

RSM Richter Inc.

RSM Richter Inc.

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CANADA
PROVINCE OF QUEBEC
DISTRICT OF QUEBEC
DIVISION NO.: 01-MONTREAL
COURT NO.: 500-11-032527-083
ESTATE NO.: 41-1039022

SUPERIOR COURT
(Commercial Division)

IN THE MATTER OF THE PROPOSAL OF:

J. Schreter Inc.

body politic and corporate, duly incorporated according to law and having its head office and its principal place of business at:
4358 Saint-Laurent Boulevard
Montréal QC H2W 1Z5

Debtor

Notice of Proposal to Creditors (Section 51 of the Act)

Take notice that J. Schreter Inc., of Montréal, in the Province of Quebec, has lodged with us a proposal under the *Bankruptcy and Insolvency Act*.

A copy of the proposal, a condensed statement of the debtor's assets and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed.

A general meeting of the creditors will be held at Montreal, Quebec on the 3rd day of April 2008 at 10:00 a.m. at the Office of the Superintendent of Bankruptcy situated at 5 Place Ville-Marie, 8th floor, Montréal, Québec.

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Any creditor who already filed a proof of claim does not have to file again.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

Dated at Montréal, this 20th day of March 2008.

RSM Richter Inc.
Trustee

Philip Manel, CA, CPA
Administrator



(Français – au recto)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF QUEBEC
DIVISION NO.: 01-MONTRÉAL
COURT NO.: 500-11-032527-083
ESTATE NO.: 41-1039022

SUPERIOR COURT
(Commercial Division)

IN THE MATTER OF THE PROPOSAL OF:

J. SCHRETER INC., a body politic and corporate, duly incorporated according to law and having its head office and its principal place of business at 4358 Saint-Laurent Boulevard, Montreal, Quebec, H2W 1Z5.

Debtor/Company

PROPOSAL

We, **J. SCHRETER INC.**, the above-noted Debtor (hereinafter referred to as the "Company"), hereby submit the following proposal under the Bankruptcy and Insolvency Act:

1. For purposes hereof:

"ACT" means the Bankruptcy and Insolvency Act;

"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 executory as a result of the delay for appeal having expired without there having been an appeal, or an appeal having been lodged and the Judgment having been confirmed or the appeal withdrawn;

"CLASSIFICATION OF LANDLORD'S CLAIM" means the classification of the landlord's claim in the same class of unsecured ordinary claims that includes ORDINARY CREDITORS;

"COMMITTEE" means the committee comprising up to five (5) individuals to be named by the creditors at the General Meeting of Creditors called to consider the PROPOSAL;

"COMPANY" means J. Schreter Inc.;

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

"LANDLORD" means that creditor of which the COMPANY is a commercial tenant under a lease of real property at Complexe Pointe-Claire, 755 St. Jean Blvd., Local 01140, Pointe-Claire, QC;

"LANDLORD'S CLAIM" means the unsecured ordinary claim of the LANDLORD for the actual losses resulting from the disclaimer of lease in accordance with 65.2(4)b of the Act;

"NOTICE OF INTENTION" means the Notice of Intention to Make a Proposal under the ACT filed by the COMPANY on February 13, 2008;



"ORDINARY CLAIMS" 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 NOTICE OF INTENTION as well as contingent or unliquidated claims arising out of any transaction entered into by the COMPANY prior to the date thereof, but excluding the claims in respect of RELATED PARTIES' INDEBTEDNESS;

"ORDINARY CREDITORS" means in relation to the COMPANY, the ordinary, unsecured creditors of the COMPANY including the LANDLORD, but excluding the creditors of any RELATED PARTIES' INDEBTEDNESS;

"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;

"PROFITS" means earnings of the Company, calculated in accordance with generally accepted accounting principles;

"PROPOSAL" means this PROPOSAL;

"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 NOTICE OF INTENTION and the PROPOSAL and including without limitation advice to the COMPANY and the TRUSTEE in connection therewith;

"RELATED PARTIES' INDEBTEDNESS" means in respect of the COMPANY, any indebtedness of the COMPANY to any of 113311 Canada Inc., Joey Schreter or Steve Schreter, arising from dealings of the COMPANY with such respective parties, up to the filing of the NOTICE OF INTENTION;

"SECURED CLAIMS" means claims of secured creditors within the meaning of the ACT;

