership

Loretta Group (60877372) - Loretta Foods (15505611)
Time Detail Summary by Individual

Person	Date	Hours	Description
Dodick,Rahn	26-Nov-10	3.1	supervising EY staff, review IR report, discussions with company staff, cash flow matters, e-mail exchanges with Mike Dean, reports from accounting system, review of files to locate assets, other matters re: interim receivership
Dodick,Rahn Total		105.7	
Eckoldt,Ingo	18-Nov-10	2.0	Inventory Costing Analysis
Eckoldt,Ingo	18-Nov-10	3.0	Cash Flow Forecast & Development
Eckoldt,Ingo	18-Nov-10	3.0	Cash Flow Forecast & Development
Eckoldt,Ingo	18-Nov-10	3.0	Cash Flow Forecast & Development
Eckoldt,Ingo	19-Nov-10	2.0	Inventory Costing Analysis
Eckoldt,Ingo	19-Nov-10	3.0	Cash Flow Forecast & Development
Eckoldt,Ingo	19-Nov-10	3.0	Cash Flow Forecast & Development
Eckoldt,Ingo	19-Nov-10	3.0	Cash Flow Forecast & Development
Eckoldt,Ingo	22-Nov-10	2.5	All companies: Daily bank reconciliations, PO & cheque reviews, cash flow amendments to actual vs forecast results
Eckoldt,Ingo	22-Nov-10	2.5	All companies: Daily bank reconciliations, PO & cheque reviews, cash flow amendments to actual vs forecast results
Eckoldt,Ingo	22-Nov-10	2.5	All companies: Daily bank reconciliations, PO & cheque reviews, cash flow amendments to actual vs forecast results
Eckoldt,Ingo	23-Nov-10	3.0	All companies: Daily bank reconciliations, PO & cheque reviews, cash flow amendments to actual vs forecast results
Eckoldt,Ingo	23-Nov-10	3.0	All companies: Daily bank reconciliations, PO & cheque reviews, cash flow amendments to actual vs forecast results
Eckoldt,Ingo	23-Nov-10	3.0	All companies: Daily bank reconciliations, PO & cheque reviews, cash flow amendments to actual vs forecast results
Eckoldt,Ingo	24-Nov-10	3.5	All companies: Daily bank reconciliations, PO & cheque reviews, cash flow amendments to actual vs forecast results
Eckoldt,Ingo	24-Nov-10	3.5	All companies: Daily bank reconciliations, PO & cheque reviews, cash flow amendments to actual vs forecast results
Eckoldt,Ingo	24-Nov-10	3.5	All companies: Daily bank reconciliations, PO & cheque reviews, cash flow amendments to actual vs forecast results
Eckoldt,Ingo	25-Nov-10	3.0	All companies: Daily bank reconciliations, PO & cheque reviews, cash flow amendments to actual vs forecast results
Eckoldt,Ingo	25-Nov-10	3.0	All companies: Daily bank reconciliations, PO & cheque reviews, cash flow amendments to actual vs forecast results
Eckoldt,Ingo	25-Nov-10	1.5	Spice: Review of spice packaging inventory re: potential 30 days claim by supplier
Eckoldt,Ingo	25-Nov-10	3.0	All companies: Daily bank reconciliations, PO & cheque reviews, cash flow amendments to actual vs forecast results
Eckoldt,Ingo	26-Nov-10	1.5	All companies: Daily bank reconciliations, PO & cheque reviews, cash flow amendments to actual vs forecast results
Eckoldt,Ingo	26-Nov-10	1.5	All companies: Daily bank reconciliations, PO & cheque reviews, cash flow amendments to actual vs forecast results
Eckoldt,Ingo	26-Nov-10	1.5	All companies: Daily bank reconciliations, PO & cheque reviews, cash flow amendments to actual vs forecast results
Eckoldt,Ingo Total		64.0	
Ferguson,Robert	11-Nov-10	0.8	Review court material, set up website and locate video cameras.
Ferguson,Robert	12-Nov-10	3.0	Attend Whitby location for the day. Discussion with Pete and review premises.
Ferguson,Robert	23-Nov-10	0.9	Return calls and download video to server.
Ferguson,Robert Total		4.7	
Free, Chris	11-Nov-10	0.5	Review of court order and Target information provided by EY Canada Restructuring team
Free, Chris	11-Nov-10	0.5	Conference call with EY Canada Restructuring team to discuss the case information provided and procedures to be performed
Free, Chris	11-Nov-10	0.8	Travel from Detroit to Target warehouse in Monroe, MI
Free, Chris	11-Nov-10	0.8	Time spent on-site at Target warehouse in Monroe, MI
Free, Chris	11-Nov-10	0.8	Travel from Target warehouse in Monroe, MI to Detroit
Free, Chris	11-Nov-10	0.6	Debrief conference call with Canadian Restructuring team and documentation of procedures performed
Free, Chris		4.0	
Hehl, Brad	11-Nov-10	0.5	Review of court order and Target information provided by EY Canada Restructuring team
Hehl, Brad	11-Nov-10	0.5	Conference call with EY Canada Restructuring team to discuss the case information provided and procedures to be performed

Loretta Group (60877372) - Loretta Foods (15505611)
Time Detail Summary by Individual

Person	Date	Hours	Description
Hehl, Brad	11-Nov-10	0.8	Travel from Detroit to Target warehouse in Monroe, MI
Hehl, Brad	11-Nov-10	0.8	Time spent on-site at Target warehouse in Monroe, MI
Hehl, Brad	11-Nov-10	0.8	Travel from Target warehouse in Monroe, MI to Detroit
Hehl, Brad	11-Nov-10	0.6	Debrief conference call with Canadian Restructuring team and documentation of procedures performed
Hehl, Brad		**4.0**	
Hamam,Paul F.	24-Nov-10	3.8	Site visti and meeting with Jon Curley. CIM template generation.
Hamam,Paul F.	26-Nov-10	0.8	CIM template generation.
Hamam,Paul F. Total		**4.6**	
Jackson,Marie	25-Nov-10	2.3	Create spreadsheet for Min of Transp, call National Bank for contact information.
Jackson,Marie Total		**2.3**	
Kerbel,Jeffrey	9-Nov-10	2.0	review bank corresp and reports, affidavit, motion materials, mtgs with mike and rahn on strategy, staffing issues, general file control
Kerbel,Jeffrey	9-Nov-10	2.0	general file control, staffing, review bank report, motion materials, affidavit, strategy meeting with mike and rahn
Kerbel,Jeffrey	11-Nov-10	0.4	general file control and supervision of staff
Kerbel,Jeffrey Total		**4.4**	
Lieberman,Naomi	11-Nov-10	3.0	general understanding, cash flow forecast, meeting w John and Amelia
Lieberman,Naomi	11-Nov-10	2.0	general understanding, cash flow forecast
Lieberman,Naomi	11-Nov-10	2.0	general understanding discussion w Joe & cash flow forecast
Lieberman,Naomi	12-Nov-10	1.1	general understanding, cash flow forecast, meeting w John and Amelia
Lieberman,Naomi	12-Nov-10	1.4	general understanding discussion w Joe & cash flow forecast
Lieberman,Naomi	12-Nov-10	0.5	online access to the bank accounts
Lieberman,Naomi	12-Nov-10	1.5	meeting and tour of the facility with Joe
Lieberman,Naomi	12-Nov-10	1.1	general understanding, cash flow forecast
Lieberman,Naomi	15-Nov-10	0.3	bank account access
Lieberman,Naomi	15-Nov-10	2.6	cash flow preparation (insurance, utilities, sales),
Lieberman,Naomi	15-Nov-10	0.3	bank account access
Lieberman,Naomi	15-Nov-10	2.6	cash flow preparation (insurance, utilities, sales, pre IR AR analysis),
Lieberman,Naomi	15-Nov-10	2.6	cash flow preparation (insurance, utilities, sales),
Lieberman,Naomi	15-Nov-10	0.3	bank account access
Lieberman,Naomi	16-Nov-10	0.2	bank account access
Lieberman,Naomi	16-Nov-10	1.9	cash flow preparation (insurance, utilities, sales, pre IR AR analysis),
Lieberman,Naomi	16-Nov-10	0.2	bank account access
Lieberman,Naomi	16-Nov-10	1.9	cash flow preparation (insurance, utilities, sales),
Lieberman,Naomi	16-Nov-10	1.9	cash flow preparation (insurance, utilities, sales),
Lieberman,Naomi	16-Nov-10	0.2	bank account access
Lieberman,Naomi	16-Nov-10	0.2	discussion w client re info requested by m&a, review of info provided
Lieberman,Naomi	16-Nov-10	0.2	discussion w client re info requested by m&a, review of info provided
Lieberman,Naomi	16-Nov-10	0.2	discussion w client re info requested by m&a, review of info provided
Lieberman,Naomi	16-Nov-10	0.5	working w John C re supplier payment and related calls
Lieberman,Naomi	17-Nov-10	0.4	working on flash report template for the bank
Lieberman,Naomi	17-Nov-10	0.4	working on flash report template for the bank

