

Court No.: 500-11-047554-148  
File No.: 41-1920403

**IN THE MATTER OF THE PROPOSAL OF:**

**161617 CANADA INC.**, doing business under the name Viking Distribution, a body politic and corporate, duly incorporated according to law and having its head office and principal place of business at 5850 Vanden Abeele Street, in the City of Saint-Laurent (Québec) H4S 1R9.

Debtor/Company

**PROPOSAL**

I, **161617 CANADA INC.**, the above-noted company (hereinafter referred to as the "**Company**"), hereby submit the following Proposal under the *Bankruptcy and Insolvency Act*:

**1. DEFINITIONS AND INTERPRETATIONS**

For purposes of:

"Act" means the *Bankruptcy and Insolvency Act*;

"Company" means 161617 Canada Inc.;

"Court" means the Superior Court of the District of Montréal sitting in bankruptcy and insolvency matters (Commercial Division);

"Inspectors" mean the individuals to be named by the creditors at the Meeting of Creditors called to consider the Proposal;

"Ordinary Claim" means, in respect of the Company, the claims of the Ordinary Creditors including claims of every nature and kind whatsoever, whether due or not due for payment as of the date of the filing of the Proposal as well as contingent or un-liquidated claims arising out of any transaction entered into by the Company prior to the date thereof, but excluding the portion of claims which are Preferred. Without limiting the generality of the foregoing, the Ordinary Claims shall include the claim of a landlord whose lease has been disclaimed or terminated, the claim of an employee whose notice of early termination has been sent before the filing of the Proposal and the claim of any tax authority related directly or indirectly to the acceptance or the Approval of the Proposal;

"Ordinary Creditors" means, in relation to the Company, the ordinary, unsecured creditors of the Company;

"Preferred Claims" means all claims of the Company directed by the Act to be paid in priority by the Company to all other claims in the distribution of the property of an insolvent party;

"Proposal" means this Proposal;

“Proposal Amount” means the aggregate of the installments to be remitted by the Company to the Trustee;

“Proposal Approval” means the situation arising from the Proposal having been accepted by the creditors of the Company and having been approved by the Court in a Judgment which has become executor as a result of the delay for appeal having expired without an appeal having been filed, or an appeal having been lodged and the Judgment having been confirmed or the appeal withdrawn;

“Proposal Expenses” means all proper fees, expenses, liabilities and obligations of the Trustee, and all legal fees, consulting fees and accounting fees on and incidental to the proceedings arising out of the Proposal and including, without limitation, advice to the Company and the Trustee in connection therewith;

“Proven Claim” means any claim for which a Proof of Claim is filed with the Trustee in accordance with Section 124 of the Act and that is proven in accordance with Section 135 of the Act;

“Secured Claims” means claims of secured creditors within the meaning of the Act;

“Settlement Fund” means the amount to be remitted to the Trustee under the terms of paragraph 4 hereof to fund the payment of Proposal Expenses and dividends on Preferred and Ordinary Claims;

“Trustee” means Richter Advisory Group Inc., the Trustee named in the Proposal of the Company.

## **2. DESCRIPTION OF THE SECURED CLAIM**

Secured Creditors shall be paid in accordance with existing contracts, or as may otherwise be arranged with the Secured Creditors.

Accordingly, the Company declares that this Proposal is not made in respect of Secured Claims.

## **3. PROPOSAL AMOUNT**

Subject to Sections 4 and 5 hereof, the Company will remit to the Trustee four (4) installments in the aggregate of \$180,000.00 (Proposal Amount) as follows:

- (a) February 24, 2015 (the “Initial Installment”);
- (b) February 24, 2016 (the “Second Installment”);
- (c) February 24, 2017 (the “Third Installment”); and
- (d) February 24, 2018 (the “Fourth and Final Installment”).



