

CANADA
Province of Quebec
District of: Quebec
Division No.: 01 - Montreal
Court No.: 500-11-039789-108
Estate No.: 41-1423887

SUPERIOR COURT
In Bankruptcy and Insolvency
(Commercial Division)

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

In the Matter of the Proposal of
Roywest Investments Ltd.
Of the City of Montreal
In the Province of Quebec

Take notice that Roywest Investments Ltd., of the City of Montreal 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 herewith.

A general meeting of the creditors will be held at the Office of the Superintendent of Bankruptcy, 5 Place Ville Marie, 8th Floor, Montreal, Quebec, on March 1st, 2011 at 10:00 A.M.

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.

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 Montreal in the Province of Quebec, February 17, 2011.

RSM Richter Inc. - Trustee
Per:



Stéphane De Broux, CA, CIRP
2 Place Alexis Nihon, Suite 1820
Montréal QC H3Z 3C2
Phone: (514) 934-3497 Fax: (514) 934-3504

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
COURT NO: 500-11-039789-108
ESTATE NO: 41-1423887

SUPERIOR COURT
Commercial Division
"In matters of bankruptcy and insolvency"

IN THE MATTER OF THE PROPOSAL OF ROYWEST INVESTMENTS LTD., an insolvent corporation duly incorporated according to law, having its head office and principal place of business at 1310, Avenue Greene, Bureau 310, à Westmount, Québec, H3Z 2B2.

PROPOSAL

We, Roywest Investments Ltd. (the "Debtor" or the "Company") hereby submit the following proposal under the *Bankruptcy and Insolvency Act*:

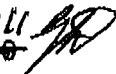
1. **Definitions:** For all purposes relating to the present proposal under the *Bankruptcy and Insolvency Act*, the following terms shall have the following meanings:
 - 1.1. **"Act":** The *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
 - 1.2. **"Crown Claims":** For the purposes of this Proposal, Crown Claims shall be limited to the claims of Her Majesty in right of Canada or a Province described in subsection 60(1.1) of the Act that were outstanding on the Date of the Proposal;
 - 1.3. **"Date of the Proposal":** The date when the notice of intention to make a proposal pursuant to section 50.4 of the Act was filed with the Official Receiver by the Debtor, namely October 28, 2010;
 - 1.4. **"Employee Claims":** All amounts that employees or former employees of the Debtor would be qualified to receive on the Date of the Proposal under paragraph 136(1)(d) of the Act;
 - 1.5. **"Ordinary Unsecured Claims":** The claims other than Secured Claims, Employee Claims, Crown Claims and Preferred Claims. For greater certainty, but without limiting the generality of the foregoing, the Ordinary Unsecured Claims shall include claims of any kind whatsoever, whether due or not for payment as at the Date of the Proposal, including contingent and unliquidated claims (once quantified) arising out of any transaction entered into by the Debtor and its representatives prior to the Date of the Proposal. Furthermore, the Ordinary Unsecured Claims shall include claims for a breach of an obligation contracted before the Date of the Proposal, regardless of the date of the breach, to the extent that such breach occurred prior to the Date of the Proposal;
 - 1.6. **"Ordinary Unsecured Creditors":** All persons having an Ordinary Unsecured Claim;

(français - recto)

- 1.7. **"Preferred Claims"**: The claims described in paragraphs 136(1)(a) to 136(1)(j) of the Act, being such claims directed by the Act to be paid in priority to all other claims in the distribution of the property of a bankrupt, excluding Employee Claims;
- 1.8. **"Preferred Creditor"**: A person having a Preferred Claim;
- 1.9. **"Professional Fees"**: The proper fees, expenses, liabilities and obligations of the Trustee and all legal fees, accounting fees and consulting fees pertaining to the Debtor incurred since the filing of the Notice of Intention;
- 1.10. **"Proposal"**: This proposal or any amendment thereto, which amendments may be made at any time prior to a vote by the creditors on the Proposal, or by the Court at the time of ratification of the Proposal;
- 1.11. **"Secured Claims"**: The claims of the Secured Creditors, to the extent of the value of the security held by the secured Creditors as assessed by the Secured Creditor and accepted by the Trustee or as determined by the Court;
- 1.12. **"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;
- 1.13. **"Secured Creditors"**: As defined in section 2 of the Act;
- 1.14. **"Trustee"**: RSM Richter Inc., a licensed trustee, having a place of business at 2 Place Alexis-Nihon, 3500 de Maisonneuve Blvd. West, 22nd Floor, in the City of Montréal, Province of Québec, H3Z 3C2.
2. **Employee Claims**: Employee Claims, if any, will be paid in full, immediately after approval by the Court of the Proposal.
3. **Crown Claims**: The Crown Claims shall be paid in full, within six months of approval of the Proposal by the Court, or as may otherwise be arranged with the Crown.
4. **Professional Fees**: The Professional Fees shall be paid by the Debtor.
5. **Secured Claims**: The Secured Creditors, if any, shall be paid in accordance with existing contracts or as may otherwise be arranged with the Secured Creditors.
6. **Preferred Claims**: The Preferred Claims shall be paid (without interest) in full upon approval of the Proposal by the Court or as may be otherwise arranged with individual Preferred Creditors or in accordance with clause 2 hereof if such Preferred Claim is also an Employee Claim.
7. **Ordinary Unsecured Creditors**: Each of the Ordinary Unsecured Creditors having a Proven Claim accepted by the Trustee shall receive, in full and final payment of its Ordinary Unsecured Claim, without interest or penalty, an amount representing a

percentage of 81.5% of the capital of its Proven Claim, such amount excluding the levy payable to the superintendent pursuant to the Act, payable no later than ten (10) days following the day when the approval of the Proposal by the Court will be final. Such payment shall be made to the Ordinary Unsecured Creditors in full and final settlement of their claims against Debtor and its directors as at the Date of the Proposal.

8. **Claims against directors:** In accordance with section 50(13) of the Act, the acceptance of the Proposal by the creditors shall definitively, without further payment release the directors in office as at the Date of the Proposal from any and all liability or obligation for which they may be liable by law in their capacity as directors, respecting any claim that arose before the Date of the Proposal as provided for by section 50(13) or otherwise. It is understood however, that nothing herein shall be interpreted as an acknowledgement of any liability or obligation whatsoever on the part of the directors in office as at the Date of the Proposal, any such liability or obligation being specifically denied.
9. **Reviewable Transactions, Preferential Payments, etc.:** The provisions of sections 38 and 91 to 101 of the Act and any provision of provincial legislation having a similar objective (including but not limited to articles 1631 to 1636 of the *Civil Code of Québec*) shall not apply to the Proposal.
10. **Headings:** The headings or titles herein are provided solely for the convenience of the reader. They do not form part of the Proposal and have no authoritative meaning in interpreting the Proposal.

DATED AT ^{Boca Raton FL} ~~Montreal~~, this ²⁰¹¹ ~~2010~~ ¹⁴ day of February ²⁰¹¹ ~~2010~~ 

**Roywest Investment LTD
DEBTOR**

Per:


George Deckelbaum

District of: Quebec
Court No. 01 - Montreal
Court No. 500-11-039789-108
Estate No. 41-1423897

Original [X] Amended

- FORM 78 -
Statement of Affairs (Business Proposal) made by an entity
(Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the Matter of the Proposal of
Roywest Investments Ltd.
of the City of Westmount
In the Province of Quebec

To the debtor

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 28th day of October 2010. When completed, this Form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

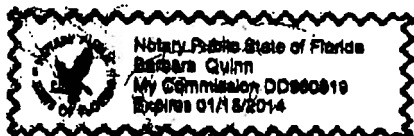
Table with two columns: LIABILITIES (as stated and estimated by the officer) and ASSETS (as stated and estimated by the officer). Rows include unsecured/secured creditors, inventory, trade fixtures, receivables, bills of exchange, deposits, cash, livestock, machinery, real property, furniture, RRSPs, securities, interests under wills, vehicles, and other property. Totals: Total liabilities 1,586,813.95, Total assets 150,000.00, Deficiency 1,416,813.95.

I, George Deckelbaum, of the City of Montreal in the Province of Quebec, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 14th day of February 2011 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
before me at the City of Boca Raton in the State of Florida
on this 14th day of February 2011.

[Handwritten signature]

[Handwritten signature]
George Deckelbaum



District of Quebec
 Division No. 01- Montréal
 Court No. 500-11-039789-108
 Estate No. 41-1423887