"SETTLEMENT FUND" means the sum of ONE HUNDRED AND TWENTY THOUSAND DOLLARS (\$120,000) to be remitted by the COMPANY to the TRUSTEE after APPROVAL in instalments concurrent with the requirements as per paragraphs 3, 5, 7 and 8 of the present PROPOSAL;

"SETTLEMENT FUND - ADDITIONAL" means a further sum to be distributed amongst the ORDINARY CREDITORS, to be remitted by the COMPANY to the TRUSTEE after APPROVAL in instalments concurrent with the requirements as per paragraphs 7 and 8 of the present PROPOSAL, and which sum will be the lesser of:

- 25% of J. Schreter Inc.'s PROFITS for year to end December 31, 2009, before Steve Schreter's salary, or;

- the amount equal to 50% of the total ORDINARY CLAIMS, less payments made as provided for in the PROPOSAL from the SETTLEMENT FUND;

"SHAREHOLDERS", for the purposes of this PROPOSAL, are deemed to be Joey Schreter and Steve Schreter, to whom the COMPANY is indebted directly or indirectly, and which indebtedness is included in the RELATED PARTIES' INDEBTEDNESS;

"TRUSTEE" means RSM Richter Inc., the Trustee under the NOTICE OF INTENTION and the Trustee named in the PROPOSAL of the COMPANY;

2. The SECURED CLAIMS shall be paid in accordance with arrangements existing between the COMPANY and the holders of SECURED CLAIMS or as may be arranged between the COMPANY and the holders of SECURED CLAIMS. The COMPANY declares that this PROPOSAL is not made in respect of the SECURED CLAIMS;

3. Amounts:
 - (a) 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 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 APPROVAL;
 - (b) owing to employees and former employees, that they would have been entitled to receive under Paragraph 136(1)(d) of the ACT if the employer became bankrupt on the date of APPROVAL, will be paid in full immediately after APPROVAL.
4. The PROPOSAL EXPENSES shall be paid by the COMPANY in priority to all ORDINARY CLAIMS and PREFERRED CLAIMS from resources other than the SETTLEMENT FUND;
5. PREFERRED CLAIMS other than those referred to in Section 3(b) hereof will be paid in full in priority to all ORDINARY CLAIMS, sixty (60) days after APPROVAL;
6. Debts arising in respect to goods supplied, services rendered or other consideration given as and from the date of the filing of the NOTICE OF INTENTION, including amounts owed to LANDLORD of which the COMPANY was a commercial tenant under a lease of real property (up to the effective date of disclaimer of such lease pursuant to Section 65.2(1) of the ACT), will be paid by the COMPANY in full in the ordinary course of business and on regular trade terms or as may be arranged by the COMPANY;
7. The COMPANY will remit to the TRUSTEE the SETTLEMENT FUND and the SETTLEMENT FUND - ADDITIONAL to be distributed by the TRUSTEE as follows:
 - (a) firstly, from the SETTLEMENT FUND, an amount equal to the PREFERRED CLAIMS to be paid in accordance with paragraphs 3 and 5 above;
 - (b) the balance of the SETTLEMENT FUND, and the SETTLEMENT FUND - ADDITIONAL, to be paid in proportion to the ORDINARY CLAIMS in accordance with paragraph 8 below;
8. Each of the ORDINARY CREDITORS shall receive, in full and final settlement of its ORDINARY CLAIM, the whole without interest, an amount equal to its pro rata share of the portion of the SETTLEMENT FUND remaining after payment of the PREFERRED CLAIMS, and a further amount equal to its pro rata share of the portion of the SETTLEMENT FUND - ADDITIONAL, in the following instalments:
 - a. On December 15, 2008, one fifth (1/5) of the SETTLEMENT FUND remaining after payment of the PREFERRED CLAIMS;
 - b. On March 15, 2009, one fifth (1/5) of the SETTLEMENT FUND remaining after payment of the PREFERRED CLAIMS;
 - c. On June 15 2009, one fifth (1/5) of the SETTLEMENT FUND remaining after payment of the PREFERRED CLAIMS;
 - d. On September 15, 2009, one fifth (1/5) of the SETTLEMENT FUND remaining after payment of the PREFERRED CLAIMS;
 - e. On December 15, 2009, one fifth (1/5) of the SETTLEMENT FUND remaining after payment of the PREFERRED CLAIMS.
 - f. On March 15, 2010, one half (1/2) of the SETTLEMENT FUND - ADDITIONAL;
 - g. On June 15, 2010, one half (1/2) of the SETTLEMENT FUND - ADDITIONAL;

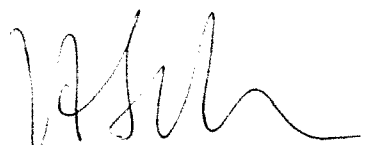


9. Conditionally upon APPROVAL, the statutory terms of Sections 91 to 101 of the ACT (settlements, preferences, reviewable transactions) pursuant to Section 101.1 of the ACT and of Sections 1631 to 1636 of the *Civil Code of Quebec*, shall not apply;
10. The PROPOSAL herein made will constitute a compromise of claims against the present and past directors of the COMPANY that arose before the filing of the NOTICE OF INTENTION 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 APPROVAL will operate as a discharge in favour of such present and past directors with respect to such obligations;
- 11a. As a condition of the APPROVAL and conditional upon the APPROVAL, the creditors of any RELATED PARTIES' INDEBTEDNESS will subordinate and defer payment of their respective claims, subject to the terms of paragraph 11b of the present PROPOSAL, to payment in full of the dividends payable to the ORDINARY CREDITORS herein provided for. Except as regards such subordination, the creditors of any RELATED PARTIES' INDEBTEDNESS will be unaffected by, and will not benefit from, the PROPOSAL and their respective claims will not be compromised in any manner;
- 11b. As a condition of the subordination of RELATED PARTIES' INDEBTEDNESS, and conditional upon the APPROVAL, the COMPANY will pay, in the normal course of business, directly to its SHAREHOLDERS, a monthly amount not to exceed \$3,000, as a reduction of their SHAREHOLDERS' loans to the Company, in lieu of partial payment of salary to the said SHAREHOLDERS, for the duration of the PROPOSAL, until all dividends are paid to the ORDINARY CREDITORS;
12. The COMPANY agrees to the formation of the COMMITTEE, which COMMITTEE, acting by majority, 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 the ORDINARY CREDITORS herein provided;
 - (c) Declare that the COMPANY has complied with the terms and conditions of the PROPOSAL.
13. RSM Richter Inc., Licensed Trustee, will be the TRUSTEE under the PROPOSAL and all monies payable under the PROPOSAL will be paid over to the TRUSTEE which will remit the dividends in accordance with the terms of the PROPOSAL.

IN THE EVENT OF ANY DISCREPANCY BETWEEN THE ENGLISH AND THE FRENCH VERSION OF THIS PROPOSAL, THE ENGLISH VERSION WILL TAKE PRECEDENCE.

DATED AT MONTRÉAL, this 14th day of March 2008.

J. SCHRETER INC.

Per: 
Duly Authorized

Per: 
Witness

J. Schreter Inc.
Condensed Statement of Affairs
As at March 14, 2008
(As declared and estimated by the Debtor Company)

LIABILITIES

Secured Creditors	\$ 467,881.32
Preferred Creditors	24,197.52
Ordinary Creditors	<u>1,419,552.34</u>
	<u>\$1,911,631.18</u>

ASSETS
(at net book value)

Accounts receivable (encumbered)	\$ 20,000.00
Inventory (encumbered)	401,500.00
Furniture and fixtures	<u>39,850.00</u>
	<u>\$ 461,350.00</u>
DEFICIENCY	<u>\$(1,450,281.18)</u>

I, Steve Schreter, president of J. Schreter Inc., do swear that this statement is to the best of my knowledge a full, true and complete statement of its affairs on March 14, 2008 and fully disclose all property of every description that is in its possession and or that may devolve on it in accordance with Section 67 of the Act.

(signed) Steve Schreter _____

SWORN before me in the City of
Montréal in the Province of Québec
this 14th day of March, 2008.

(signed) R. Rudnicki _____

(Français – au recto)

DANS L'AFFAIRE DE LA PROPOSITION DE J. SCHRETER INC., personne morale légalement constituée et dûment incorporée ayant son siège social et son principal établissement commercial au 4358, boulevard Saint-Laurent, Montréal, Québec H2W 1Z5.