Subject to the amounts provided for in Sections 4 and 5 hereof, any excess will be payable as follows:

- (i) Each of the Ordinary Creditors having a Proven Claim of less than \$250 will be paid the full amount of its Ordinary Claim without interest or penalty, within thirty (30) days after receipt by the Trustee of the Initial Installment of the Proposal Amount from the Company;
- (ii) For the balance of its Proven Claim, after the distribution mentioned in paragraph 3(i) herein and within thirty (30) days after the payment by the Debtor of each of the Initial Installment, Second Installment, Third Installment, and Fourth and Final Installment, each of the Ordinary Creditors shall also receive, in full and final payment of its Ordinary Claim, without interest or penalty, its *pro rata* share of any amount remaining from the Proposal Amount.

The Company is entitled to make accelerated payments if it chooses to.

#### **4. DISTRIBUTION OF PROPOSAL AMOUNT**

The Proposal Amount shall be distributed in the following order of priority, in payment of the following:

- (a) Amounts owing to Her Majesty in right of Canada or a Province that could be subject to a demand under Section 224(1.2) of the *Income Tax Act*, or under any provision of the Canada Pension Plan or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts, or under any substantially similar provision of provincial legislation, outstanding at the time of the filing of the Notice of Intention, will be paid in full within six (6) months after Proposal Approval; said sums will be paid directly by the Company to the fiscal authorities;
- (b) Amounts owing to employees and former employees, that they would have been entitled to receive under Section 136(1)(d) of the Act if the employer became bankrupt on the date of Proposal Approval, will be paid in full immediately after Proposal Approval;
- (c) The Preferred Claims, without interest, will be paid in full in priority to all claims of Ordinary Creditors, within sixty (60) days of Proposal Approval.

#### **5. PREFERENTIAL PAYMENTS, REVISABLE TRANSACTIONS, ETC.**

Provided always that the Company fulfills the Proposal and all payments required to be made under paragraph 4 hereof are made as and when required hereunder, Sections 91 through 101 of the Act shall not apply to the present Proposal pursuant to Section 101.1 of the Act and Articles 1631 through 1636 of the *Civil Code of Québec*, and all other provisions of law, rights, remedies and recourses similar to the provisions of law, rights and remedies set forth in any Province of Canada other than the Province of Québec, shall not in any manner whatsoever apply to this Proposal (the "Similar Provisions"), and neither the Trustee nor any creditors affected by the Proposal shall have or be entitled to exercise any of the rights or recourses provided for under Sections 91 through 101 of the



Act, under Articles 1631 through 1636 of the *Civil Code of Québec*, and under the Similar Provisions. In the event of the Proposal being unfulfilled in general or the payment provided for in paragraph 4 hereof not being made as and when required hereunder, then Sections 91 through 101 of the Act and Articles 1631 through 1636 of the *Civil Code of Québec* and the Similar Provisions shall be and remain applicable and the Trustee and/or any creditors affected by the Proposal shall have and continue to have and be and remain entitled to exercise all of the rights or recourses provided for therein.

**6. PROPOSAL EXPENSES**

Proposal Expenses are payable by the Company in the ordinary course of business.

**7. POST-FILING OBLIGATIONS**

Post-Filing Obligations will be paid in full in the ordinary course of business.

**8. CREDITORS' COMMITTEE**

The Company agrees to the formation of a committee of up to five (5) Inspectors (the "Committee") to be named by the creditors at the Proposal Meeting. The Committee will have the power to:

- (a) Advise the Trustee on matters relating to the administration of the Proposal;
- (b) Postpone the payment of any dividends to Ordinary Creditors herein provided.

**9. DIRECTORS**

The Proposal herein made will constitute in addition a compromise of claims against the present and past directors of the Company that arose before the filing of the Proposal and that relate to the obligations of the Company where the directors are by law liable in their capacity as directors for the payment of such obligations, and acceptance of the Proposal by the creditors and Proposal Approval will operate a discharge in favour of such present and past directors with respect to such obligations.

**10. TRUSTEE**

Richter Advisory Group Inc., Licensed Trustee, 1981 McGill College Avenue, 11th Floor, Montréal (Québec) H3A 0G6, will be the Trustee under the Proposal and all monies payable under the Proposal will be paid over to the Trustee, which will remit dividends in accordance with the terms of the Proposal.

DATED AT MONTRÉAL, this 19<sup>th</sup> day of December 2014.

161617 CANADA INC.

Witness



Per:

