

CANADA
Province of Quebec
District of: Quebec
Division No.: 01 - Montréal
Court No.: 500-11-043786-124
Estate No.: 41-1695261

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

Report of Trustee on Proposal
(Section 59(1) and paragraph 58(d) of the Act)

**In the Matter of the Proposal of
Sixty Canada Inc.
Of the City of Montréal
In the Province of Quebec**

We, Richter Advisory Group Inc./ Richter Groupe Conseil Inc. (formerly RSM Richter Inc.), the trustee acting in the Proposal of Sixty Canada Inc., hereby report to the Court as follows:

1. That a Proposal was filed with us on the 9th day of January 2013, a copy of which is attached and marked as **Exhibit "A"**, and that we filed a copy of the Proposal with the official receiver on the 9th day of January 2013 (the "Initial Proposal").
2. That on the 18th day of January 2013, we gave notice to the debtor, to the division office and to every known creditor affected by the Proposal, whose names and addresses are shown in **Exhibit "B"** to this report, of the calling of a meeting of creditors to be held on the 30th day of January 2013 to consider the Proposal.
3. That with the notice was included a condensed statement of the assets and liabilities of the debtor, a list of the creditors affected by the Proposal who have claims of \$250 or more and showing the amounts of their claims, a copy of the Proposal, a form of proof of claim and proxy in blank and a voting letter. Copies of the notice, the condensed statement and the list of creditors are attached and marked as **Exhibits "C1", "C2" and "C3"**, respectively.
4. That a copy of the Report of the Trustee on the Financial Situation of the Debtor and on the Proposal is attached and marked as **Exhibit "D"**.
5. That prior to the meeting of creditors we made a detailed and careful inquiry into the liabilities of the debtor, the debtor's assets and their value, the debtor's conduct and the causes of the debtor's insolvency.
6. That the meeting of creditors was held on the 30th day of January 2013, and was presided over by Kamel Rezig, Official Receiver.
7. That an amended Proposal was filed with us on the 30th day of January 2013 (the "Amended Proposal"), a copy of which is attached and marked as **Exhibit "E"**, and that we filed a copy of the Amended Proposal with the official receiver on the 30th day of January 2013.
8. That at such meeting of creditors, the Trustee distributed to all creditors present a Second Report of the Trustee on the Financial Situation of the Debtor and on the Proposal, copy of which is attached and marked as **Exhibit "F"**.
9. That the Amended Proposal was accepted by the required majority of creditors.
10. That a copy of the minutes of the meeting is attached and marked as **Exhibit "G"**.

11. That we are of the opinion that:

(a) the assets of the debtor and their fair realizable value are as follows:

Property Name	Estimated \$	Realizable \$
Cash on hand	36,074.00	36,074.00
Debts Due - Business - Accounts receivable	200,000.00	200,000.00
Other - Cash in transit	428,000.00	428,000.00
Total Property Value	664,074.00	664,074.00

(b) the liabilities of the debtor are as follows:

Creditor Name	Secured \$		Preferred \$		Unsecured \$	
	SOA	Discrepancies	SOA	Discrepancies	SOA	Discrepancies
174 SPADINA AVENUE REALTY	-	-	-	-	9,850.60	9,850.60
4300611 CANADA INC.	-	-	-	-	-	(278,635.06)
ALL TYPE TRANSPORT	-	-	-	-	448.98	(816.92)
BAMPTON, NICOLE	-	-	-	-	-	(5,108.00)
BELL CANADA - 510309353, 4166420082	-	-	-	-	225.60	225.60
BLAKE, CASSELS & GRAYDON LLP	-	-	-	-	-	-
BOUTIQUE NEW BREED - 9257-8541	-	-	-	-	300.00	300.00
QUEBEC INC	-	-	-	-	-	-
BUROPLUS	-	-	-	-	196.36	196.36
CANADIAN SPRINGS	-	-	-	-	30.28	30.28
CONSOLIDATED FASTFRATE INC	-	-	-	-	345.62	345.62
DELL CANADA INC.	-	-	-	-	1,568.14	1,568.14
DHIFI, HEDI	-	-	-	-	-	-
DUGGERS MENS WEAR	-	-	-	-	233.65	233.65
EMBALLAGES DE LA BEAUCE INC (LES)	-	-	-	-	259.84	259.84
GROUPE DAYAN INC.	-	-	-	-	-	-
HEADHUNTERS RECRUITMENT INC.	-	-	-	-	10,08	-
HYDRO-QUÉBEC	-	-	-	-	-	(1,491.73)
ICON	-	-	-	-	-	-
ISABEL J. SCHURMAN, IN TRUST	-	-	-	-	1,745.18	1,745.18
J PICHE ET FILS	-	-	-	-	103.48	103.48
JPS LOGISTIQUE INC	-	-	-	-	425.00	425.00
KAUFMAN LARAMEE	-	-	-	-	21,432.84	21,432.84
MAIORANO, NATASHA	-	-	-	-	-	(1,269.23)
MARK EDWARDS APPAREL INC	-	-	-	-	89,239.80	(228,061.14)
METROSPEC	-	-	-	-	35.82	35.82
MINISTRE DU REVENU DU QUEBEC	-	-	-	-	-	(12,742.56)
NEXIA FRIEDMAN LLP	-	-	-	-	1,916.24	1,916.24
NICOLINI, ROBERT	-	-	-	-	-	(122,441.54)
PITNEY BOWES	-	-	-	-	271.12	271.12
PRINCIPE SPA	-	-	-	-	255.81	255.81
RECEIVABLE MANAGEMENT SERVICES CORPORATION (RMS The)	-	-	-	-	-	-
RELYCO	-	-	-	-	8.54	8.54
REMCO FORWARDING	-	-	-	-	-	(535.86)
ROGERS BUSINESS SOLUTIONS	-	-	-	-	636.43	636.43
SHAW - 014-0970-9229	-	-	-	-	-	-
SIXTY FAR EAST LTD.	-	-	-	-	507,660.31	507,660.31
SIXTY RETAIL CANADA INC	-	-	-	-	212.36	212.36
SIXTY SPA	-	-	-	-	6,668,575.97	6,668,575.97
STELLAR PROPERTIES LTD	-	-	-	-	11,946.68	11,946.68
TELUS - 237-709-0619	-	-	-	-	-	-
TYCO - 8000749419 ET 500303169	-	-	-	-	-	-
WANT AGENCY	-	-	-	-	55.98	55.98
Total	-	-	-	-	7,328,060.63	6,577,189.81

12. That we are also of the opinion that:

(a) the causes of the insolvency of the debtor are as follows:

- Sixty Canada is wholly owned by Sixty S.P.A., a legal person constituted under the laws of Italy. The organization chart of the Sixty Group is included in the Trustee's report on the Proposal.
- Sixty S.P.A. supplies its retail network and wholesale distributors which purchase almost all of their products from Sixty S.P.A. and Sixty Far East Ltd (more than 95% of purchases).
- Sixty S.P.A. operates by virtue of trademark licensing agreements (the "Licensing Agreements") with Sixty International S.A., a corporation constituted under the laws of Luxembourg and owner of such trademarks. The Licensing Agreements expired on December 31, 2012.
- On September 20, 2012, Sixty S.P.A initiated a reorganization procedure pursuant to Italian law and is currently seeking to conclude a deed of arrangement (*concordato preventivo*) with its creditors within 120 days (i.e. January 20, 2013) in an attempt to avoid bankruptcy.
- As a result of Sixty S.P.A.'s financial difficulties and the complexity to reach a restructuring agreement with its creditors, the shareholders of Sixty International S.A. and Sixty S.A. sold all their shares to an Asian fund, Crescent HydePark European Opportunities I ("Crescent HydePark"). This transaction occurred in July 2012 and gave Crescent HydePark ownership of the trademarks and control of the production.
- The Debtor's financial distress is directly related to the situation described above. Indeed, as a result of the financial difficulties being experienced by Sixty S.P.A. coupled with the sale of Sixty International S.A. and Sixty S.A. to Crescent HydePark, no new inventory has been shipped to the Companies in the last four months of 2012. As a result, inventory on-hand has been depleted and Sixty Retail did not have any current season inventory to sell in its stores while Sixty Canada was not generating any new sales. Miss Sixty is considered a fashion brand; therefore, new collections, new designs and availability of new products are crucial factors to success in this industry.