IN THE MATTER OF THE PROPOSAL OF J. SCHRETER INC., a body politic and corporate, duly incorporated according to law and having its head office and its principal place of business at 4358 Saint-Laurent Boulevard, Montréal, Québec H2W 1Z5.

La liste suivante des créanciers a été préparée à partir des documents remis au syndic et ne constitue pas l'acceptation d'une réclamation ou de réclamations.

The following list of creditors has been prepared from documents submitted to the Trustee and does not constitute acceptance of any claim or claims.

CRÉANCIERS GARANTIS / SECURED CREDITORS

MONTANT / AMOUNT

Voir liste ci-jointe
See list attached

\$ 467,881.32

CRÉANCIERS PRIVILÉGIÉS / PREFERRED CREDITORS

Voir liste ci-jointe
See list attached

\$ 24,197.52

CRÉANCIERS CHIROGRAPHAIRES / ORDINARY CREDITORS

Voir liste ci-jointe
See list attached

\$1,419,552.34

LISTE SUPPLÉMENTAIRE / SUPPLEMENTARY LIST

1. Monsieur François Leblanc (séquestre officiel)
2. Ministère du Revenu du Québec (TPS)
3. Ministère du Revenu du Québec (TVQ)
4. Ministère du Revenu du Québec (DAS)
5. Ministère du Revenu du Québec (Immeuble)
6. Agence des douanes et du revenu du Canada - Impôt
7. Agence des douanes et du revenu du Canada (DAS)
8. Agence des douanes et du revenu du Canada (Section faillite et insolvabilité)
9. Commission des normes du travail
10. Dun & Bradstreet du Canada Ltée
11. Equifax Canada Inc., Montréal
12. Equifax Canada Inc., Toronto
13. EULER-ACI, M. Tony Sullo, vice-président régional
14. Bell Canada (Section faillite et insolvabilité)
15. Hydro-Québec (Section du risque)
16. Commission de la santé et de la sécurité du travail
17. Mr. William Anidjar, Sports Industry Credit Association
18. Mr. Michel Hurd, Sports Industry Credit Association
19. Mr. Steve Schreter
20. Mr. Richard Rousse, BMO-Banque de Montreal

RSM Richter Inc.
Liste des créanciers / Creditors List
Dans l'affaire de la proposition de / In the matter of the Proposal of:
J. SCHRETER INC.

Nom / Name	Adresse / Address	Montant / Amount
Créanciers garantis / Secured Creditors		
BANK OF MONTREAL A/S RICHARD ROUSSE Créanciers garantis / Secured Creditors	105 ST-JACQUES STREET WEST 5TH FLOOR MONTREAL QC H2Y 1L6	467,881.32 <hr/> 467,881.32
Créanciers Privilégiés / Preferred Creditors		
COMPLEXE POINTE-CLAIRE INC. S & J SCHRETER PROPERTIES Créanciers Privilégiés / Preferred Creditors	600 DE MAISONNEUVE BLVD., WEST SUITE 2600 MONTREAL QC H3A 3J2 4358 BOUL. ST-LAURENT MONTREAL QC H2W 1Z5	15,167.52 <hr/> 9,030.00 <hr/> 24,197.52
Créanciers chirographaires / Ordinary Creditors		
113311 CANADA INC.	4358, BOULEVARD ST-LAURENT MONTREAL QC H2W 1Z5	503,520.00
2914123 CANADA INC (EXCELLED 2000 LEATHERWEAR)	5605 DE GASPE SUITE 401 MONTREAL QC H2T 2A4	Unknown
3019969 CANADA INC., (LOIS JEANS)	400 RUE MORSE PARC JEAN-TALON NORD, STE. FOY QC G1N 4L4	1,880.18
3944557 CANADA INC.	76 BRUNSWICK BLVD. D.D.O. QC H9B 2C5	601.66
ALPHI APPAREL GROUP	4334 GARAND STREET VILLE ST. LAURENT QC H4R 2A3	1,868.79
BALLIN INC.	2825 BRABANT MARINEAU ST. LAURENT QC H4S 1R8	4,719.81
BUFFALO INC	400 SAUVE WEST SUITE 100 MONTREAL QC H3L 1Z8	14,410.36
CAPITAL GARMENT	1200, BOUL. JULES-POITRAS SUITE 200 SAINT-LAURENT QC H4N 1X7	1,236.26
CHAUSSURE REGENCE INC.	655 DE L'ARGON CHARLESBOURG QC G2N 2G7	2,104.71
CHAUSSURES VIRUS FOOTWEAR	3524, RUE GRIFFITH VILLE ST-LAURENT QC H4T 1A7	1,195.33
COLUMBIA SPORTSWEAR CANADA	456 ALBERT STREET STRATHROY ON N7G 3J2	18,101.84
COMPLEXE POINTE-CLAIRE INC.	600 DE MAISONNEUVE BLVD., WEST SUITE 2600 MONTREAL QC H3A 3J2	Unknown
CONVERSE ALL STAR CANADA INC.	B9636 P.O. BOX 9100 POSTAL STATION F TORONTO ON M4Y 3A5	3,183.31
CORUS METROMEDIA	800 DE LA GAUCHETIERE OUEST SUITE 1100 MONTREAL QC H5A1M1	1,367.40
DO-GREE FASHIONS LTD.	3205 BEDFORD ROAD MONTREAL QC H3S 1G3	5,095.64
ECCO SHOES CANADA INC.	10 WHITEHALL DRIVE MARKHAM ON L3R 5Z7	2,943.86
EROS CLOTHING	41 VIA CRISTINA WAY WOODBRIDGE ON L4H 1R9	4,058.21
ESPRIT CANADA	135 LIBERTY STREET SUITE 300 TORONTO ON M6K 1A7	2,170.24
FAMOUS NECKWEAR MFG. INC.	9494 BOUL. ST. LAURENT #901 MONTREAL QC H2N 1P4	2,609.90
FOAM CREATIONS	1500 DES TANNEURS QUEBEC QC G1N 4S8	1,841.52
FRUIT OF THE LOOM CANADA, INC	ATT: JOAN ROEMER P O BOX 90015 BOWLING GREEN KY 42102	Unknown
HOLIDAY GROUP INC	4875, DES GRANDES PRAIRIES ST. LEONARD QC H1R 1X4	560.63
I. MILLER SHIRTS INC.	150 MONTEE DE LIESSE ST. LAURENT QC H4T 1N6	3,135.24
J. A. BESNER & SONS LTD.	9200 PARK AVE, - SUITE 201 MONTREAL QC H2N 1Z4	10,266.05
JACK SPRATT MFG INC	9880 AVE. DE L'ESPLANADE MONTREAL QC H3L 2X5	1,068.28
JASPERCOM GRAPHIC DESIGN	1 RUE LESAGE D.D.O. QC H9A 1Z5	5,715.73
JOCKEY INTERNATIONAL INC.	P. O. BOX 2454 - STATION A TORONTO ON M5W 2K6	2,656.11
JOEY SCHRETER	181 ETON CR. HAMPSTEAD QC H3X 3K4	280,358.83
JULIE ACCESSORIES INC.	9500 MEILLEUR, SUITE 505 MONTREAL QC H2N 2B7	1,435.77
KOMBI SPORTS INC.	5711 FERRIER MONTREAL QC H4P 1N3	19,973.30
LA PRESSE	CASE POSTALE 6041 SUCC CENTRE-VILLE MONTREAL QC H3C 3E3	3,366.88
MAC MOR OF CANADA LTD.	21 BENTON ROAD TORONTO ON M6M 3G2	2,114.02
McGREGOR SOCKS	63 POLSON STREET TORONTO ON M5A 1A4	8,477.24
MIL-IDEE ACCESSOIRES MODE LTEE	9250 AVE. DU PARC - SUITE 514 MONTREAL QC H2N 1Z2	1,820.92
MONTREAL FAMILIES	5764 MONKLAND AVE. #118 MONTREAL QC H4A 1E9	1,965.63
MS. JOAN ROEMER	FRUIT OF THE LOOM CANADA, INC. P O BOX 90015 BOWLING GREEN NY 42101	2,886.78
MULTIPRINT TEX MFG LTD	5555 CYPHOT VILLE SAINT LAURENT QC H4S 1R3	2,436.65
NORTH SAFETY PRODUCTS LTD	10550 PARKWAY BLVD. VILLE D'ANJOU QC H1J 2K4	2,193.32
PAJAR	4509 COLONIAL MONTREAL QC H2T 1V8	10,071.62
PARIS GLOVE OF CANADA LTD.	255 MONTEE DE LIESSE ST. LAURENT QC H4T 1P5	1,134.52
PEERLESS CLOTHING INC.	8888 BOUL. PIE IX MONTREAL QC H1Z 4J5	13,087.20
QUARTZ NATURE	2127 DE LA PROVINCE LOUGUEUIL QC J4G 1Y6	7,193.38
R. NICHOLLS DISTRIBUTORS INC.	2475 DE LA PROVINCE LONGUEUIL QC J4G 1G3	641.92
REEBOK CANADA	3400 RAYMOND-LASNIER ST-LAURENT QC H4R 3L3	1,075.57
S. COHEN INC.	153 GRAVELINE VILLE ST. LAURENT QC H4T 1R4	13,066.63
SOS TECHNOLOGIES ACTION URGENCE	136 MERIZZI ST. LAURENT QC H4T 1S4	369.20
STAGE 4	2600 MAJOR MACKENZIE DRIVE CITY OF VAUGHAN ON L6A 1R8	1,596.26
STANFIELD'S LTD.	P. O. BOX 190 TRURO NS B2N 5C2	1,137.13
STEVE SCHRETER	122 RYAN DOLLARD-DES-ORMEAUX QC H9A 3C4	280,358.84
STRIDE RITE CANADA LIMITED	191 SPRINT STREET LEXINGTON MA 02420	1,916.09
THE GAZETTE	P.O. BOX 11063-Succ Centreville MONTREAL QC H3C 5A1	3,701.96
THE GREAT CANADIAN SOX CO.	P. O. BOX 40 - SUCC B MONTREAL QC H3B 3J5	1,207.30
THE NORTH FACE (CANADA) INC.	P. O. BOX 6100 STN F TORONTO ON. M4Y 2Z2	127,794.43
TRANSCO PLASTIC INDUSTRIES	9405 ESPLANADE MONTREAL QC H2N 1V8	2,706.31
UTEX CORP.	845 PLYMOUTH ROAD VILLE MONT-ROYAL QC H4P 1B2	15,837.05
VIRUS FOOTWEAR	3524 GRIFFITH ST-LAURENT QC H4T 1A7	Unknown
WIGWAM MILLS INC.,	P O BOX 818 SHEBOYGAN WI 53082-0818	6,172.99
WORLD FAMOUS SALES OF CDN INC.	333 CONFEDERATION PARKWAY CONCORD ON L4K 4S1	7,143.54
Créanciers chirographaires / Ordinary Creditors		<hr/> 1,419,552.34
Grand Total		<hr/> <hr/> 1,911,631.18

