

CANADA
Province of Quebec
District of Quebec
Division No.: 01-Montréal
Court No.: 500-11-039827-106
Estate No.: 41-342660

SUPERIOR COURT
In Bankruptcy and Insolvency
(Commercial Division)

In the Matter of the Receivership of
Patella Manufacturing Inc.
Of the City of LaSalle
In the Province of Quebec

Notice and Statement of the Receiver
(Subsections 245(1) and 246(1) of the Act)

Further to the Quebec Superior Court Order ("Order") rendered on November 3, 2010, RSM Richter Inc. ("Richter") was appointed, pursuant to Section 243 of the *Bankruptcy and Insolvency Act*, Receiver to all the assets of Patella Manufacturing Inc. (the "Debtor"), subject to paragraph 18 of the Order. Richter, in its capacity as Receiver, gives notice and declares that the Order:

"[3] **GRANTS** to the Receiver the right, but not the obligation, to exercise the following powers over the Debtor which, at the Receiver's discretion, may be utilized:

- (a) all the necessary powers to collect all the accounts receivables of the Debtor;
- (b) all the powers necessary to the control of the receipts and disbursements of the Debtor;
- (c) all the powers and discretion necessary to proceed, in the ordinary course of business, to the sale of the Debtor's inventory...;
- (d) all the powers necessary to continue the business and the operations of the Debtor, but only if it wishes, and with no obligation to do so;
- (e) all the powers to sign and issue cheques on behalf of the Debtor;
- (f) all the powers necessary to protect the interests of the Petitioner;
- (g) all the powers necessary to take safeguard measures in order to prevent that the Debtor squander its assets and/or erode the value of the security of the Petitioner;
- (h) any other power necessary to the taking of safeguard measures regarding all of Debtor's assets and operations;
- (i) open any required bank account...;
- (j) contract any loan or other form of credit in order to allow the continuation of Debtor's operations...;

[4] **AUTHORIZES** the Receiver to conduct and supervise a sale process of the Debtor;

[5] **AUTHORIZES** the Receiver to solicit, through private or public call for tenders or through any other means, bids regarding the Debtor."

Note that a copy of the Order which appears on our website at www.rsmrch.com more explicitly details all the powers of the Receiver.

1. The following information relates to the receivership:

- a. Head office of Patella Manufacturing Inc.: 161 Stirling Avenue
LaSalle, Quebec H8R 3P3
- b. Principal line of business: Design, production and assembly of architectural wood millwork destined to office interiors.
- c. Location of business: 161 Stirling Avenue
LaSalle, Quebec H8R 3P3
- d. The assets owned by Patella Manufacturing Inc. are described as follows:

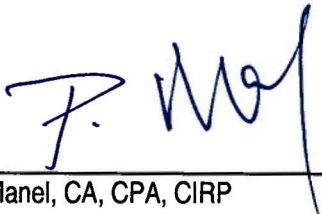
(Unaudited)	Book value
Accounts receivable	\$1,574,737.55
Inventory	50,000.00
Fixed assets	<u>887,414.07</u>
Total	<u>\$2,512,151.62</u>

- e. The amounts owed by Patella Manufacturing Inc. to each creditor who holds a security on the assets described above, are:
- | | |
|------------------|----------------|
| HSBC Bank Canada | \$6,128,088.18 |
| GE Capital | 867,906.81 |
| General Motors | 2,157.21 |
- f. The list of the other creditors of the insolvent person and the amount owed to each creditor and the total amount due by the insolvent person totaling \$8,000,827.27 is enclosed in the *Notice of Bankruptcy and First Meeting of Creditors*. The total amount due to the mass of the creditors is \$14,998,979.47.
- g. The intended plan of action of Richter, as Receiver, is to place the Debtor into Bankruptcy (done effective November 10, 2010) and to proceed with the realization of the assets of the Company.
- h. Contact person for Receiver: Shawn Travitsky, CA
Telephone: 514.934.3505
Fax: 514.934.3504
E-mail: stravitsky@rsmrichter.com

Dated at Montreal, Province of Quebec, November 12, 2010.

RSM Richter Inc. - Receiver

Per:



Phil Manel, CA, CPA, CIRP
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Montreal, Quebec H3Z 3C2