(b) the conduct of the debtor is subject to censure in the following respects:

Not applicable

(c) the following facts, mentioned in section 173 of the Act, may be proved against the debtor:

Not applicable

13. That we are further of the opinion that the debtor's Amended Proposal is an advantageous one for the creditors, for the following reasons:

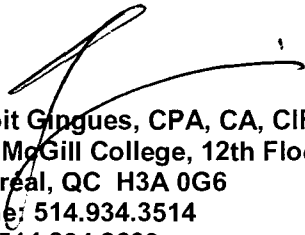
- The operating assets of the Debtor have been sold, the proceeds have been remitted to the Trustee, the majority of employees have been transferred to the Purchaser and the Debtor is no longer carrying on business. The Purchaser will assist the Debtor to collect the remaining trade receivables.
- In a bankruptcy scenario, it has been estimated that the net realization value of the assets would be the same as in the Amended Proposal or lower, considering that additional costs and professional fees may have to be incurred in a bankruptcy.

- The Amended Proposal addresses the following issues:
 - The rights of the Debtor to the receivables from Sixty International S.A. and Sixty Hong Kong, if any, will vest in the Trustee;
 - The Committee will have the power to give instructions to the Trustee with respect to the collection of the above mentioned receivables; and
 - Paragraph 10 of the Initial Proposal is removed so that the remedies provided by Sections 95 to 101 of the Act will be applicable.
- The Amended Proposal submitted by the Debtor at the Meeting of Creditors on January 30, 2013, is the result of meetings and discussions held between the Trustee, representatives of major creditors and the Debtor. It is the view of the Trustee that the Amended Proposal is better than the Initial Proposal as it gives the ability to the Trustee to collect certain receivables and review certain transactions should it be determined advisable by the Committee.

14. That we forwarded a copy of this report to the official receiver on this day.

Dated at the City of Montréal in the Province of Quebec, this 11th day of February 2013.

Richter Advisory Group Inc./ Richter Groupe Conseil Inc.
(formerly RSM Richter Inc.)
Trustee



Benoit Gingues, CPA, CA, CIRP
1981 McGill College, 12th Floor
Montréal, QC H3A 0G6
Phone: 514.934.3514
Fax: 514.934.8603

C A N A D A

S U P E R I O R C O U R T

PROVINCE OF QUÉBEC
DISTRICT OF QUÉBEC
DIVISION N°: 01-MONTREAL
COURT N°: 500-11-043786-124
FILE N°: 41-1695261

IN THE MATTER OF THE PROPOSAL OF SIXTY CANADA INC., a company,
having its head office at 225 Chabanel Street West, Suite 620, Montreal, Quebec
H2N 2C9

DEBTOR

PROPOSAL

We, **SIXTY CANADA INC.**, hereby submit the following proposal pursuant to the *Bankruptcy and Insolvency Act*.

1. For the purposes hereof:

“**ACT**” means the *Bankruptcy and Insolvency Act*;

“**ADMINISTRATION CHARGE**” has the meaning ascribed to such term in the Order of Justice Chantal Corriveau, S.C.J. of December 11, 2012;

“**APPROVAL OF THE PROPOSAL**” means the approval of the PROPOSAL by the prescribed majority of the CREDITORS of the COMPANY, and by an order of the COURT which is executory and for which all delays to appeal have expired;

“**CLAIM**” has the meaning given to such term in section 2 of the ACT, and includes, without limitation, any claim of any PERSON against the COMPANY with regard to any debt, liability or obligation of any kind owed to such PERSON arising out of the COMPANY’s current restructuring, disclaimer or termination of any contract, lease, employment agreement or any other agreement, whether written or oral, by the COMPANY, as well as any claims by any GOVERNMENTAL AUTHORITY arising directly or indirectly from APPROVAL OF THE PROPOSAL, including all claims related to TAXES, to the goods and services tax and to provincial sales taxes payable following a reduction of or arrangement concerning the liability of the COMPANY inherent to the APPROVAL OF THE PROPOSAL and all claims (real or projected) resulting from application of articles 79 to 80.04 of the *Income Tax Act* (Canada) (or equivalent provisions in the relevant provincial tax laws) with regard to the COMPANY and related to the APPROVAL OF THE PROPOSAL;

“COMMITTEE” means the committee formed of at most three (3) individuals pursuant to paragraph 9 hereof;

“COMPANY” means Sixty Canada Inc.;

“COURT” means the Superior Court of Quebec (Commercial Division), District of Montreal;

“CREDITOR” means any PERSON having a CLAIM or a claim against the DIRECTORS and may, where the context requires, include the assignee of a CLAIM or a trustee, interim receiver, receiver, receiver and manager, or other PERSON acting on behalf of such PERSON. A CREDITOR shall not include a PERSON entitled to a CLAIM for PROPOSAL COSTS;

“DIRECTORS” means all of past and present directors and officers of the COMPANY and any other PERSON deemed to have acted in such capacity;

“GOVERNMENTAL AUTHORITY” means any (i) provincial, federal, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

“GROSS AMOUNT” means the NET AMOUNT OF THE TRANSACTION plus the cash on hand as of December 31, 2012 and the net proceeds of the sale of any property of the COMPANY not sold to Sixty Canada Trading Inc., pursuant to the TRANSACTION, and the collection of the accounts receivable of the COMPANY other than those identified by the COMPANY acting reasonably as uncollectable or deemed to be uncollectable;

“LESSORS CLAIMS” means the CLAIMS to be filed by the lessors for an amount equal to the lesser of (i) the aggregate of (A) the rent provided for in the lease for the first year of the lease following the date on which the disclaimer or resiliation becomes effective, and (B) 15% of the rent for the remainder of the term of the lease after that year, and (ii) three years' rent, the whole pursuant to section 65.2 of the ACT;

“NET AMOUNT” means the GROSS AMOUNT after payment of all PROPOSAL COSTS, POST-FILING OBLIGATIONS, the SECURED CLAIMS, the PRIORITY CLAIMS, and all other amounts to be paid in priority to the UNSECURED CLAIMS;

“NET AMOUNT OF THE TRANSACTION” means the proceeds generated by the TRANSACTION;

“NOTICE OF INTENTION” means the notice of intention to make a proposal pursuant to the ACT, which notice was filed on December 10, 2012;

“ORDINARY CREDITORS” means those PERSONS having UNSECURED CLAIMS against the COMPANY, including, for greater certainty, PERSONS having LESSORS’ CLAIMS;

“PERSON” means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, trustee, unincorporated organization, joint venture, governmental body or agency, or any other entity;

“POST-FILING OBLIGATIONS” means all unpaid obligations incurred by the COMPANY in the course of its activities since the filing of the NOTICE OF INTENTION, and those which it foresees up to the moment of execution of the PROPOSAL and the winding-up of the COMPANY;

“PRIORITY CLAIMS” means all CLAIMS which must by the ACT be paid in priority to all other CLAIMS sharing in the estate of an insolvent debtor;

“PROPOSAL” means the present proposal;

“PROPOSAL COSTS” means all fees, costs, undertakings and obligations of the TRUSTEE, and all the legal fees due to its advisors or those of the COMPANY and accounting fees relating to or resulting from the NOTICE OF INTENTION, the PROPOSAL and/or the TRANSACTION;

“PROPOSAL MEETING” means the meeting of CREDITORS of the COMPANY in order to consider the PROPOSAL;

“RESERVE” has the meaning set forth in paragraph 8 hereof;

“SECURED CLAIMS” means CLAIMS of secured creditors within the meaning of the ACT;

“SECURED CREDITORS” means those PERSONS having SECURED CLAIMS;

“TAXES” means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a GOVERNMENTAL AUTHORITY, including (a) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem,

transfer, licence, profits, windfall profits, environmental, payroll, employment, employer health, pension plan, anti-dumping, countervail, excise, severance, stamp, occupation, or premium tax, (b) all withholdings on amounts paid to or by the relevant PERSON, (c) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (d) any fine, penalty, interest, or addition to tax, (e) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (f) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

“TRANSACTION” means one or more transactions whereby funds are generated by the sale of all or part of the assets of the COMPANY, for greater certainty the TRANSACTION includes the transaction pursuant to the Asset Purchase Agreement between the COMPANY, Sixty Canada Retail Inc. and Sixty Canada Trading Inc. made as of December 31, 2012;

“TRUSTEE” means Richter Advisory Group Inc. / Richter Groupe Conseil Inc. (formerly RSM Richter Inc.) licensed trustee, acting as trustee to the PROPOSAL;

“UNSECURED CLAIMS” means the CLAIMS of any CREDITOR, which are not SECURED CLAIMS, PRIORITY CLAIMS, CLAIMS for PROPOSAL COSTS or POST-FILING OBLIGATIONS, including CLAIMS of any kind whatsoever, whether due or not on the date of the filing of the NOTICE OF INTENTION, including contingent or unliquidated CLAIMS resulting from any transaction concluded by the COMPANY prior to the filing of the NOTICE OF INTENTION and, as the case may be, all damages or other amounts due to the coming into force of the PROPOSAL that could be claimed by any CREDITOR of the COMPANY;

2. The SECURED CLAIMS shall be paid in priority to any other CLAIMS from the GROSS AMOUNT.
3. The amounts:
 - (a) due to Her Majesty the Queen in right of Canada or of any province, which are subject to a demand under subsection 224(1.2) of the *Income Tax Act* or of 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 of any provision of provincial legislation essentially similar to the foregoing provisions as provided in paragraph 60(1.1)(c) of the ACT, and that were outstanding at the

time of the filing of the NOTICE OF INTENTION shall be paid in their entirety, without interest, from the GROSS AMOUNT, within six months after the APPROVAL OF THE PROPOSAL;

- (b) which employees (past and present) would be entitled to receive pursuant to paragraph 136(1)(d) of the ACT if the COMPANY had been declared bankrupt on the date of the APPROVAL OF THE PROPOSAL shall be paid in their entirety immediately after the APPROVAL OF THE PROPOSAL from the GROSS AMOUNT.
4. The PROPOSAL COSTS shall be paid using either the RESERVE or the GROSS AMOUNT in priority to all CLAIMS other than the SECURED CLAIMS.
 5. The PRIORITY CLAIMS, without interest or penalty, shall be paid in their entirety from the GROSS AMOUNT in priority to all UNSECURED CLAIMS, within sixty (60) days following the APPROVAL OF THE PROPOSAL.
 6. The POST-FILING OBLIGATIONS shall be paid forthwith upon written instructions of the COMPANY using either the RESERVE or the GROSS AMOUNT in priority to any of the above mentioned CLAIM save and except the PROPOSAL COSTS.
 7. Each ORDINARY CREDITOR shall receive, in full and final payment of its UNSECURED CLAIM, without interest or penalty:
 - (a) Within sixty (60) days of the APPROVAL OF THE PROPOSAL, from the NET AMOUNT:
 - (i) The lesser of the first five hundred dollars (\$500) of the UNSECURED CLAIM or the payment in full of the UNSECURED CLAIM; and
 - (ii) A pro rata share of the balance of the NET AMOUNT at the moment the dividend is to be paid less any amount set aside for the RESERVE and the amount required to satisfy the payments described in paragraph 7(a)(i) hereof;
 - (b) When so decided by the COMMITTEE or, if no such COMMITTEE is in place, when the TRUSTEE so decides and subject to the TRUSTEE being satisfied that no CLAIM will be made pursuant to paragraph 149(3) of the ACT a pro rata share of the NET AMOUNT then available and of the balance of the RESERVE shall be distributed.
 8. In order to proceed with the payments set forth above, the COMPANY is hereby authorized to set up a reserve to be held by the TRUSTEE to

facilitate the payment by the COMPANY of any and all PROPOSAL COSTS and POST-FILING OBLIGATIONS (the "RESERVE").

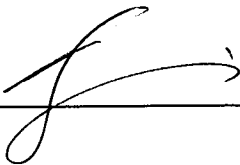
9. The COMPANY consents to the creation of a committee which shall be formed of at most three (3) individuals designated by the CREDITORS at the PROPOSAL MEETING, if they so wish. The COMMITTEE shall have the following powers:
 - (a) to advise the TRUSTEE with respect to the administration of the PROPOSAL;
 - (b) to waive any default in the execution of the PROPOSAL;
 - (c) to confirm that the COMPANY has satisfied all of the terms and conditions of the PROPOSAL; and
 - (d) to adjourn the payment of all dividends to ORDINARY CREDITORS provided for hereunder.
10. In conformity with section 101.1 of the ACT, sections 95 to 101 will not apply to the PROPOSAL.
11. By the APPROVAL OF THE PROPOSAL, all CREDITORS of the COMPANY give full and final discharge of all rights, CLAIMS or other recourses of any nature whatsoever which they had, have, or could have had against the COMPANY, its legal counsel, financial advisors, the DIRECTORS, management, representatives, agents and assignees.
12. All amounts payable under the PROPOSAL shall be remitted to the TRUSTEE so that it may distribute the dividends pursuant to the PROPOSAL.

IN CASE OF DISCREPANCY BETWEEN THE FRENCH AND ENGLISH VERSIONS OF THE PROPOSAL, THE ENGLISH VERSION SHALL PREVAIL.

MADE IN MONTREAL, QUEBEC, THIS 9TH DAY OF JANUARY, 2013.

SIXTY CANADA INC.

Witness



By:

Arpi BALOUZIAN
Duly authorised



CANADA COUR SUPÉRIEURE

Province de Québec

District de : Québec

No Division : 01-Montréal

No Cour : 500-11-043786-124

No Dossier : 41-1695261

(Chambre commerciale)

Loi sur la faillite et l'insolvabilité

**Affidavit d'envoi
Avis de la proposition aux créanciers et
Avis d'audition de la demande d'approbation par le tribunal d'une proposition**

**Dans l'affaire de la proposition de
Sixty Canada Inc.
de la ville de Montréal
en la province de Québec**

Je, soussignée, du cabinet de Richter Groupe Conseil Inc. (anciennement RSM Richter Inc.), 1981 McGill College, 12^e étage, Montréal, Québec, déclare et dis ce qui suit :

1. Que j'ai fait expédier, par courrier ordinaire dûment affranchi, du bureau de poste de la ville de Montréal, province de Québec, le 18 janvier 2013, à tous les créanciers connus apparaissant à la Liste de poste ci-jointe, au dirigeant de la personne morale insolvable, ainsi qu'à la cour, les documents suivants, soit :

- (a) l'*Avis de la proposition aux créanciers et Avis d'audition de la demande d'approbation par le tribunal d'une proposition*, auquel étaient joints :
- i. une copie de la proposition;
 - ii. un état succinct de son actif et de son passif;
 - iii. une liste des créanciers visés par la proposition et dont les réclamations se chiffrent à 250 \$ ou plus;
 - iv. un formulaire de preuve de réclamation et de procuration; et
 - v. un formulaire de votation.

(b) le *Rapport du syndic sur la situation financière de la débitrice et sur la proposition*, dont copies conformes desdits documents sont annexées au présent affidavit.

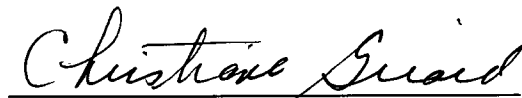
2. Qu'à cette même date, j'ai fait expédier, par courriel, à toutes les personnes apparaissant à la Liste des envois supplémentaires par courriel, une copie du formulaire 01.1, l'*Avis de la proposition aux créanciers*, le *Rapport du syndic sur la situation financière de la débitrice et sur la proposition* et l'*Avis d'audition de la demande d'approbation par le tribunal d'une proposition*, dont copie conforme desdits documents sont annexées au présent affidavit; et

3. Qu'à cette même date j'ai également déposé électroniquement auprès du Bureau de division l'*Avis de la proposition aux créanciers et Avis d'audition de la demande d'approbation par le tribunal d'une proposition*, le *Rapport du syndic sur la situation financière de la débitrice et sur la proposition*, dont copies des confirmations de dépôt sont jointes au présent affidavit.



Carol O'Donnell

Assermentée dans la ville de Montréal, en la province de Québec, le 23 janvier 2013.



Commissaire à l'assermentation pour la province de Québec



Creditor Mailing List

In the Matter of the Proposal of
Sixty Canada Inc.
Of the City of Montréal
In the Province of Quebec

Creditor Type	Name	Attention	Address
Director	Arpi Balouzian		3845 rue Céline-Marier Montréal QC H4R 3N3 Fax: (514) 670-9625
Court	Cour Supérieure du Québec - Montréal		1, rue Notre-Dame E., bur. 1.146 Montréal QC H2Y 1B6
Unsecured	174 SPADINA AVENUE REALTY		174 SPADINA AVE TORONTO ON M5T 2C2
	4300611 CANADA INC.	Steven M. Shein	c/o ME S. SHEIN, KAUFMAN LARAMÉE LLP 2220-800 RENE-LEVESQUE W. MONTREAL QC H3B 1X9 Fax: (514) 875-7147 sshein@kaufmanlaramee.com
	ALL TYPE TRANSPORT		5203 FAIRWAY LACHINE QC H8T 3K8
	BELL CANADA		510309353, 4166420082 GROUPE INSOLVABILITE - AFFAIRE 1 ALEXANDRE GRAHAM BELL AILE E 3 VERDUN QC H3E 3B3 Fax: (514) 766-7326 insolv@bell.ca
	BLAKE, CASSELS & GRAYDON LLP		200-600, DE MAISONNEUVE O. MONTREAL QC H3A 3J2
	BOUTIQUE NEW BREED - 9257-8541 QUEBEC INC		1450-540 RUE D'AVAU GOUR BOUCHERVILLE QC J4B 0G6
	BUROPLUS		950 PLACE PAUL KANE LAVAL QC H7C 2T2
	CANADIAN SPRINGS		P.O. BOX 4514 STN A TORONTO ON M5W 4L7
	CONSOLIDATED FASTFRATE INC		9701 HIGHWAY 50 WOODBRI DGE ON L4H 2G4
	DELL CANADA INC.		501-155 GORDON BAKER RD NORTH YORK ON M2H 3N5
	DUGGERS MENS WEAR		5476 SPRING GARDEN ROAD HALIFAX NS B3J 1G3
	EMBALLAGES DE LA BEAUCE INC (LES)		469 ROUTE 112 EST VALLEE-JONCTION QC G0S 3J0
	GROUPE DAYAN INC.		300-433 CHABANEL WEST MONTREAL QC H2N 2J4
	ISABEL J. SCHURMAN, IN TRUST		620-625 BOUL RENE-LEVESQUE MONTREAL QC H3B 1R2
	J PICHE ET FILS		5564 BOUL. ST. LAURENT MONTREAL QC H2T 1S8
	JPS LOGISTIQUE INC		1137 DE LA DECOUVERTE ST-LAZARE QC J7T 0A4
	KAUFMAN LARAMEE		2220-800 BOUL RENE-LEVESQUE MONTREAL QC H3B 1X9
	MAIORANO, NATASHA		2281 DES MIGRATIONS MONTREAL QC H1R 0G7

Creditor Mailing List

In the Matter of the Proposal of
Sixty Canada Inc.
Of the City of Montréal
In the Province of Quebec

Creditor Type	Name	Attention	Address
Unsecured	MARK EDWARDS APPAREL INC		600-225 CHABANEL WEST MONTREAL QC H2N 2C9
	METROSPEC		2650 BOUL PITFIELD, MONTREAL MONTREAL QC H4S 1G9
	NEXIA FRIEDMAN LLP		500-800 BOUL DECARIE MONTREAL QC H4P 2S4
	PITNEY BOWES		P.O. BOX 278 ORANGEVILLE ON L9W 2Z7
	PRINCIPE SPA		VIA LUNGOLAGO DUCA DEGLI ABRUZZI166, CALCINATE DEL PESCE VARESE - 21100 ITALY
	RELYCO		121 BROADWAY DOVER NH 03820 USA
	ROGERS BUSINESS SOLUTIONS		P.O. BOX 2000 STN D ROAD SCARBOROUGH ON M1R 5P4
	SHAW		014-0970-9229 900 630-3rd AVENUE S W CALGARY AB T2P 4L4
	SIXTY FAR EAST LTD.		10/FJOS TOWER MILLENNIUM CITY2,378K, WUN TONG ROAD K.W. KOWLOON HONG KONG -
	SIXTY RETAIL CANADA INC		620-225 CHABANEL WEST MONTREAL QC H2N 2C9
	SIXTY SPA		VIA ERASMO PIAGGIO, 35 CHIETI SCALO CHIETI - 66100 ITALY
	STELLAR PROPERTIES LTD		215-1008 HOMER ST VANCOUVER BC V6B 2X1
	TELUS		237-709-0619 4535 CANADA WAY TOWER B BURNABY BC V5G 1J9
	THE HEADHUNTERS.CA		625 HOWE ST # 200- THE STANDARD LIFE BUILDING VANCOUVER BC V6C 2T6
	TYCO		8000749419 ET 500303169 5700 HENRI-BOURASSA O ST-LAURENT QC H4R 1V9
	WANT AGENCY		915-225 CHABANEL WEST MONTREAL QC H2N 2C9

LISTE DES ENVOIS SUPPLÉMENTAIRES / SUPPLEMENTARY MAILINGS LIST

Dans l'affaire de la proposition de
Sixty Canada Inc.
de la ville de Montréal
en la province de Québec / In the Matter of the Proposal of
Sixty Canada Inc.
Of the City of Montréal
In the Province of Quebec

AGENCE DU REVENU DU CANADA
CENTRE D'ARRIVAGE REGIONAL EN
INSOLVABILITE
25, RUE DES FORGES, BUREAU 111
TROIS-RIVIERES QC G9A 2G4

COMM. DES NORMES DU TRAVAIL
A/S JEAN-GUY LABERGE, SERV.
SURVEILLANCE
500, RENÉ-LÉVESQUE O., 26 ÉTAGE
MONTRÉAL (QUÉBEC) H2Z 2A5

REVENU QUÉBEC
SERVICE DES FAILLITES ET
INSOLVABILITÉ
1600, BOUL. RENÉ-LÉVESQUE OUEST
MONTRÉAL QC H3H 2V2

CSST
1, COMPLEXE DESJARDINS
TOUR SUD, SUCC. DESJARDINS
MONTRÉAL QC H5B 1H1

DUN & BRADSTREET DU CANADA
LTÉE
705-715 SQUARE VICTORIA
MONTRÉAL QC H2Y 2H7

EDC-EXPORT DEVELOPMENT CANADA
151 O'CONNOR
OTTAWA ON K1A 1K3

EULER HERMES
1155 RENÉ-LÉVESQUE O.
BUREAU 2810
MONTRÉAL QC H3B 2L2

GAZ MÉTROPOLITAIN
1717, RUE DU HAVRE
MONTRÉAL QC H2K 2X3

HYDRO-QUÉBEC
BUREAU DU RECOUVREMENT
140, CRÉMAZIE O., 1^{ER} ÉTAGE
MONTRÉAL QC H2P 1C3

RICHTER

CANADA
Province de Québec
District de : Québec
No division : 01-Montréal
No cour : 500-11-043786-124
No dossier : 41-1695261

COUR SUPÉRIEURE
(Chambre commerciale)
Loi sur la faillite et l'insolvabilité

**Avis de la proposition aux créanciers et
Avis d'audition de la demande d'approbation par le tribunal d'une proposition**
(article 51 et alinéa 58(b) de la Loi)

**Dans l'affaire de la proposition de
Sixty Canada Inc.
de la ville de Montréal
en la province de Québec**

Avis est donné que Sixty Canada Inc. de la ville de Montréal en la province de Québec a déposé une proposition entre nos mains, en vertu de la Loi sur la faillite et l'insolvabilité.

Ci-inclus vous trouverez une copie de la proposition, d'un état succinct de son actif et de son passif ainsi qu'une liste des créanciers visés par la proposition et dont les réclamations se chiffrent à 250 \$ ou plus.

Une assemblée générale des créanciers sera tenue au Bureau du surintendant des faillites, 5 Place Ville Marie, 8^e étage, Montréal QC H3B 2G2 le 30 janvier 2013 à 11 heures.

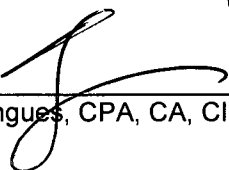
Les créanciers ou toute catégorie de créanciers ayant droit de voter à l'assemblée peuvent, au moyen d'une résolution, accepter la proposition, telle que formulée ou telle que modifiée à l'assemblée. Si la proposition est ainsi acceptée et si elle est approuvée par le tribunal, elle deviendra obligatoire pour tous les créanciers ou pour la catégorie de créanciers visés.

Avis est donné que, si la proposition est acceptée à l'assemblée générale des créanciers qui sera tenue le 30 janvier 2013, une demande sera faite au tribunal, Cour supérieure du Québec, district judiciaire de Montréal, 1, rue Notre-Dame E., salle 16.10, Montréal QC H2Y 1B6, le 21 février 2013, à 9 h15, en vue de faire approuver la proposition de Sixty Canada Inc.

Les preuves de réclamation, procurations et formulaires de votation dont l'usage est projeté à l'assemblée doivent nous être remis au préalable.

Daté le 18 janvier 2013, à Montréal en la province de Québec.

Richter Groupe Conseil Inc.
(anciennement RSM Richter Inc. – Syndic)
Par :


Benoit Gingues, CPA, CA, CIRP

T. 514.934.3400
F. 514.934.8603
reclamations@richter.ca

Richter Groupe Conseil Inc.
(anciennement RSM Richter Inc.)
1981 McGill College
Montréal (QC) H3A 0G6

Membre
RSM International
Montréal, Toronto



RICHTER

CANADA
Province of Quebec
District of: Quebec
Division No.: 01-Montréal
Court No.: 500-11-043786-124
Estate No.: 41-1695261

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

**Notice of Proposal to Creditors and
Notice of Hearing of Application for Court Approval of Proposal**
(Section 51 and Paragraph 58(b) of the Act)

**In the Matter of the Proposal of
Sixty Canada Inc.
Of the City of Montréal
In the Province of Quebec**

Take notice that Sixty Canada Inc., of the City 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 herewith.

A general meeting of the creditors will be held at the Office of the Superintendent of Bankruptcy, 5 Place Ville Marie, 8th Floor, Montréal QC H3B 2G2 on January 30, 2013 at 11:00 a.m.

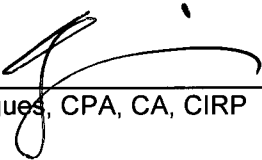
The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Take notice that, if the proposal is accepted by the creditors at the meeting held on January 30, 2013, an application will be made to the court, Quebec Superior Court, judicial district of Montréal, 1 Notre-Dame Street E., Room 16.10, Montréal QC H2Y 1B6, on February 21, 2013 at 9:15 a.m. to approve the proposal of Sixty Canada Inc.

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 in the Province of Quebec, January 18, 2013.

Richter Advisory Group Inc.
(formerly RSM Richter Inc. – Trustee)
Per:


Benoit Gingues, CPA, CA, CIRP

T. 514.934.3400
F. 514.934.8603
claims@richter.ca

Richter Advisory Group inc.
(formerly RSM Richter Inc.)
1981 McGill College
Montréal (QC) H3A 0G6

Member
RSM International
Montréal, Toronto



District de: Québec
 No division: 01 - Montréal
 No cour: 500-11-043786-124
 No dossier: 41-1695261

original modifié

_ FORMULAIRE 78 _
 Bilan - proposition déposée par une entité
 (paragraphe 49(2), alinéa 158d) et paragraphes 50(2) et 62(1) de la Loi

Dans l'affaire de la proposition de
 Sixty Canada Inc.
 de la ville de Montréal
 en la province de Québec

Au débiteur :

Vous êtes tenu de remplir avec soin et exactitude le présent formulaire et les annexes applicables indiquant la situation de vos affaires à la date du dépôt de votre proposition (ou de votre avis d'intention) le 10 décembre 2012. Une fois rempli, ce formulaire et les listes annexées, constituent votre bilan, qui doit être vérifié sous serment ou par une déclaration solennelle.

PASSIF (tel que déclaré et estimé par l'officier)	ACTIF (tel que déclaré et estimé par l'officier)
1. Créanciers non garantis: voir liste A	1. Inventaire
7,328,060.63	0.00
Équilibre de réclamations garantis: voir liste "B".	2. Aménagements
0.00	0.00
Créanciers non garantis total.	3. Comptes à recevoir et autres créances: voir liste E
7,328,060.63	Bonnes
2. Créanciers garantis: voir liste B	200,000.00
0.00	Douteuses
3. Créanciers privilégiés: voir liste C	440,176.00
0.00	Mauvaises
4. Dettes éventuelles, réclamations de fiducie ou autres (voir liste D)pouvant être réclamées pour une somme de.	5,713,918.00
0.00	Estimation des créances qui peuvent être réalisées
Total du passif	200,000.00
7,328,060.63	4. Lettres de change, billets à ordre, etc., voir liste F
Surplus	0.00
NIL	5. Dépôts en institutions financières
	0.00
	6. Espèces
	36,074.00
	7. Bétail
	0.00
	8. Machines, outillage et installation
	0.00
	9. Immeubles et biens réels : voir liste G
	0.00
	10. Ameublement
	0.00
	11. REER, FERR, Assurances-vie etc
	0.00
	12. Valeurs mobilières(actions, obligations, débetures etc.
	0.00
	13. Droits en vertu de testaments
	0.00
	14. Véhicules
	0.00
	15. Autres biens : voir liste H
	428,000.00
	Si le débiteur est une personne morale, ajoutez :
	Montant du capital souscrit
	2,395,735.00
	Montant du capital payé
	2,395,735.00
	Solde souscrit et impayé
	0.00
	Estimation du solde qui peut être réalisé
	0.00
	Total de l'actif
	664,074.00
	Déficit
	6,663,986.63

Je, Arpi Balouzian, de Montréal en la province de Québec, étant dûment assermenté (ou ayant déclaré solennellement) déclare que le bilan qui suit et les listes annexées sont, à ma connaissance, un relevé complet, véridique et entier de mes affaires en ce 9 janvier 2013, et indiquent au complet tous mes biens de quelque nature qu'ils soient, en ma possession et réversibles, tels que définis par la Loi.

ASSERMENTÉ (ou déclaré solennellement)
 devant moi le 9 janvier 2013, à Montréal en la province de Québec.

signé

Christiane Girard, Commissaire à l'Assermentation
 pour la province de Québec
 Expire le 9 juil 2013

signé

Arpi Balouzian

District of: Quebec
 Division No. 01 - Montréal
 Court No. 500-11-043786-124
 Estate No. 41-1695261

Original 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 Notice of Intention to make a Proposal of
 Sixty Canada Inc.
 Of the City of Montréal
 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 10th day of December 2012. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	ASSETS (as stated and estimated by the officer)
1. Unsecured creditors as per list "A" <u>7,328,060.63</u>	1. Inventory <u>0.00</u>
Balance of secured claims as per list "B" <u>0.00</u>	2. Trade fixtures, etc. <u>0.00</u>
Total unsecured creditors <u>7,328,060.63</u>	3. Accounts receivable and other receivables, as per list "E"
2. Secured creditors as per list "B" <u>0.00</u>	Good <u>200,000.00</u>
3. Preferred creditors as per list "C" <u>0.00</u>	Doubtful <u>440,176.00</u>
4. Contingent, trust claims or other liabilities as per list "D"	Bad <u>5,713,918.00</u>
estimated to be reclaimable for <u>0.00</u>	Estimated to produce <u>200,000.00</u>
Total liabilities <u>7,328,060.63</u>	4. Bills of exchange, promissory note, etc., as per list "F" ... <u>0.00</u>
Surplus <u>NIL</u>	5. Deposits in financial institutions <u>0.00</u>
	6. Cash <u>36,074.00</u>
	7. Livestock <u>0.00</u>
	8. Machinery, equipment and plant <u>0.00</u>
	9. Real property or immovable as per list "G" <u>0.00</u>
	10. Furniture <u>0.00</u>
	11. RRSPs, RRIFs, life insurance, etc. <u>0.00</u>
	12. Securities (shares, bonds, debentures, etc.) <u>0.00</u>
	13. Interests under wills <u>0.00</u>
	14. Vehicles <u>0.00</u>
	15. Other property, as per list "H" <u>428,000.00</u>
	If debtor is a corporation, add:
	Amount of subscribed capital <u>2,395,735.00</u>
	Amount paid on capital <u>2,395,735.00</u>
	Balance subscribed and unpaid <u>0.00</u>
	Estimated to produce <u>0.00</u>
	Total assets <u>664,074.00</u>
	Deficiency <u>6,663,986.63</u>

I, Arpi Balouzian, of the City of Montréal 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 9th day of January 2013 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 Montréal in the Province of Quebec, on this 9th day of January 2013.

Christiane Girard

Arpi Balouzian



District of: Quebec
 Division No. 01 - Montréal
 Court No. 500-11-043786-124
 Estate No. 41-1695261

FORM 78 -- Continued

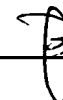
List "A"
 Unsecured Creditors

Sixty Canada Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	174 SPADINA AVENUE REALTY	174 SPADINA AVE TORONTO ON M5T 2C2	9,850.60	0.00	9,850.60
2	4300611 CANADA INC. Attr: Steven M. Shein	c/o ME S. SHEIN, KAUFMAN LARAMÉE LLP 2220-800 RENE-LEVESQUE W. MONTREAL QC H3B 1X9	0.00	0.00	0.00
3	ALL TYPE TRANSPORT	5203 FAIRWAY LACHINE QC H8T 3K8	448.98	0.00	448.98
4	BELL CANADA	GROUPE INSOLVABILITE - AFFAIRE 1 ALEXANDRE GRAHAM BELL AILE E 3 VERDUN QC H3E 3B3	225.60	0.00	225.60
5	BLAKE, CASSELS & GRAYDON LLP	200-600, DE MAISONNEUVE O. MONTREAL QC H3A 3J2	0.00	0.00	0.00
6	BOUTIQUE NEW BREED - 9257-8541 QUEBEC INC	1450-540 RUE D'AVAUGOUR BOUCHERVILLE QC J4B 0G6	300.00	0.00	300.00
7	BUROPLUS	950 PLACE PAUL KANE LAVAL QC H7C 2T2	196.36	0.00	196.36
8	CANADIAN SPRINGS	P.O. BOX 4514 STN A TORONTO ON M5W 4L7	30.28	0.00	30.28
9	CONSOLIDATED FASTFRATE INC	9701 HIGHWAY 50 WOODBRIDGE ON L4H 2G4	345.62	0.00	345.62
10	DELL CANADA INC.	501-155 GORDON BAKER RD NORTH YORK ON M2H 3N5	1,568.14	0.00	1,568.14
11	DUGGERS MENS WEAR	5476 SPRING GARDEN ROAD HALIFAX NS B3J 1G3	233.65	0.00	233.65
12	EMBALLAGES DE LA BEAUCE INC (LES)	469 ROUTE 112 EST VALLEE-JONCTION QC G0S 3J0	259.84	0.00	259.84
13	ISABEL J. SCHURMAN, IN TRUST	620-625 BOUL RENE-LEVESQUE MONTREAL QC H3B 1R2	1,745.18	0.00	1,745.18
14	J PICHE ET FILS	5564 BOUL. ST. LAURENT MONTREAL QC H2T 1S8	103.48	0.00	103.48
15	JPS LOGISTIQUE INC	1137 DE LA DECOUVERTE ST-LAZARE QC J7T 0A4	425.00	0.00	425.00
16	KAUFMAN LARAMEE	2220-800 BOUL RENE-LEVESQUE MONTREAL QC H3B 1X9	21,432.84	0.00	21,432.84
17	MARK EDWARDS APPAREL INC	600-225 CHABANEL WEST MONTREAL QC H2N 2C9	89,239.80	0.00	89,239.80
18	METROSPEC	2650 BOUL PITFIELD, MONTREAL MONTREAL QC H4S 1G9	35.82	0.00	35.82
19	NEXIA FRIEDMAN LLP	500-800 BOUL DECARIE MONTREAL QC H4P 2S4	1,916.24	0.00	1,916.24
20	PITNEY BOWES	P.O. BOX 278 ORANGEVILLE ON L9W 2Z7	271.12	0.00	271.12
21	PRINCIPE SPA	VIA LUNGOLAGO DUCA DEGLI ABRUZZI 166, CALCINATE DEL PESCE VARESE - 21100 ITALY	255.81	0.00	255.81
22	RELYCO	121 BROADWAY DOVER NH 03820 USA	8.54	0.00	8.54
23	ROGERS BUSINESS SOLUTIONS	P.O. BOX 2000 STN D ROAD SCARBOROUGH ON M1R 5P4	636.43	0.00	636.43

10-Dec-2012

Date



Arpi Balouzian

District of: Quebec
Division No. 01 - Montréal
Court No. 500-11-043786-124
Estate No. 41-1695261

FORM 78 -- Continued

List "A"
Unsecured Creditors

Sixty Canada Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
24	SIXTY FAR EAST LTD.	10/FJOS TOWER MILLENNIUM CITY2,378K, WUN TONG ROAD K.W. KOWLOON HONG KONG -	507,660.31	0.00	507,660.31
25	SIXTY RETAIL CANADA INC	620-225 CHABANEL WEST MONTREAL QC H2N 2C9	212.36	0.00	212.36
26	SIXTY SPA	VIA ERASMO PIAGGIO, 35 CHIETI SCALO CHIETI - 66100 ITALY	6,668,575.97	0.00	6,668,575.97
27	STELLAR PROPERTIES LTD	215-1008 HOMER ST VANCOUVER BC V6B 2X1	11,946.68	0.00	11,946.68
28	THE HEADHUNTERS.CA	625 HOWE ST # 200- THE STANDARD LIFE BUILDING VANCOUVER BC V6C 2T6	10,080.00	0.00	10,080.00
29	WANT AGENCY	915-225 CHABANEL WEST MONTREAL QC H2N 2C9	55.98	0.00	55.98
Total:			7,328,060.63	0.00	7,328,060.63

10-Dec-2012

Date



Arpi Balouzian

District of: Quebec
Division No. 01- Montréal
Court No. 500-11-043786-124
Estate No. 41-1695261

FORM 78 – Continued

List "B"
Secured Creditors

Sixty Canada Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim unsecured
			Total:	0.00		0.00	0.00	0.00

10-Dec-2012

Date



Arpi Balouzian

District of: Quebec
Division No. 01 - Montréal
Court No. 500-11-043786-124
Estate No. 41-1695261

FORM 78 -- Continued

List "C"
Preferred Creditors for Wages, Rent, etc.

Sixty Canada Inc.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

10-Dec-2012

Date



Arpi Balouzian

District of: Quebec
Division No. 01 - Montréal
Court No. 500-11-043786-124
Estate No. 41-1695261

FORM 78 – Continued

List "D"
Contingent or Other Liabilities

Sixty Canada Inc.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

10-Dec-2012

Date



Arpi Baluzian

CETTE FEUILLE DE RENSEIGNEMENTS EST FOURNIE AFIN DE VOUS AIDER À REMPLIR LE FORMULAIRE DE PREUVE DE RÉCLAMATION

- La preuve de réclamation doit être signée par l'individu qui la remplit.
- La signature du réclamant doit être attestée.
- Indiquer l'adresse complète (incluant le code postal) où tout avis et correspondance doivent être expédiés.
- Le montant sur le relevé de compte doit correspondre au montant réclamé sur la preuve de réclamation.

PARAGRAPHE 1 DE LA PREUVE DE RÉCLAMATION

- Si la personne qui complète la preuve de réclamation n'est pas le créancier lui-même, elle doit préciser son poste ou sa fonction.
- Le créancier doit déclarer la raison sociale complète de la compagnie ou du réclamant.

PARAGRAPHE 3 DE LA PREUVE DE RÉCLAMATION

- Un relevé de compte détaillé doit accompagner la preuve de réclamation et doit refléter les date, numéro de facture et montant de chaque facture ou charge, ainsi que les date, numéro et montant de tout crédit ou paiement. Un relevé de compte sera considéré comme incomplet si ce dernier commence avec un solde d'ouverture. Le créancier doit également indiquer ses adresse postale, numéro de téléphone, numéro de télécopieur et adresse électronique.

PARAGRAPHE 4 DE LA PREUVE DE RÉCLAMATION

- Un créancier non garanti (sous-paragraphe A) doit cocher ce qui s'applique en indiquant s'il revendique ou non un droit à un rang prioritaire en vertu de l'article 136 de la Loi sur la faillite et l'insolvabilité.
- Un créancier à titre de locateur suite à la résiliation d'un bail doit compléter le sous-paragraphe B et joindre tous les détails et les calculs.
- Un créancier garanti doit compléter le sous-paragraphe C et joindre les documents de garantie.
- Un agriculteur, un pêcheur ou un aquiculteur doit compléter le sous-paragraphe D.
- Un salarié doit compléter le sous-paragraphe E, le cas échéant.
- La partie F doit être complétée relativement à un régime de pension.
- Un créancier ayant une réclamation contre les administrateurs, lorsqu'une proposition le prévoit, doit compléter le sous-paragraphe G et y joindre tous les détails et les calculs.
- Un client d'un courtier en valeurs mobilières failli doit compléter le sous-paragraphe H.

PARAGRAPHE 5 DE LA PREUVE DE RÉCLAMATION

- Le réclamant doit indiquer **s'il est** ou **n'est pas lié** au débiteur, au sens de la définition de la Loi sur la faillite et l'insolvabilité, en rayant ce qui n'est pas applicable.

PARAGRAPHE 6 DE LA PREUVE DE RÉCLAMATION

- Le réclamant doit fournir une liste détaillée de tous les paiements reçus et/ou crédits accordés, soit :
 - a) au cours des **trois mois** précédant l'ouverture de la faillite, dans le cas où le réclamant et le débiteur **ne sont pas liés**;
 - b) au cours des **douze mois** précédant l'ouverture de la faillite, dans le cas où le réclamant et le débiteur **sont liés**.

PROCURATION

- a) un créancier peut voter en personne ou par procuration;
- b) une débitrice ne peut être nommée à titre de fondée de pouvoir pour voter à toute assemblée des créanciers;
- c) le syndic peut être désigné à titre de fondé de pouvoir pour le bénéfice de tout créancier;
- d) afin qu'une personne dûment autorisée ait le droit de voter, elle doit elle-même être créancière ou détentrice d'une procuration dûment exécutée. Le nom du créancier doit apparaître sur la procuration.

RICHTER

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.

PREUVE DE RÉCLAMATION

(articles 50.1, 81.5 et 81.6, paragraphes 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2) et 128(1) et alinéas 51(1)e) et 66.14b) de la Loi)

Expédier tout avis ou toute correspondance concernant la présente réclamation à l'adresse suivante :

Dans l'affaire de la proposition de **Sixty Canada Inc.** de la ville de Montréal, province de Québec, et de la réclamation de _____, créancier.

Je soussigné, _____ (nom du créancier ou du représentant du créancier), de _____ (ville et province), certifie ce qui suit :

1. Je suis le créancier du débiteur susnommé (ou je suis _____ (préciser le poste ou la fonction) de _____ (nom du créancier ou de son représentant)).
2. Je suis au courant de toutes les circonstances entourant la réclamation visée par le présent formulaire.
3. Le débiteur était, à la date de l'avis d'intention de faire une proposition, soit le 10 décembre 2012, endetté envers le créancier et l'est toujours, pour la somme de _____ \$, comme l'indique l'état de compte (ou l'affidavit) ci-annexé et désigné comme l'annexe A, après déduction du montant de toute créance compensatoire à laquelle le débiteur a droit. (L'état de compte ou l'affidavit annexé doit faire mention des pièces justificatives ou de toute autre preuve à l'appui de la réclamation.)

4. (Cochez la catégorie qui s'applique et remplissez les parties requises.)

- A. RÉCLAMATION NON GARANTIE AU MONTANT DE _____ \$
(Autre qu'une réclamation d'un client visée par l'article 262 de la Loi)

En ce qui concerne cette créance, je ne détiens aucun avoir du débiteur à titre de garantie et :
(Cochez ce qui s'applique.)

- pour le montant de _____ \$, je ne revendique aucun droit à un rang prioritaire.
(« **Créancier chirographaire** »)
- pour le montant de _____ \$, je revendique le droit à un rang prioritaire en vertu de l'article 136 de la Loi.
(« **Créancier privilégié** »)
- (Indiquez sur une feuille annexée les renseignements à l'appui de la réclamation prioritaire.)

- B. RÉCLAMATION DU LOCATEUR SUITE À LA RÉSILIATION D'UN BAIL, AU MONTANT DE _____ \$

J'ai une réclamation en vertu du paragraphe 65.2(4) de la Loi, dont les détails sont mentionnés ci-après.
(Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.)

- C. RÉCLAMATION GARANTIE AU MONTANT DE _____ \$

En ce qui concerne la créance susmentionnée, je détiens des avoirs du débiteur à titre de garantie, dont la valeur estimative s'élève à _____ \$ et dont les détails sont mentionnés ci-après :

(Donnez des renseignements complets au sujet de la garantie, y compris la date à laquelle elle a été donnée et la valeur que vous lui attribuez, et annexez une copie des documents relatifs à la garantie.)

- D. RÉCLAMATION D'UN AGRICULTEUR, D'UN PÊCHEUR OU D'UN AQUICULTEUR AU MONTANT DE _____ \$

J'ai une réclamation en vertu du paragraphe 81.2 (1) pour la somme impayée de _____ \$
(Veuillez joindre une copie de l'acte de vente et des reçus de livraison.)



- E. RÉCLAMATION D'UN SALARIÉ AU MONTANT DE _____ \$
- J'ai une réclamation en vertu du paragraphe 81.3(8) de la Loi au montant de _____ \$
- J'ai une réclamation en vertu du paragraphe 81.4(8) de la Loi au montant de _____ \$
- F. RÉCLAMATION D'UN EMPLOYÉ RELATIVE AU RÉGIME DE PENSION AU MONTANT DE _____ \$
- J'ai une réclamation en vertu du paragraphe 81.5 de la Loi au montant de _____ \$
- J'ai une réclamation en vertu du paragraphe 81.6 de la Loi au montant de _____ \$
- G. RÉCLAMATION CONTRE LES ADMINISTRATEURS AU MONTANT DE _____ \$
(A remplir lorsque la proposition vise une transaction quant à une réclamation contre les administrateurs.)
J'ai une réclamation en vertu du paragraphe 50(13) de la Loi, dont les détails sont mentionnés ci-après :
(Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.)
- H. RÉCLAMATION D'UN CLIENT D'UN COURTIER EN VALEURS MOBILIÈRES FAILLI AU MONTANT DE _____ \$
J'ai une réclamation en tant que client en conformité avec l'article 262 de la Loi pour des capitaux nets, dont les détails sont mentionnés ci-après :
(Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.)

5. Au meilleur de ma connaissance, je suis lié (ou le créancier susnommé est lié) (ou je ne suis pas lié ou le créancier susnommé n'est pas lié) au débiteur selon l'article 4 de la Loi, et j'ai (ou le créancier susnommé a) (ou je n'ai pas ou le créancier susnommé n'a pas) un lien de dépendance avec le débiteur.

6. Les montants suivants constituent les paiements que j'ai reçus du débiteur, les crédits que j'ai attribués à celui-ci et les opérations sous-évaluées selon le paragraphe 2(1) de la Loi auxquelles j'ai contribué ou été partie intéressée au cours des trois mois (ou, si le créancier et le débiteur sont des « personnes liées » au sens du paragraphe 4 de la Loi ou ont un lien de dépendance, au cours des 12 mois) précédant immédiatement l'ouverture de la faillite, telle que définie au paragraphe 2(1) de la Loi. (Donnez les détails des paiements, des crédits et des opérations sous-évaluées.)

Daté le _____, à _____.

Signature du créancier

Signature du témoin

Numéro de téléphone : _____

Numéro de télécopieur : _____

Adresse électronique : _____

REMARQUE : Si un affidavit est joint au présent formulaire, il doit avoir été fait devant une personne autorisée à recevoir des affidavits.
AVERTISSEMENTS : Le syndic peut, en vertu du paragraphe 128(3) de la Loi, racheter une garantie sur paiement au créancier garanti de la créance ou de la valeur de la garantie telle qu'elle a été fixée par le créancier garanti dans la preuve de garantie.
Le paragraphe 201(1) de la Loi prévoit l'imposition de peines sévères en cas de présentation de réclamations, de preuves, de déclarations ou d'états de compte qui sont faux.

FORMULAIRE DE PROCURATION

(paragraphe 102(2) et alinéas 51(1)e) et 66.15(3)b) de la Loi)

Dans l'affaire de la proposition de **Sixty Canada Inc.**

Je, _____, de _____
(nom du créancier) (nom du village ou de la ville)

créancier dans l'affaire susmentionnée, nomme _____ de _____,
mon fondé de pouvoir à tous égards dans l'affaire susmentionnée, sauf la réception de dividendes, celui-ci _____
(étant ou n'étant pas) habilité à nommer un autre fondé de pouvoir à sa place.