Loretta Group (60877372) - Loretta Foods (15505611)
Time Detail Summary by Individual

Person	Date	Hours	Description
Lieberman,Naomi	17-Nov-10	0.2	discussion w client re info requested by m&a, review of info provided
Lieberman,Naomi	17-Nov-10	0.2	working w John C re supplier payment and related calls
Lieberman,Naomi	17-Nov-10	1.2	cash flow preparation (insurance, utilities, sales),
Lieberman,Naomi	17-Nov-10	1.2	cash flow preparation (insurance, utilities, sales, pre IR AR analysis),
Lieberman,Naomi	17-Nov-10	0.4	working on flash report template for the bank
Lieberman,Naomi	17-Nov-10	1.4	cash flow preparation (insurance, utilities, sales),
Lieberman,Naomi	22-Nov-10	0.2	AR and AP report follow up
Lieberman,Naomi	22-Nov-10	0.2	AR and AP report follow up
Lieberman,Naomi	22-Nov-10	0.2	AR and AP report follow up
Lieberman,Naomi	23-Nov-10	0.2	AR and AP report follow up
Lieberman,Naomi	23-Nov-10	0.8	f/u with Ministry of Transportation to obtain full vehicle listing (attending at Ministry and related f/u, letters etc)
Lieberman,Naomi	23-Nov-10	0.2	AR and AP report follow up
Lieberman,Naomi	23-Nov-10	0.2	AR and AP report follow up
Lieberman,Naomi	23-Nov-10	0.8	f/u with Ministry of Transportation to obtain full vehicle listing (attending at Ministry and related f/u, letters etc)
Lieberman,Naomi	23-Nov-10	0.8	f/u with Ministry of Transportation to obtain full vehicle listing (attending at Ministry and related f/u, letters etc)
Lieberman,Naomi	24-Nov-10	0.1	AR and AP report follow up
Lieberman,Naomi	24-Nov-10	0.1	AR and AP report follow up
Lieberman,Naomi	24-Nov-10	0.1	AR and AP report follow up
Lieberman,Naomi	25-Nov-10	0.1	AR and AP report follow up
Lieberman,Naomi	25-Nov-10	0.7	f/u with Ministry of Transportation to obtain full vehicle listing (attending at Ministry and related f/u, letters etc)
Lieberman,Naomi	25-Nov-10	0.3	call w CIBC re next steps when appointed receiver
Lieberman,Naomi	25-Nov-10	0.7	f/u with Ministry of Transportation to obtain full vehicle listing (attending at Ministry and related f/u, letters etc)
Lieberman,Naomi	25-Nov-10	0.3	call w Moneris re EY becoming a Merchant
Lieberman,Naomi	25-Nov-10	0.7	f/u with Ministry of Transportation to obtain full vehicle listing (attending at Ministry and related f/u, letters etc)
Lieberman,Naomi	25-Nov-10	0.1	AR and AP report follow up
Lieberman,Naomi	25-Nov-10	0.1	AR and AP report follow up
Lieberman,Naomi	26-Nov-10	0.3	f/u with Ministry of Transportation to obtain full vehicle listing (attending at Ministry and related f/u, letters etc)
Lieberman,Naomi	26-Nov-10	0.3	f/u with Ministry of Transportation to obtain full vehicle listing (attending at Ministry and related f/u, letters etc)
Lieberman,Naomi	26-Nov-10	0.3	f/u with Ministry of Transportation to obtain full vehicle listing (attending at Ministry and related f/u, letters etc)
Lieberman,Naomi Total		41.9	
Lister,Linda M	17-Nov-10	1.0	BMO/Loretta Group discussions with Rohn, Scott; meeting at Loretta Group
Lister,Linda M	18-Nov-10	0.5	BMO/Loretta Group discussions with Rohn, Scott; meeting at Loretta Group
Lister,Linda M Total		1.5	
McKinnon,Scott	16-Nov-10	6.0	Loretta: Attending onsite at Loretta Mississauga re. systems.
McKinnon,Scott	17-Nov-10	3.8	Loretta: Calls and discussions re. meeting for server data copy. Set up and search images for specific detail.
McKinnon,Scott	18-Nov-10	1.8	Calls and correspondence re. meeting outsourced IT provider for server data copying.
McKinnon,Scott	19-Nov-10	1.0	Loretta: Respond to M. Dean information request and review forensic images
McKinnon,Scott	24-Nov-10	5.0	Attending onsite to acquire forensic image of one desktop computer. Meeting with Rene Malanao re. outsourced IT support. Copy data from file server for preservation. Review network security and remote access with R. Malanao.
McKinnon,Scott	25-Nov-10	2.5	Data extract and process for review by FIDS and Restructuring.
McKinnon,Scott	25-Nov-10	0.5	Discuss search requests with FIDS personnel.