-- FORM 78 -- Continued --

List "A"
 Unsecured Creditors
 Roywest Investments Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim unsecured	Total claim
1	BORDEN LADNER GERVAIS S.E.N.C.R.L. Atr: ME JACQUES & DARCHÉ	1000, RUE DE LA GAUCHETIÈRE OUEST BUREAU 900 MONTREAL QC H3B 5M4	4,661.12	0.00	4,661.12
2	CAPITAL LA FINANCIERE INC Atr: ME JACQUES & DARCHÉ	A/S BORDEN LADNER GERVAIS 1000, RUE DE LA GAUCHETIÈRE OUEST, BUREAU 900 MONTREAL QC H3B 5M4	387,250.70	0.00	387,250.70
3	DAVIS WARD PHILLIPS & VINEBERT Atr: CHRISTIANE LACHANCE	1601, AVENUE MCGILL COLLEGE 28E ETAGE MONTREAL QC H3A 3N9	26,996.71	0.00	26,996.71
4	DECKELBAUM, GEORGE	3075, LE BOULEVARD MONTREAL QC H3Y 1R8	50,000.00	0.00	50,000.00
5	FLOW, ALLAN	90, BERLIOZ, APP 506 VERDUN QC H3E 1N1	50,000.00	0.00	50,000.00
6	FRAIS COURUS	--	25,000.00	0.00	25,000.00
7	GAGNON BRUNET	1440, STE-CATHERINE OUEST SUITE 714 MONTREAL QC H3G 1R8	11,485.53	0.00	11,485.53
8	HENRI A. LAFORTUNE INC	2005, RUE LIMOGES LONGUEUIL QC J6G 1C4	2,715.33	0.00	2,715.33
9	HYDRÔ WESTMOUNT	995 RUE GLEN WESTMOUNT QC H3Z 2L8	117.78	0.00	117.78
10	JOSEPH SUDRY Atr: ME JAY TURNER	A/S OIKMINE & ASSOCIÉS 1417, RUE DU FORT MONTREAL QC H3H 2C2	451,873.97	0.00	451,873.97
11	MARAMAR INC ET AL Atr: ME DENIS GODBOUT	A/S PELOQUIN KATTAN S.E.N.C. 1 WESTMOUNT SQUARE, BUREAU 2000 WESTMOUNT QC H3Z 2P9	452,161.64	0.00	452,161.64
12	OIKMINE & ASSOCIÉS	1417, RUE DU FORT MONTREAL QC H3H 2C2	4,545.05	0.00	4,545.05
13	PELOQUIN KATTAN S.E.N.C. Atr: ME DENIS GODBOUT	1 WESTMOUNT SQUARE 20E ETAGE WESTMOUNT QC H3Z 2P9	6,508.12	0.00	6,508.12
14	YVES BOULANGER	354 DALIDA LAVAL QC H7P 6M1	93,500.00	0.00	93,500.00
Total:			1,566,813.95	0.00	1,566,813.95

14-Feb-2011

Date


 George Deckelbaum

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 wage earner must complete subparagraph (E), if applicable.
- Section F must be completed with regard to a pension plan.
- A claim against director(s) (subparagraph (G)), in a proposal which compromises a creditor's claim, must contain full particulars and calculations.
- A customer of a bankrupt securities firm must complete subparagraph (H).

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.

PROOF OF CLAIM

(Section 50.1, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 81.5, 81.6, 102(2), 124(2), 128(1),
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

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

In the Matter of the Proposal of **Roywest Investments Ltd.** of the City of Montréal, Province of Quebec, and the claim of _____, creditor.

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

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

2. That I have knowledge of all of 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 October 28, 2010, 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.)

4. Check and complete appropriate category

A. UNSECURED CLAIM OF \$ _____

(Other than as a customer contemplated by Section 262 of the Act)

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 LESSOR 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).

FORM 31 (Continued)

- E. CLAIM BY WAGE EARNER OF \$ _____
 - That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____
 - That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____

- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____
 - That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____
 - That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____

- G. 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.)

- H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:

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

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, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act: (provide details of payments, credits and transfers at undervalue)

Dated at _____, this _____ day of _____

Signature of creditor

Signature of witness

Telephone number: _____ Fax number: _____

E-mail address: _____

NOTES: 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 **Roywest Investments Ltd.**

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 _____

Signature of creditor

Per: _____
Name and Title of Signing Officer

Signature of witness

CANADA
Province of Quebec
District of: Quebec
Division No.: 01-Montréal
Court No.: 500-11-039789-108
Estate No.: 41-1423887

SUPERIOR COURT
In Bankruptcy and Insolvency
(Commercial Division)

Voting Letter

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

In the Matter of the Proposal of
Roywest Investments Ltd.

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 **Roywest Investments
Ltd.** to record my vote _____ (for or against) the acceptance of the proposal
as made on February 14, 2011.

Dated at _____, this ____ day of _____ 201__.

Individual creditor

Signature of witness

- OR -

Name of corporate creditor

Name and title of authorized signing officer

Signature

Per: _____
Signature of witness