

CANADA
Province of Quebec
District of Quebec
Division No.:
Court No.: 500-11-044144-136
Estate No.: 41-1698291

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act
01-Montréal

Minutes of the Second Meeting of Creditors

In the matter of the Proposal of Les Aliments Newland North America Inc.	
Place of Meeting <input checked="" type="checkbox"/> Richter Advisory Group Inc. 1981 McGill College Avenue Room 2, 11 th Floor Montréal QC H3A 0G6	Chairman of the Meeting Philip Manel, CPA, CA, CIRP Richter Advisory Group Inc. (formerly RSM Richter Inc.)
	Date and Time of the Meeting February 20, 2013 at 4:00 P.M.

I. PRESENT

As per the attached attendance list.

II. QUORUM

The Chairman called the Meeting to order and declared that there was quorum; therefore, the Meeting was duly constituted.

III. REPORT OF THE JOINT INTERIM RECEIVERS

Mr. Philip Manel advised those present at the Meeting that an earlier informal meeting of the Ad-Hoc Committee of Creditors ("Ad-Hoc Committee") had been held that morning at Richter's office to provide it with detailed information as per its request at the previous Meeting of Creditors. In addition, the following subjects were discussed at the present Meeting:

- The cooperation of Mr. Jonathan Morgan in the realization of assets, and the need to incentivise Mr. Morgan who had not yet been paid salary/commissions by the interim receivers;
- The status of the "PACA" claim asserted against one of Newland North America's ("NNA") account debtors and the status of a settlement to collect the net proceeds held in court;
- The instructions that were provided to Heenan Blaikie to contest a trademark registration procedure undertaken by Zhongda Foods Limited ("Newland China") for the "Newland" name.

Me. Neil Stein, expressed concern with regard to Heenan Blaikie representing NNA and Mr. Morgan after having previously represented BMO against NNA. Heenan Blaikie responded that they believed there to be no conflict.

Mr. Manel presented two schedules that were provided to the creditors, namely:

- The reconciliation of NNA's opening cash position (just prior to the date of the filing of the Proposal on January 17, 2013) to date; and
- The estimated net proceeds that may be available to the creditors in the context of an Amended Proposal which may eventually to be made by NNA to its creditors; on various assumptions, most of which are not controllable and accordingly variances will ultimately occur in the estimated net proceeds.

Mr. Manel also reported to the creditors at the present Meeting, that which had been agreed to by the Ad Hoc Committee earlier that day, namely:

The Ad-Hoc Committee agreed that, in order to generate the best realization for the benefit of the creditors, the cooperation of Mr. Morgan should be secured via an incentive program.

It was agreed that the offices of Heenan Blaikie attempt to obtain the contract related to the "Newland" name to determine its ownership and the impact on NNA's restructuring.

The Ad-Hoc Committee agreed that Me. Stein be mandated to perform a legal opinion on the validity of BMO's security.

It was agreed that Me. Stein meet with Mr. Morgan and his attorney to determine if an acceptable amended proposal can be made by NNA to the creditors, which would in any event include the following terms:

- Control over receipts and disbursements and sale of assets;
- The right to attack preferences and reviewable transactions under s. 95-101 of the BIA;
- The cooperation of Mr. Morgan and his remuneration.

It was agreed by the Ad-Hoc Committee that the meeting be postponed to March 21, 2013 so that the above noted issues can be resolved, an amended Proposal can be presented to the creditors and a decision can be made on its acceptance. In the meantime, it was agreed that the Joint Interim Receiver stay in place, in accordance with the terms of the appointment order and that the focus of the work be to realize on NNA's assets (accounts receivable and inventory).

Mr. Rubin requested a revised list of inventory as he may be able to assist in the realization. Mr. Mario Petit (of Blummer Lapointe Tull & Associes) undertook to provide him with a list.


Me. Nuddleman inquired as to the possibility of a shorter postponement. The chairman replied that it would be impossible given the various parties vacation schedules over the next few weeks.

Mr Pierre Martin advised that the estimated daily fees for both Joint Interim Receivers would be between \$2,000-\$4,000/day. Mr. Manel agreed with this estimate (which is also consistent with the amount reflected in the schedule of the estimated proceeds to the creditors).

Mr. Manel advised that, given the extension of the Joint Interim Receiver's mandate, the administrative charge of \$75,000 reflected in the court order for the appointment of the Joint Interim Receivers would be insufficient to cover the professional fees incurred. Rather than revising the administrative charge upwards to take into account the extended period, Mr. Manel suggested that all professionals immediately submit their accounts to date, which would be paid from the funds in NNA's account and that the administrative charge of \$75,000 be kept intact to cover future professional fees. The Ad-Hoc Committee agreed, subject to its review of the accounts of the various professionals involved. Mr. Manel advised that he would obtain the accounts of the various professionals forthwith and submit same to the Ad-Hoc Committee.

There were no objections by the creditors present at the Meeting to any of the above and accordingly the Meeting was adjourned until March 21, 2013 at 3 PM at the office of Richter [unless otherwise advised to creditors].

Appendices: Attendance list



Chairman