Person	Date	Hours	Description
McKinnon,Scott Total		20.6	
Newman,Brad Tyler	10-Nov-10	3.4	Travel to and asset protection of Loretta Spice
Newman,Brad Tyler	11-Nov-10	0.7	Doumenting state of facility at the time of IR arrival - Fresh Foods
Newman,Brad Tyler	11-Nov-10	2.3	Setup of cash flow model for Fresh Foods
Newman,Brad Tyler	11-Nov-10	2.0	Setup of cash flow model for Loretta Flour
Newman,Brad Tyler	11-Nov-10	2.2	Setup of cash flow model for Loretta Spice
Newman,Brad Tyler	11-Nov-10	0.8	Meeting with Fresh Foods management to discuss operations and determine inputs for cash flow model
Newman,Brad Tyler	11-Nov-10	0.4	Review of lease listings
Newman,Brad Tyler	12-Nov-10	0.3	Discussion of fixed and overhead expenses for cash flow forecast
Newman,Brad Tyler	12-Nov-10	0.3	Discussion of fixed and overhead expenses for cash flow forecast
Newman,Brad Tyler	12-Nov-10	1.4	Meeting with Loretta Spice management to discuss inputs for cash flow model
Newman,Brad Tyler	12-Nov-10	0.3	Discussion of fixed and overhead expenses for cash flow forecast
Newman,Brad Tyler	12-Nov-10	0.6	Reviewing various disbursements and purchase orders
Newman,Brad Tyler	12-Nov-10	2.3	Updating cash flow forecasts for information provided by Loretta management
Newman,Brad Tyler	12-Nov-10	0.4	Preparing disbursement log template
Newman,Brad Tyler	12-Nov-10	0.8	Review of weekly sales reports and BMO bank accounts
Newman,Brad Tyler	12-Nov-10	3.2	Updating cash flow forecasts for information provided by Loretta management
Newman,Brad Tyler	14-Nov-10	1.6	Updating cash flow model and formulas
Newman,Brad Tyler	14-Nov-10	1.6	Updating cash flow model and formulas
Newman,Brad Tyler	14-Nov-10	1.4	Updating cash flow model and formulas
Newman,Brad Tyler	15-Nov-10	0.6	Review of Loretta AR process and listings
Newman,Brad Tyler	15-Nov-10	0.6	Review of Loretta AR process and listings
Newman,Brad Tyler	15-Nov-10	0.8	Discussions with CIBC to gain access to online banking system and review of online statements
Newman,Brad Tyler	15-Nov-10	0.8	Discussions with CIBC to gain access to online banking system and review of online statements
Newman,Brad Tyler	15-Nov-10	0.8	Discussions with CIBC to gain access to online banking system and review of online statements
Newman,Brad Tyler	15-Nov-10	0.9	Preparing and updating cash disbursement log for PO's and cheques
Newman,Brad Tyler	15-Nov-10	1.8	Updating cash flow model
Newman,Brad Tyler	15-Nov-10	0.6	Review of Loretta AR process and listings
Newman,Brad Tyler	15-Nov-10	0.9	Preparing and updating cash disbursement log for PO's and cheques
Newman,Brad Tyler	15-Nov-10	0.9	Preparing and updating cash disbursement log for PO's and cheques
Newman,Brad Tyler	15-Nov-10	1.4	Updating inputs and assumptions for cash flow model
Newman,Brad Tyler	16-Nov-10	2.3	Updating cash flow model
Newman,Brad Tyler	16-Nov-10	1.6	Updating cash disbursement log for daily payments and bank activity
Newman,Brad Tyler	16-Nov-10	2.2	Updating cash flow model
Newman,Brad Tyler	16-Nov-10	0.5	Review of bank statements, managing cash flows and updating disbursements for daily monitoring
Newman,Brad Tyler	16-Nov-10	2.8	Gaining access to controller's computer and review of blue link system
Newman,Brad Tyler	17-Nov-10	1.8	Review of bank statements, managing cash flows and updating disbursements for daily monitoring
Newman,Brad Tyler	17-Nov-10	2.2	Meeting with spice manager to discuss operations and gain required information for cash flow model
Newman,Brad Tyler	17-Nov-10	0.7	Preparing online bank statements for distribution to loretta accounting department for bank reconciliations
Newman,Brad Tyler	17-Nov-10	1.9	Updating cash disbursement log for daily payments and bank activity

Loretta Group (60877372) - Loretta Foods (15505611)
Time Detail Summary by Individual

Person	Date	Hours	Description
Newman,Brad Tyler	17-Nov-10	0.7	Preparing online bank statements for distribution to loretta accounting department for bank reconciliations
Newman,Brad Tyler	17-Nov-10	0.7	Preparing online bank statements for distribution to loretta accounting department for bank reconciliations
Newman,Brad Tyler	18-Nov-10	3.5	Preparing flour cash flow model and meeting with Paul Walker to discuss flour mill operations
Newman,Brad Tyler	18-Nov-10	1.8	Preparing lease listing for Fresh Foods for distribution to appraisers
Newman,Brad Tyler	18-Nov-10	0.7	Review of bank statements, managing cash flows and updating disbursements for daily monitoring
Newman,Brad Tyler	18-Nov-10	1.8	Updating cash disbursement log for daily payments and bank activity
Newman,Brad Tyler	19-Nov-10	0.6	Reviewing former controllers computer for information relating to Spice operations
Newman,Brad Tyler	19-Nov-10	0.5	Reviewing AR ledger and comparing to BMO receivable listing
Newman,Brad Tyler	19-Nov-10	0.5	Reviewing AR ledger and comparing to BMO receivable listing
Newman,Brad Tyler	19-Nov-10	0.5	Reviewing AR ledger and comparing to BMO receivable listing
Newman,Brad Tyler	19-Nov-10	0.4	Preparing lease agreements for distribution to legal council
Newman,Brad Tyler	19-Nov-10	0.8	Review of leased assets vs owned assets at fresh food
Newman,Brad Tyler	19-Nov-10	0.4	Preparing lease agreements for distribution to legal council
Newman,Brad Tyler	19-Nov-10	2.2	Updating cash flow model for RD and MD comments
Newman,Brad Tyler	19-Nov-10	0.9	Review of blue link system for information required to complete spice inventory valuation
Newman,Brad Tyler	19-Nov-10	0.5	Gaining access to controller's computer and review of blue link system
Newman,Brad Tyler	19-Nov-10	0.4	Gaining access to controller's computer and review of blue link system
Newman,Brad Tyler	19-Nov-10	0.5	Gaining access to controller's computer and review of blue link system
Newman,Brad Tyler	19-Nov-10	0.6	Preparing lease agreements for distribution to legal council
Newman,Brad Tyler	23-Nov-10	0.5	Pulling CIBC statements for cash disbursement review
Newman,Brad Tyler	24-Nov-10	0.5	Pulling CIBC statements for cash disbursement review
Newman,Brad Tyler	25-Nov-10	0.5	Pulling CIBC statements for cash disbursement review
Newman,Brad Tyler Total		71.6	
Rodrigues,Miguel Li	10-Nov-10	4.9	Asset protection incl. changing locks, review of premises
Rodrigues,Miguel Li	11-Nov-10	6.0	Opening the business, discussions with management and inventory count personnel, inventory count, review of deliveries, review of receipts, understanding the business.
Rodrigues,Miguel Li	12-Nov-10	5.5	Opening the business, discussions with management and inventory count personnel, inventory count, review of deliveries, review of receipts, understanding the business.
Rodrigues,Miguel Li	15-Nov-10	4.0	Discussions with management and sales staff, review of deliveries in and out, design of inventory tracker. Costing of inventory, transition to Cam, training staff to manage inventory system.
Rodrigues,Miguel Li	16-Nov-10	6.5	Discussions with management and sales staff, review of deliveries in and out, design of inventory tracker. Costing of inventory, transition to Cam, training Loretta Spice staff to manage inventory system.
Rodrigues,Miguel Lino Total		26.9	
Wong,Clive Ho-Yin	23-Nov-10	1.0	Loretta Group: Processing PST files into review environment. Setup PST review on notebook. Report on searches.
Wong,Clive Ho-Yin	24-Nov-10	0.5	Loretta Group: Meeting re workplan / searches
Wong,Clive Ho-Yin	24-Nov-10	1.5	Loretta Group: Processing PST files into review environment. Setup PST review on notebook. Report on searches.
Wong,Clive Ho-Yin	25-Nov-10	8.3	Loretta Group: Processing PST files into review environment. Setup PST review on notebook. Report on searches.
Wong,Clive Ho-Yin	25-Nov-10	0.5	Loretta Group: Meeting re workplan / searches
Wong,Clive Ho-Yin Total		11.8	
Grand Total		540.3	

This is Exhibit "C" referred to in
the Affidavit of

Mike Dean

Sworn before me this 18th day of May, 2012.

A Commissioner, etc.