**THIS INFORMATION SHEET
IS SUPPLIED IN ORDER TO ASSIST YOU IN COMPLETING
THE PROOF OF CLAIM FORM**

- The proof of claim must be signed by the individual completing the form.
- The signature of the claimant must be witnessed.
- Give the complete address (including postal code) where all notices and correspondence are to be forwarded.
- The amount on the statement of account must agree with the amount claimed on the proof of claim.

PARAGRAPH 1 OF THE PROOF OF CLAIM

- If the individual completing the proof of claim is not the creditor himself, he must state his position or title.
- The creditor must state the full and complete legal name of the Company or the claimant.

PARAGRAPH 3 OF THE PROOF OF CLAIM

- A detailed statement of account must be attached to the proof of claim and must show the date, the invoice number and the dollar amount of all the invoices or charges, together with the date, the number and the amount of all credits or payments. A statement of account is not complete if it begins with an amount brought forward. In addition, a creditor must indicate his/her address, phone number, fax number and E-mail address.

PARAGRAPH 4 OF THE PROOF OF CLAIM

- An unsecured creditor (subparagraph (A)) must check and state whether or not a priority rank is claimed under Section 136 of the Bankruptcy and Insolvency Act.
- A claim of landlord (subparagraph (B)) for disclaim of lease must be completed with full particulars and calculations.
- A secured creditor must complete subparagraph (C) and attach a copy of the security documents.
- A farmer, fisherman or aquaculturist must complete subparagraph (D).
- A claim against director(s) (subparagraph (E)), in a proposal which compromises a creditor's claim, must contain full particulars and calculations.

PARAGRAPH 5 OF THE PROOF OF CLAIM

- The claimant must indicate whether he/she **is** or **is not related** to the debtor, as defined in the Bankruptcy and Insolvency Act, by striking out that which is not applicable.