DONA C. GILBERTSON
BARRISTER & SOLICITOR

Exhibit "C"

The Loretta Group

Interim Receiver - Summary of Hours and Rates (15505611)
For the period from November 8 to November 26, 2010

	Title	Number of Hours	Hourly Rate	Total ($)
Mike Dean	Senior Vice President, Restructuring	85.2	600.00	51,120.00
Stephen Dewis	Senior Vice President, M&A	3.5	600.00	2,100.00
Jeffrey Kerbel	Senior Vice President, Restructuring	4.4	575.00	2,530.00
Rahn Dodick	Senior Manager, Restructuring	105.7	400.00	42,280.00
Chris Free	Senior Manager, Restructuring	4.0	400.00	1,600.00
Linda Lister	Senior Manager, Forensic Investigation	1.5	400.00	600.00
Naomi Lieberman	Manager, Restructuring	41.9	350.00	14,665.00
Ingo Eckoldt	Manager, Restructuring	64.0	350.00	22,400.00
Paul Haman	Manager, M&A	4.6	350.00	1,610.00
Scott McKinnon	Manager, Forensic Technology	20.6	325.00	6,695.00
Miguel Rodrigues	Manager, Restructuring	26.9	300.00	8,070.00
Brad Newman	Manager, Restructuring	71.6	300.00	21,480.00
Brad Hehl	Manager, Restructuring	4.0	300.00	1,200.00
Clive Wong	Analyst, Forensic Technology	11.8	275.00	3,245.00
Robert Ferguson	Para-Professional	4.7	200.00	940.00
Marie Jackson	Para-Professional	2.3	200.00	460.00
Cam Bear	Para-Professional	83.6	200.00	16,720.00
Total before discount		540.3		197,715.00
Discount				(23,725.80)
Total net fees				173,989.20
	Blended rate after discount		322.02	

TAB E

Court File No. CV-10-8991-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

BANK OF MONTREAL

Applicant

and

2110458 ONTARIO LIMITED, 2131413 ONTARIO LIMITED, 787755 ONTARIO LIMITED and TARBRAC HOLDINGS INC.

Respondents

APPLICATION UNDER SUBSECTION 47(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended, and SECTION 101 of the *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C. 43, as amended

AFFIDAVIT OF ROGER JAIPARGAS
(Sworn 18 May 2012)

I, **ROGER JAIPARGAS**, of the City of Mississauga, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am a partner at the law firm of Borden Ladner Gervais LLP ("**BLG**") and as such have knowledge of the matters hereinafter deposed to.

2. Ernst & Young Inc. was appointed interim receiver (the "**Interim Receiver**") of the assets, undertakings and property of 2110458 Ontario Limited, 2131413 Ontario Limited, 787755 Ontario Limited and Tarbrac Holdings Inc. (collectively, the "**Debtors**") by Order of The Honourable Mr. Justice Campbell dated 10 November 2010. BLG is counsel to the Interim Receiver.

3. This affidavit is made in support of a motion for, *inter alia*, the approval of the fees and disbursements of BLG for the period 9 November 2010 to 26 November 2010.

4. BLG has provided services and incurred disbursements that are more particularly described in the invoices and detailed time dockets attached hereto and marked as **Exhibit "A".**

5. The detailed time dockets attached as Exhibit "A" are a fair and accurate description of the services provided and the amounts charged by BLG. Attached hereto and marked as **Exhibit "B"** is a summary of the hourly rates and time expended by the lawyers and staff whose services are reflected in the detailed time dockets in Exhibit "A".

6. BLG requests that the Court approve its accounts for the period 9 November 2010 to 26 November 2010 for fees in the amount of $33,278.96, taxable and non-taxable disbursements of $1,194.51 and HST of $4,480.38, for services rendered and recorded to 26 November 2010.

SWORN BEFORE ME at the City of)
Toronto, in the Province of Ontario,)
this 18th day of May, 2012)

A Commissioner for Taking Affidavits
JAMES SZUMSKI

ROGER JAIPARGAS

THIS IS EXHIBIT "A" TO THE AFFIDAVIT

OF ROGER JAIPARGAS SWORN BEFORE ME

ON THIS 18th DAY OF MAY, 2012

A Commissioner for taking affidavits, etc.

JAMES SZUMSKI

Borden Ladner Gervais

Borden Ladner Gervais LLP
Lawyers | Patent & Trade-mark Agents
Scotia Plaza, 40 King St W
Toronto, ON, Canada M5H 3Y4
T 416.367.6000 F 416.367.6749
blg.com

Ernst & Young Inc.
Ernst & Young Tower
Toronto-Dominion Centre
PO Box 251
Toronto, ON M5K 1J7

December 7, 2010

Invoice # 696688875

Attention: Mike P. Dean
Senior Vice President

Re: Project Loretta File No: 005258/000007

PROFESSIONAL SERVICES rendered to November 30, 2010 in connection with the above matter as described in the attached.

Fees	$ 44,644.50
Less Discount	(5,357.34)
Fee Balance	39,287.16
Disbursements	816.06
HST on Fees and Taxable Disbursements	5,212.25
Total this Invoice	**$ 45,315.47**

THIS IS OUR ACCOUNT - E. & O.E.

BORDEN LADNER GERVAIS LLP

By:
Michael J. MacNaughton

PAYABLE ON RECEIPT
INTEREST AT THE RATE OF 1.0% PER ANNUM MAY BE CHARGED ON ACCOUNTS WHICH ARE OVERDUE
GST/HST REGISTRATION # R869096974RT0001

Borden Ladner Gervais

Borden Ladner Gervais LLP
Lawyers | Patent & Trade-mark Agents
Scotia Plaza, 40 King St W
Toronto, ON, Canada M5H 3Y4
T 416.367.6000 F 416.367.6749
blg.com

Ernst & Young Inc.

PROFESSIONAL SERVICES RENDERED to November 30, 2010

Nov 15, 2010	M.J. MacNaughton	1.50	Review application record and interim receivership order; discussion with C. Hill.
Nov 16, 2010	H.J. Greenwood	0.20	Read order to determine time periods applicable to interim receiver.
Nov 16, 2010	M.J. MacNaughton	1.00	Consider powers of interim receiver; discussion with M. Dean concerning status and next steps.
Nov 17, 2010	H.J. Greenwood	0.60	Discussed with Sarah Stiner in Labour & Employment group, read applicable case, and prepared memo re indicators of employees v. independent contractors.
Nov 17, 2010	M.J. MacNaughton	2.00	Discussion with M. Dean; review affidavit; discussion with H. Greenwood re employment question; email to M. Dean re same.
Nov 18, 2010	H.J. Greenwood	0.80	Reviewed application record.
Nov 18, 2010	M.J. MacNaughton	2.90	Prepare for and attend meeting with M. Dean and M. Savage along with M. Sclisizzi concerning unusual transactions; consider employee withholding question; email to M. Dean re same; letter to counsel to T. Mak.
Nov 18, 2010	M. Sclisizzi	1.50	Meeting with Michael MacNaughton and Ernst & Young Interim Receiver (Mike Dean and Mike Savage) re fraud issues.
Nov 19, 2010	R. Jaipargas	0.40	Engaged on consideration on chain of emails in connection with bad debt insurance and possible options for receiver in connection with same and subsequent meeting with M. MacNaughton re same.
Nov 19, 2010	M.J. MacNaughton	4.50	Prepare for and attend meeting with M. Dean, M. Savage, R. Kiefer and S. Graff; consider questions related to broker advertisement and trademarks; review summary of book values and new information provided by Gatti and others; provide comments re same.
Nov 22, 2010	H.J. Greenwood	1.40	Reviewed application record and compiled secured creditor's information for Interim Receiver's Report.
Nov 22, 2010	M.J. MacNaughton	2.00	Review draft report of the interim receiver.

Borden Ladner Gervais

Borden Ladner Gervais LLP
Lawyers | Patent & Trade-mark Agents
Scotia Plaza, 40 King St W
Toronto, ON, Canada M5H 3Y4
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blg.com

Ernst & Young Inc.

Nov 23, 2010	E. Atienza	1.00	Conducted corporate information searches; ordered PPSA certificates from Companies and Personal Property Security Branch.
Nov 23, 2010	H.J. Greenwood	0.40	Received instructions re security review, sent out requests for corporate/ppsa searches.
Nov 23, 2010	M.J. MacNaughton	3.20	Revise interim receiver's report; discussions with M. Dean re same; circulate draft report.
Nov 24, 2010	E. Atienza	1.00	Conducted Sec. 427/Bank Act searches; conducted Execution (OWL) searches.
Nov 24, 2010	D. Di Felice	1.00	Correspondence with M. MacNaughton and H. Greenwood; review draft first report of receiver re sale of business.
Nov 24, 2010	H.J. Greenwood	0.20	Discussion with Dolores Di Felice re drafting APA for Fresh Foods and Catering Division.
Nov 24, 2010	H.J. Greenwood	2.00	Security review - Collected documents, reviewed Signature loan agreements.
Nov 24, 2010	B. Hayward	1.40	Tarbrac Holdings Inc et al: online insolvency searches and attending the courthouse at 393 University Avenue for bankruptcy searches. personal Properties Securities Documentation pick-up from the Ministry of Finance, Companies Branch at 393 University Avenue. Organization and attach to specified file. HG
Nov 24, 2010	M.J. MacNaughton	4.70	Review draft order and draft notice of motion; suggest changes to same; further review and revisions to draft interim receiver's report; send same to counsel to the debtors; discussions with respect to service and timing.
Nov 25, 2010	H.J. Greenwood	0.20	Reviewed Draft Order, Notice of Motion, Receivership Order, Consent of E&Y.
Nov 25, 2010	H.J. Greenwood	1.00	Security Review - Reviewed Signature Bank documents.
Nov 25, 2010	H.J. Greenwood	2.40	Drafted APA for sale of Fresh Foods and Catering Division, discussions with Dolores Di Felice.

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Nov 25, 2010	M.J. MacNaughton	4.70	Discussions with respect to pending motion; further review of draft order; discussions with H. Greenwood and others with respect to security review, trade mark questions and related matters; consider issues with respect to Quality; discussions with M. Sclisizzi.
Nov 25, 2010	M. Sclisizzi	0.70	Review / consider First Report and draft Receivership Order; office conference with Michael MacNaughton.
Nov 26, 2010	D. Di Felice	1.00	Engaged re preparation of draft asset purchase agreement; correspondence with M. MacNaughton and H. Greenwood re same.
Nov 26, 2010	H.J. Greenwood	0.60	Updated asset purchase agreement and reviewed comments, obtained title information for Whitby house owned by Taragh Bracken.
Nov 26, 2010	K. Hughes	0.40	Conducted sub search of 304 Dunlop Street East, Whitby to determine ownership.
Nov 26, 2010	M.J. MacNaughton	6.50	Prepare for and attend in court on motion for appointment or receiver; meeting with M. Dean and M. Savage; meeting with them and with representatives of Bank of Montreal and Signature; consider next steps.
Nov 26, 2010	G.J. Zimmerman	0.80	Project Loretta - conference with M. MacNaughton; reviewing court documents; commencing searches; reviewing search results and reporting.
Nov 29, 2010	M.V. Franklin	0.20	Reading emails from Michael MacNaughton.
Nov 29, 2010	H.J. Greenwood	2.00	Drafted memo re interplay between interim receiver under s.47 of CCAA and s.101 of CJA.
Nov 29, 2010	M.J. MacNaughton	3.20	Deal with employee questions; consider options with respect to Quality and Synergy; review additional documents provided by M. Savage; discussion with J. Szumski with respect to review of Bank of Montreal's security.
Nov 29, 2010	J. Szumski	2.50	Meeting with Michael MacNaughton to discuss review of security of Bank of Montreal; began reviewing PPSA, corporate profile, insolvency, OWL and other relevant search results; prepared summary tables of relevant information from each.

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Nov 30, 2010	M.V. Franklin	1.80	Reviewing correspondence and order; drafting template letters to comply with new form of order; telephone call with Mike Dean; reporting to Michael MacNaughton.
Nov 30, 2010	M.J. MacNaughton	2.50	Provide materials to M. Sclisizzi for review; prepare summary; further consideration of next steps; review of additional documents provided by the Receiver; follow up on employee questions.
Nov 30, 2010	J. Szumski	7.70	Continued reviewing and summarizing search results for a review of the Bank of Montreal security; began reviewing security documents and preparing a security report; research in respect of Bank Act and PPSA security; meeting with Michael MacNaughton to discuss status of the security review.

TO OUR FEES	$ 44,644.50
Less Discount	(5,357.34)
FEE BALANCE	39,287.16

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FEE SUMMARY

Timekeeper	Hours	Avg. Rate/Hr.	Amount
E. Atienza	2.00	$ 202.40	$ 404.80
D. Di Felice	2.00	528.00	1,056.00
M.V. Franklin	2.00	466.40	932.80
H.J. Greenwood	11.80	277.20	3,270.96
B. Hayward	1.40	176.00	246.40
K. Hughes	0.40	167.20	66.88
R. Jaipargas	0.40	558.80	223.52
M.J. MacNaughton	38.70	734.80	28,436.76
M. Sclisizzi	2.20	572.00	1,258.40
J. Szumski	10.20	277.20	2,827.44
G.J. Zimmerman	0.80	704.00	563.20
	71.90		$ 39,287.16

DISBURSEMENTS:

Non-Taxable		
Teraview Search Fees	$9.00	
Total Non-Taxable Disbursements	9.00	
Taxable	G=GST; Q=QST; H=HST; P=PST	
Bank Act Search & CSRS (Disbs)	32.00	H
Bank Act Search & CSRS (Fees)	24.00	H
Copies	489.30	H
Courier	20.76	H
Cyberbahn Search (Disbs)	68.00	H
Cyberbahn Search (Fees)	40.00	H

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Industry Canada Search	56.00	H	
PPSA Searches	56.00	H	
Teraview Search Fees	21.00	H	
Total Taxable Disbursements	807.06		
Total Disbursements			816.06
Total Fees and Disbursements			40,103.22
HST on Fees and Taxable Disbursements			5,212.25
TOTAL THIS INVOICE			$ 45,315.47

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December 31, 2010

Invoice # 696698375
Page 1

Attention: Mike P. Dean
Senior Vice President

Re: Project Loretta — File No: 005258/000007

PROFESSIONAL SERVICES rendered to December 31, 2010 in connection with the above matter as described in the attached.

Fees	$ 84,705.00
Less Discount	(10,164.60)
Fee Balance	74,540.40
Disbursements	2,560.61
HST on Fees and Taxable Disbursements	10,006.10
Total this Invoice	**$ 87,107.11**

THIS IS OUR ACCOUNT - E. & O.E.