PARAGRAPH 6 OF THE PROOF OF CLAIM

- The claimant must attach a detailed list of all payments received and/or credits granted, as follows:
 - a) within the **three months** preceding the initial bankruptcy event, in the case where the claimant and the debtor are **not related**;
 - b) within the **twelve months** preceding the initial bankruptcy event, in the case where the claimant and the debtor are **related**.
- PROXY**
 - a) A creditor may vote either in person or by proxy;
 - b) A debtor may not be appointed as proxy to vote at any meeting of the creditors;
 - c) The Trustee may be appointed as a proxy for any creditor;
 - d) In order for a duly authorized person to have a right to vote he must himself be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy.

(français - au recto)

PROOF OF CLAIM

(Section 50.1, subsections 65.2(4), 81.2(1), 102(2), 124(2), 128(1),
and paragraphs 51(1)e) and 66.14b) of the Act)

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

Telephone number: _____

Fax number: _____

E-mail Address: _____

In the matter of the proposal of **J. SCHRETER INC.** of Montreal, Québec, and the claim of:

_____, creditor.

I, _____ of _____, do hereby certify :
(name of creditor or representative of the creditor) (city and province)

1. That I am a creditor of the above-named debtor (or that I am _____
of _____).
(state position or title) (name of creditor)

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of the notice of intention to make a proposal, namely the **13th day of February 2008**, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. **(The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim. In addition, indicate the creditor's address, fax number, telephone number and E-mail address).**

4. (Check and complete appropriate category)

A. **UNSECURED CLAIM OF \$ _____**

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

(Check appropriate description.)

Regarding the amount of \$ _____, I do **not** claim a right to a priority ("Ordinary Creditor");

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act ("Preferred Creditor"). (Set out on an attached sheet details to support priority claim.)

B. **CLAIM OF LANDLORD FOR DISCLAIMER OF A LEASE \$ _____**

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. **SECURED CLAIM OF \$ _____**

That in respect of this debt, I hold assets of the debtor valued at \$ _____, as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given, and the value at which you assess the security, and attach a copy of the security documents.)

D. **CLAIM BY FARMER, FISHERMAN, OR AQUACULTURIST OF \$ _____**

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____

(Attach a copy of sales agreement and delivery receipts.)

E. **CLAIM AGAINST DIRECTOR \$ _____**

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

PROOF OF CLAIM

(continued)

- 5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act.
- 6. That the following are the payments that I have received from, and the credits that I have allowed to, the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act, which is February 13, 2008: *(Provide details of payments and credits.)*

Dated at _____, this ___ day of _____.

_____ *Witness* _____ *Signature of creditor or his representative*

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

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

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

PROXY

(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

IN THE MATTER OF THE PROPOSAL OF J. SCHRETER INC.:

I, _____, of _____
(name of creditor) *(name of town or city)*

a creditor in the above matter, hereby appoint _____ of _____

to be my proxyholder in the above matter, except as to the receipt of dividends, with (or without) power to appoint another proxyholder in his or her place.

Dated at _____, this ___ day of _____.

_____ *Name of creditor and name of authorized signatory*

_____ *Signature of witness* Per : _____ *Signature*

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF QUÉBEC
DIVISION NO.: 01-MONTRÉAL
COURT NO.: 500-11-032527-083
ESTATE NO.: 41-1039022

SUPERIOR COURT
(Commercial Division)

IN THE MATTER OF THE PROPOSAL OF:

J. Schreter Inc.

a body politic and corporate, duly incorporated
according to law and having its head office and its
principal place of business at:
4358 Saint-Laurent Boulevard
Montréal, QC H2W 1Z5

Debtor

VOTING LETTER

(Paragraphs 51(1)f and 66.15(3)c) of the Act

I, _____, creditor
(or I, _____, representative of _____, creditor)
of _____ (name of town or city), a creditor in the above matter for
the sum of _____\$, hereby request the trustee acting with respect to the proposal of J. Schreter Inc., to
record my vote _____ (for or against) the acceptance of the proposal as made on the
14th day of March 2008.

Dated at _____, this ____ day of _____ 200__.

Witness

Individual Creditor

- OR -

Name of Corporate Creditor

Witness

Per : _____
Signature of Signing Officer