BORDEN LADNER GERVAIS LLP

By:
Michael J. MacNaughton

PAYABLE ON RECEIPT
INTEREST AT THE RATE OF 1.0% PER ANNUM MAY BE CHARGED ON ACCOUNTS WHICH ARE OVERDUE
GST/HST REGISTRATION # R869096974RT0001

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PROFESSIONAL SERVICES RENDERED to December 31, 2010

Nov 9, 2010	C.J. Hill	0.50	Telephone attendance with S. Graff; review Kiefer Affidavit; telephone attendance with M. Dean.
Nov 10, 2010	C.J. Hill	2.20	Correspondence with M. Dean, S. Graff, et al; attendance in Court re Receivership Order; correspondence with T. Sherrick.
Nov 11, 2010	C.J. Hill	0.10	Review correspondence re update.
Nov 12, 2010	C.J. Hill	0.50	Telephone attendance with Receiver, T. Sherrick.
Nov 26, 2010	C.J. Hill	0.20	Meeting with M. MacNaughton.
Dec 1, 2010	M. Arzoumanidis	2.50	Meeting with J. Szumski re security review; review of security and leases; prepare for and attend meeting with M. MacNaughton and J. Szumski; review receiver's report and other related material.
Dec 1, 2010	E. Atienza	0.20	Ordered PPSA certificate from Companies and Personal Property Security Branch.
Dec 1, 2010	M.J. MacNaughton	6.00	Review bankruptcy applications; discussion with M. Dean; receipt and preliminary review of security documents; meeting with M. Dean, M. Savage and M. Sclisizzi; prepare draft letter to counsel to PHS independent committee; discussions with M. Dean.
Dec 1, 2010	M. Sclisizzi	2.60	Review/consider reports on Receiver's Investigation; meeting with M. Dean to advise on strategy (3:20-5:00).
Dec 1, 2010	J. Szumski	5.80	Review of Bank of Montreal security documents; reviewed and summarized the results of bankruptcy, execution and personal property registry searches in connection with same.
Dec 2, 2010	M. Arzoumanidis	4.60	Review of Signature Bank security; meeting with M. MacNaughton and H. Greenwood re drafting motion materials and receiver's report; meeting with H. Greenwood re same; calls and emails to D. Rodick re same; prepare, review and revise motion materials; review receiver's report.

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Dec 2, 2010	E. Atienza	0.30	Conducted corporate information search.
Dec 2, 2010	B. Hayward	0.30	Joe Gotti: personal Properties Securities Documentation pick-up from the Ministry of Finance, Companies Branch at 393 University Avenue. Organization and attach to specified file. JS
Dec 2, 2010	K. Hughes	3.10	Conducted sub searches.
Dec 2, 2010	M.J. MacNaughton	7.00	Review correspondence between representatives of the debtor companies and others; meeting with M. Savage and M. Dean; attend meeting at Bank of Montreal to discuss accounts receivable and related matters; review trade mark search results and forward same to receiver; review documents to accompany letter to special committee; discussions with J. Szumski, M. Arzoumanidis and H. Greenwood re security reviews and related matters.
Dec 2, 2010	W.P. McCarten	3.50	Call from M. MacNaughton; call from H. Greenwood; meeting with K. Hughes and review of title to six properties in which T. Bracken has an interest; instructions re corporate searches and additional title searches; preparation of chart summarizing review of searches; conducting further searches; preparing further reports; review of corporate searches.
Dec 2, 2010	M. Sclisizzi	0.50	Review/revise letter to lawyer for independent counsel Synergy Brands Board.
Dec 2, 2010	J. Szumski	1.10	Continued reviewing Bank of Montreal security documents; discussed preliminary views with M. MacNaughton.
Dec 3, 2010	M. Arzoumanidis	1.50	Finalize draft motion materials; instructions to H. Greenwood to prepare for service including preparation of affidavit of service and email distribution lists; continue review of Signature Bank security.
Dec 3, 2010	H.J. Greenwood	1.80	Amended distribution list, drafted affidavit of service, edited/updated drafts of receiver's first report, order and motion record.
Dec 3, 2010	H.J. Greenwood	0.70	Drafted memo re difference between financing leases and true leases.

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Dec 3, 2010	M.J. MacNaughton	1.00	Discussion with M. Dean with respect to meeting with representatives of BMO; review draft motion material.
Dec 5, 2010	M.J. MacNaughton	0.70	Discussion with M. Dean re his meeting with BMO of 3 December.
Dec 6, 2010	M. Arzoumanidis	1.00	Review email correspondence from M. Dean, R. Dodick and others re receiver's report; discussion with M. MacNaughton re same; meeting with H. Greenwood re research on issue of whether courts have ordered costs against anyone interfering with receivership; review draft receivership report.
Dec 6, 2010	H.J. Greenwood	0.70	Reviewed M. Dean's changes to draft Motion Record, Order and Receiver's Report, correspondence.
Dec 6, 2010	H.J. Greenwood	3.40	Conducted research and drafted memorandum re different indicators of financing leases and true leases.
Dec 6, 2010	H.J. Greenwood	2.70	Drafted memo on CL of awarding costs in contempt motion.
Dec 6, 2010	M.J. MacNaughton	0.20	Review draft letter to account debtors.
Dec 7, 2010	M. Arzoumanidis	2.50	Revise draft motion materials; discussions with H. Greenwood re research issues; continue with lease review/security review.
Dec 7, 2010	H.J. Greenwood	3.20	Lease review.
Dec 7, 2010	M.J. MacNaughton	0.70	Revise letter to account debtors.
Dec 7, 2010	M.J. MacNaughton	0.70	Review draft APA for fresh food business and send same to M. Dean for review.
Dec 8, 2010	M. Arzoumanidis	2.30	Continue review of leases/security; review memo by H. Greenwood re same; prepare draft letter re lease review.
Dec 8, 2010	H.J. Greenwood	2.70	Lease review.
Dec 8, 2010	H.J. Greenwood	0.20	Made changes to draft Receiver's Report, Motion Record and Order.
Dec 8, 2010	M.J. MacNaughton	0.30	Review fresh foods CIM disclaimer wording; suggest minor changes to M. Dean.
Dec 8, 2010	J. Szumski	2.40	Continued reviewing Bank of Montreal security documents and began preparing a draft security opinion letter.

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Dec 9, 2010	M. Arzoumanidis	4.20	Email from M. MacNaughton re Applewood lease issue; email to N. Lieberman re same; continue security review; review searches in connection with same; prepare security review letter
Dec 9, 2010	M.J. MacNaughton	2.50	Discussion with M. Arzoumanidis re lease issues; review draft security opinions; provide comments with respect to same.
Dec 9, 2010	J. Szumski	6.40	Further review of Bank of Montreal security documents and search summaries; continued drafting security opinion letter in respect of same; conducted research on specific issues relating to same; met with M. Arzoumanidis to discuss review of Signature Bank security documents and search summaries; status meeting with M. MacNaughton.
Dec 10, 2010	M. Arzoumanidis	0.70	Research re remedies.
Dec 10, 2010	M. Arzoumanidis	2.50	Discussion with M. MacNaughton re security review; call to I. Eckoldt; call from N. Lieberman; research on issue dealing with leases; discussion with M. MacNaughton re same and research on issue dealing with remedies.
Dec 10, 2010	E. Atienza	0.30	Ordered PPSA printouts (uncertified and certified) from Companies and Personal Property Security Branch.
Dec 10, 2010	M.J. MacNaughton	1.00	Receipt and review of correspondence from account debtors in respect of factoring arrangements; discussion with M. Sclisizzi.
Dec 10, 2010	J. Szumski	4.60	Prepared final draft of Bank of Montreal security review opinion letter; discussed same with M. MacNaughton and M. Arzoumanidis; reviewed draft of Signature Bank security review opinion letter; research in respect of same; prepared schedules to accompany opinion letters.
Dec 12, 2010	M. Arzoumanidis	3.00	Revise security review letter; research on issue dealing with remedies.
Dec 12, 2010	M.J. MacNaughton	2.00	Consider remedy questions.

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Dec 12, 2010	J. Szumski	1.70	Reviewed and revised the BMO Security Opinion letter based on comments from M. MacNaughton; performed research into the law on registration of motor vehicles and related matters under the Ontario PPSA.
Dec 13, 2010	M. Arzoumanidis	2.70	Meeting with M. MacNaughton re receivership issues; numerous calls and emails from and to N. Lieberman re lease issue; email from S. Young re Applewood Leasing; continue research on lease issues.
Dec 13, 2010	H.J. Greenwood	4.80	Conducted case law research, reviewed motor vehicle leases and PPSA registrations, drafted memorandum re ability of receiver to continue to use leased equipment w/o making payments in the context of an operating receivership.
Dec 13, 2010	B. Hayward	0.30	Giuseppe Gatti et al: personal Properties Securities Documentation pick-up from the Ministry of Finance, Companies Branch at 393 University Avenue. Organization and attach to specified file. JS
Dec 13, 2010	M.J. MacNaughton	5.30	Discussion with H. Greenwood re scope of remedies questions; further discussion with respect to review of security and leases; prepare for and attend meeting at BMO with respect to inventory and account receivable questions.
Dec 14, 2010	M. Arzoumanidis	4.50	Discussion with H. Greenwood re research on remedies; calls and emails from N. Lieberman re lease issues; review leases and prepare memo re same; email to S. Young; continue preparing security review and schedules; prepare letter to M. Deam re same.
Dec 14, 2010	H.J. Greenwood	3.90	Conducted research and drafted memorandum re use of oppression remedy in creditor cases.
Dec 14, 2010	M.J. MacNaughton	1.50	Discussion with M. Dean with respect to 2007 proceedings; discussion with R. Harlang at Richter re same; follow up with M. Dean.
Dec 14, 2010	J. Szumski	3.00	Meeting with M. MacNaughton to discuss security opinion letter for the BMO security; further research in respect of Bank Act security taken by BMO; revised security opinion letter and forwarded same to the client.

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Dec 14, 2010	P. Tardif	0.20	Review EDGAR reports and discuss with M. MacNaughton.
Dec 15, 2010	M. Arzoumanidis	6.20	Research on issues relating to leases; numerous discussions with H. Greenwood re same; discussions with C. Hill re same; email to and call from M. MacNaughton; review and revise memo and schedules re lease review; numerous calls and emails from N. Lieberman; review additional leases; review and revise letter to lessor.
Dec 15, 2010	H.J. Greenwood	5.00	Conducted case law research and drafted memorandum on use of oppression remedy against unrelated third parties, use of tracing and constructive trust as remedies in oppression cases.
Dec 15, 2010	C.J. Hill	0.20	Meeting with M. MacNaughton re dissipation issues.
Dec 15, 2010	J. Szumski	0.50	Discussion with M. Arzoumanidis regarding true and financing leases; conducted brief research in respect of same.
Dec 16, 2010	M. Arzoumanidis	4.40	Continue research on lease issues; review and revise lease summary; discussion with H. Greenwood; numerous calls and emails from N. Lieberman; voice message from M. MacNaughton; letter to S. Young.
Dec 16, 2010	D. Di Felice	0.20	Review correspondence re CIM and APA.
Dec 16, 2010	H.J. Greenwood	2.30	Conducted case law research and updated memorandum on use of oppression remedy.

Dec 16, 2010	M.J. MacNaughton	6.20	Conference call with M. Dean, Signature and others; follow up conversation with M. Dean; follow up conversation with M. Lerner and M. Creber; further conversation with M. Dean; email to M. Lerner and M. Creber; discussion with M. Arzoumanidis with respect to lease questions (true lease vs. financing lease), payment obligations with respect to same; email to H. Greenwood re draft APA; receipt of reports to court of RSM richter in connection with 2007 proceedings; email to R. Harlang; email to M. Dean re same; request from Brome for access to information related to NDHL; discussion with respect to interview with T. Mak; discussion with H. Greenwood re remedies; review draft CIM and terms and conditions related to fresh foods business;communicate with M. Arzoumanidis and D. Di Felice re same.
Dec 17, 2010	M. Arzoumanidis	4.70	Numerous emails and calls from N. Lieberman; review and revise correspondence to lessors; review confidential information memorandum;revise same; review agreement of purchase and sale; revise same; review terms and conditions to CI; revise same; meeting with D. Di Felice; make revisions; voice messages from and emails to M. MacNaughton.
Dec 17, 2010	D. Di Felice	2.50	Review correspondence from M. MacNaughton; review CIM terms and conditions; revise APA; meet with M. Arzoumanidis re APA comments.
Dec 17, 2010	C. Kam	0.20	Discussed HST issues with M. Arzoumanidis.
Dec 17, 2010	S. Rappos	0.30	Discussing matters with M. Arzoumanidis.
Dec 17, 2010	M. Sclisizzi	0.60	Correspondence re T. Mak interview.
Dec 19, 2010	M. Arzoumanidis	0.40	Emails from and to M. MacNaughton; revise letters to lessors; emails to N. Lieberman re same.
Dec 19, 2010	M.J. MacNaughton	0.70	Review revised draft CIM, terms and conditions and draft APA all related to fresh foods business; send same to M. Dean for review; review of forms of draft letters to lessors/financiers of equipment; provide comments to M. Arzoumanidis re same.

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Dec 20, 2010	M. Arzoumanidis	3.80	Discussions with M. MacNaughton re CIM, APA and confidentiality agreement; prepare, review and revise same; meeting with, calls and emails from and to D. Di Felice re same; calls from N. Lieberman re stolen leased goods; emails from M. Dean and others re CIM, APA and confidentiality agreement; discussion with H. Greenwood re research issues.
Dec 20, 2010	D. Di Felice	1.80	Various discussions with M. Arzoumanidis; meet re CIM and APA; review and revise draft confidentiality agreement; further discussion with M. Arzoumanidis and further revisions.
Dec 21, 2010	H.J. Greenwood	1.70	Conducted research re payment of insurance proceeds to receiver.
Dec 22, 2010	M. Arzoumanidis	1.40	Discussion with H. Greenwood re research issues; research, review and analysis of case law dealing with lease issue; call from N. Lieberman; review Harley lease.
Dec 22, 2010	H.J. Greenwood	1.20	Conducted research re payment of insurance proceeds to receiver.
Dec 23, 2010	M. Arzoumanidis	0.50	Email from M. MacNaughton re litigation by 2131413 Ontario Limited; discussion with and email to and from D. Smith; consider lease issues.
Dec 23, 2010	D.O. Smith	0.70	Review correspondence and pleadings from counsel for "213" and advice re delivery of trial record.
Dec 28, 2010	M. Arzoumanidis	0.50	Emails from M. MacNaughton and others re trademark issues.
Dec 29, 2010	M. Arzoumanidis	0.20	Review email from M. MacNaughton.
Dec 29, 2010	H.J. Greenwood	9.90	Conducted case law research re production of documents; noted up leading cases; drafted memorandum re giving BMO access to debtors' books and records.
Dec 30, 2010	M. Arzoumanidis	3.20	Research, review and analysis of case law on issue dealing with lease; email to M. MacNaughton re same.
Dec 30, 2010	H.J. Greenwood	5.30	Conducted research re production of documents in possession of receiver, Norwich orders.

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TO OUR FEES	$ 84,705.00
Less Discount	(10,164.60)
FEE BALANCE	74,540.40

FEE SUMMARY

Timekeeper	Hours	Avg. Rate/Hr.	Amount
M. Arzoumanidis	57.30	$ 290.40	$ 16,639.92
E. Atienza	0.80	202.40	161.92
D. Di Felice	4.50	528.00	2,376.00
H.J. Greenwood	49.50	277.20	13,721.40
B. Hayward	0.60	176.00	105.60
C.J. Hill	3.70	712.80	2,637.36
K. Hughes	3.10	167.20	518.32
C. Kam	0.20	277.20	55.44
M.J. MacNaughton	35.80	734.80	26,305.84
W.P. McCarten	3.50	651.20	2,279.20
S. Rappos	0.30	396.00	118.80
M. Sclisizzi	3.70	572.00	2,116.40
D.O. Smith	0.70	440.00	308.00
J. Szumski	25.50	277.20	7,068.60
P. Tardif	0.20	638.00	127.60
	189.40		$ 74,540.40

DISBURSEMENTS:

Non-Taxable

Teraview Search Fees	$131.00

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Total Non-Taxable Disbursements	131.00		
Taxable	G=GST; Q=QST; H=HST; P=PST		
Copies	85.20	H	
Courier	4.42	H	
Cyberbahn Search (Disbs)	11.00	H	
Cyberbahn Search (Fees)	10.00	H	
Fax Pages	7.50	H	
Long Distance - Telephone	0.04	H	
Meals & Meeting Expense	10.80	H	
Other Searches	367.65	H	
PPSA Searches	40.00	H	
Teraview Search Fees	256.00	H	
Westlaw Searches	1,637.00	H	
Total Taxable Disbursements	2,429.61		
Total Disbursements			2,560.61
Total Fees and Disbursements			77,101.01
HST on Fees and Taxable Disbursements			10,006.10
TOTAL THIS INVOICE			$ 87,107.11

THIS IS EXHIBIT "B" TO THE AFFIDAVIT

OF ROGER JAIPARGAS SWORN BEFORE ME

ON THIS 18th DAY OF MAY, 2012

A Commissioner for taking affidavits, etc.

JAMES BUNSKI.

EXHIBIT “B”

Fees and Disbursements Summary of Borden Ladner Gervais LLP
for the period from 9 November 2010 to 26 November 2010

Name of Professional	Total Hours Billed	Hourly Rate ($/hr)	Total Charged
Atienza, Beth	2.00	$202.40	$404.80
Di Felice, Dolores	2.00	$528.00	$1,056.00
Greenwood, Harriet	9.80	$277.20	$2,716.56
Hayward, Brent	1.40	$176.00	$246.40
Hill, Craig	3.50	$712.80	$2,494.80
Hughes, Kimberley	0.40	$167.20	$66.88
Jaipargas, Roger	0.40	$558.80	$223.52
MacNaughton, Michael	33.00	$734.80	$24,248.40
Sclisizzi, Martin	2.20	$572.00	$1,258.40
Zimmerman, Gordon	0.80	$704.00	$563.20
TOTAL	55.50	(Average) $599.62	$33,278,96
TOTAL FEES:			$33,278.96
TOTAL TAXABLE DISBURSEMENTS			$1,185.51
TOTAL FEES AND DISBURSEMENTS EXCLUDING HST			**$34,464.47**
HST			$4,480.38
TOTAL NON-TAXABLE DISBURSEMENTS			$9.00
TOTAL FEES AND TAXABLE AND NON-TAXABLE DISBURSEMENTS INCLUDING HST			**$38,953.85**

Court File No. CV-10-8991-00CL

BANK OF MONTREAL - and - **2110458 ONTARIO LIMITED, 2121413 ONTARIO LIMITED, 787755 ONTARIO LIMITED AND TARBRAC HOLDINGS INC.**

Applicant — Respondents

APPLICATION UNDER SUBSECTION 47(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, as amended, and SECTION 101 of the COURTS OF JUSTICE ACT, R.S.O. 1990, c. C. 43, as amended

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

AFFIDAVIT OF
ROGER JAIPARGAS
(sworn 18 May 2012)

BORDEN LADNER GERVAIS LLP
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Lawyers for Ernst & Young Inc., in its capacity as Interim Receiver of 2110458 Ontario Limited, 2131413 Ontario Limited, 787755 Ontario Limited and Tarbrac Holdings Inc.

TOR01: 4921120: v1

TAB 3

Court File No. CV-10-8991-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)		**DAY, THE**	**DAY**
	)			
JUSTICE	)	**OF**	**, 2012**	

BETWEEN:

BANK OF MONTREAL

Applicant

and

2110458 ONTARIO LIMITED, 2131413 ONTARIO LIMITED, 787755 ONTARIO LIMITED and TARBRAC HOLDINGS INC.

Respondents

APPLICATION UNDER SUBSECTION 47(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended, and SECTION 101 of the *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C. 43, as amended

DISCHARGE ORDER

THIS MOTION, made by Ernst & Young Inc. ("**EYI**"), in its capacity as interim receiver (the "**Interim Receiver**"), of all of the assets, undertakings and properties of 2110458 Ontario Limited, 2131413 Ontario Limited, 787755 Ontario Limited and Tarbrac Holdings Inc. (collectively, the "**Debtors**") was heard this day at 330 University Ave, Toronto, Ontario.

ON READING the Notice of Motion dated 18 May 2012, the Motion Record, the Second Report of the Interim Receiver dated 18 May 2012 (the "**Second IR Report**"), and on hearing the submissions of counsel for the Interim Receiver and such other counsel as were present, and on reading the Affidavit of Service of •, sworn on • 2012, filed;

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record in respect hereof be and is hereby abridged and validated so that the motion is properly returnable today and that further service on any interested party is hereby dispensed with.

2. **THIS COURT ORDERS** that the First Report of the Interim Receiver dated 25 November 2010, the Second IR Report, and the activities of the Interim Receiver as set out therein, are hereby approved.

3. **THIS COURT ORDERS** that the fees and disbursements of the Interim Receiver and its counsel, as set out in the Second IR Report, are hereby approved.

4. **THIS COURT ORDERS** that the Interim Receiver shall be discharged as Interim Receiver of the undertaking, property and assets of the Debtors, provided however that notwithstanding its discharge herein the Interim Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of EYI in its capacity as Interim Receiver.

5. **THIS COURT ORDERS AND DECLARES** that EYI is hereby released and discharged from any and all liability that EYI now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of EYI while acting in its capacity as Interim Receiver herein, save and except for any gross negligence or wilful misconduct on the Interim Receiver's part. Without limiting the generality of the foregoing, EYI is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within interim receivership proceedings, save and except for any gross negligence or wilful misconduct on the Interim Receiver's part.

Court File No. CV-10-8991-00CL

BANK OF MONTREAL	**- and -**	**2110458 ONTARIO LIMITED, 2121413 ONTARIO LIMITED, 787755 ONTARIO LIMITED and TARBRAC HOLDINGS INC.**
Applicant		Respondents

APPLICATION UNDER SUBSECTION 47(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended, and SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C. 43, as amended

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

DISCHARGE ORDER

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TOR01: 4864443: v4

Court File No. CV-10-8991-00CL

BANK OF MONTREAL - and - **2110458 ONTARIO LIMITED, 2121413 ONTARIO LIMITED, 787755 ONTARIO LIMITED and TARBRAC HOLDINGS INC.**

Applicant Respondents

APPLICATION UNDER SUBSECTION 47(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended, and SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C. 43, as amended

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

MOTION RECORD
(returnable 25 May 2012)

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TOR01: 4921100: v1