Daté le _____, à _____.

Signature du créancier

Par : _____
Nom et titre du signataire autorisé

Signature du témoin

RICHTER

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 **Sixty Canada Inc.** 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 December 10, 2012, 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).



- 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: _____

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 **Sixty Canada 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 _____

Signature of creditor

Per: _____
Name and Title of Signing Officer

Signature of witness

RICHTER

CANADA
Province de Québec
District de : Québec
No division : 01-Montréal
No cour : 500-11-043786-124
No dossier : 41-1695261

COUR SUPÉRIEURE
(Chambre commerciale)
Loi sur la faillite et l'insolvabilité

FORMULAIRE DE VOTATION (proposition déposée en vertu de la section I) (alinéa 51(1)f) de la Loi)

Dans l'affaire de la proposition de
Sixty Canada Inc.

Je, _____, créancier
(ou Je, _____, représentant de _____ créancier)
de _____ (nom de la ville), créancier dans l'affaire susmentionnée à l'égard de la
somme de _____ \$, demande au syndic agissant relativement à la proposition de **Sixty
Canada Inc.**, de consigner mon vote _____ (en faveur de ou contre) l'acceptation de la
proposition faite le 9 janvier 2013.

Daté le ____ jour de _____ 201 ____, à _____.

Nom du créancier (personne physique)
(Veuillez écrire en lettres moulées)

Signature du créancier (personne physique)

Signature du témoin

– OU –

Nom du créancier (personne morale)
(Veuillez écrire en lettres moulées)

Signature du créancier (personne morale)

Signature du témoin

Nom et titre du signataire autorisé
(Veuillez écrire en lettres moulées)

RICHTER

CANADA
Province of Québec
District of: Québec
Division No.: 01-Montréal
Court No.: 500-11-043786-124
Estate No.: 41-1695261

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

VOTING LETTER
(Division 1 Proposal)
(Paragraph 51(1)f) of the Act)

In the Matter of the Proposal of
Sixty Canada Inc.

I, _____, creditor
(or I, _____, representative of _____, creditor)
of _____ (*name of city*), a creditor in the above matter for the sum of
\$ _____, hereby request the trustee acting with respect to the proposal of **Sixty Canada Inc.** to
record my vote _____ (**for or against**) the acceptance of the proposal made on January 9, 2013.

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

Name of Individual Creditor (Please print)

Signature of Individual Creditor

Signature of Witness

- OR -

Name of Corporate Creditor (Please print)

Signature of Corporate Creditor

Signature of Witness

Name and Title of Signing Officer (Please print)

CANADA

SUPERIOR COURT

PROVINCE OF QUÉBEC
DISTRICT OF QUÉBEC
DIVISION N°: 01-MONTREAL
COURT N°: 500-11-043786-124
FILE N°: 41-1695261

IN THE MATTER OF THE PROPOSAL OF SIXTY CANADA INC., a company,
having its head office at 225 Chabanel Street West, Suite 620, Montreal, Quebec
H2N 2C9

DEBTOR

PROPOSAL

We, **SIXTY CANADA INC.**, hereby submit the following proposal pursuant to the *Bankruptcy and Insolvency Act*:

1. For the purposes hereof:

“**ACT**” means the *Bankruptcy and Insolvency Act*;

“**ADMINISTRATION CHARGE**” has the meaning ascribed to such term in the Order of Justice Chantal Corriveau, S.C.J. of December 11, 2012;

“**APPROVAL OF THE PROPOSAL**” means the approval of the PROPOSAL by the prescribed majority of the CREDITORS of the COMPANY, and by an order of the COURT which is executory and for which all delays to appeal have expired;

“**CLAIM**” has the meaning given to such term in section 2 of the ACT, and includes, without limitation, any claim of any PERSON against the COMPANY with regard to any debt, liability or obligation of any kind owed to such PERSON arising out of the COMPANY’s current restructuring, disclaimer or termination of any contract, lease, employment agreement or any other agreement, whether written or oral, by the COMPANY, as well as any claims by any GOVERNMENTAL AUTHORITY arising directly or indirectly from APPROVAL OF THE PROPOSAL, including all claims related to TAXES, to the goods and services tax and to provincial sales taxes payable following a reduction of or arrangement concerning the liability of the COMPANY inherent to the APPROVAL OF THE PROPOSAL and all claims (real or projected) resulting from application of articles 79 to 80.04 of the *Income Tax Act* (Canada) (or equivalent provisions in the relevant provincial tax laws) with regard to the COMPANY and related to the APPROVAL OF THE PROPOSAL;

“COMMITTEE” means the committee formed of at most three (3) individuals pursuant to paragraph 9 hereof;

“COMPANY” means Sixty Canada Inc.;

“COURT” means the Superior Court of Quebec (Commercial Division), District of Montreal;

“CREDITOR” means any PERSON having a CLAIM or a claim against the DIRECTORS and may, where the context requires, include the assignee of a CLAIM or a trustee, interim receiver, receiver, receiver and manager, or other PERSON acting on behalf of such PERSON. A CREDITOR shall not include a PERSON entitled to a CLAIM for PROPOSAL COSTS;

“DIRECTORS” means all of past and present directors and officers of the COMPANY and any other PERSON deemed to have acted in such capacity;

“GOVERNMENTAL AUTHORITY” means any (i) provincial, federal, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

“GROSS AMOUNT” means the NET AMOUNT OF THE TRANSACTION plus the cash on hand as of December 31, 2012 and the net proceeds of the sale of any property of the COMPANY not sold to Sixty Canada Trading Inc., pursuant to the TRANSACTION, and the collection of the accounts receivable of the COMPANY other than those identified by the COMPANY acting reasonably as uncollectable or deemed to be uncollectable;

“LESSORS CLAIMS” means the CLAIMS to be filed by the lessors for an amount equal to the lesser of (i) the aggregate of (A) the rent provided for in the lease for the first year of the lease following the date on which the disclaimer or resiliation becomes effective, and (B) 15% of the rent for the remainder of the term of the lease after that year, and (ii) three years' rent, the whole pursuant to section 65.2 of the ACT;

“NET AMOUNT” means the GROSS AMOUNT after payment of all PROPOSAL COSTS, POST-FILING OBLIGATIONS, the SECURED CLAIMS, the PRIORITY CLAIMS, and all other amounts to be paid in priority to the UNSECURED CLAIMS;

“NET AMOUNT OF THE TRANSACTION” means the proceeds generated by the TRANSACTION;

“NOTICE OF INTENTION” means the notice of intention to make a proposal pursuant to the ACT, which notice was filed on December 10, 2012;

“ORDINARY CREDITORS” means those PERSONS having UNSECURED CLAIMS against the COMPANY, including, for greater certainty, PERSONS having LESSORS’ CLAIMS;

“PERSON” means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, trustee, unincorporated organization, joint venture, governmental body or agency, or any other entity;

“POST-FILING OBLIGATIONS” means all unpaid obligations incurred by the COMPANY in the course of its activities since the filing of the NOTICE OF INTENTION, and those which it foresees up to the moment of execution of the PROPOSAL and the winding-up of the COMPANY;

“PRIORITY CLAIMS” means all CLAIMS which must by the ACT be paid in priority to all other CLAIMS sharing in the estate of an insolvent debtor;

“PROPOSAL” means the present proposal;

“PROPOSAL COSTS” means all fees, costs, undertakings and obligations of the TRUSTEE, and all the legal fees due to its advisors or those of the COMPANY and accounting fees relating to or resulting from the NOTICE OF INTENTION, the PROPOSAL and/or the TRANSACTION;

“PROPOSAL MEETING” means the meeting of CREDITORS of the COMPANY in order to consider the PROPOSAL;

“RESERVE” has the meaning set forth in paragraph 8 hereof;

“SECURED CLAIMS” means CLAIMS of secured creditors within the meaning of the ACT;

“SECURED CREDITORS” means those PERSONS having SECURED CLAIMS;

“TAXES” means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a GOVERNMENTAL AUTHORITY, including (a) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem,

transfer, licence, profits, windfall profits, environmental, payroll, employment, employer health, pension plan, anti-dumping, countervail, excise, severance, stamp, occupation, or premium tax, (b) all withholdings on amounts paid to or by the relevant PERSON, (c) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (d) any fine, penalty, interest, or addition to tax, (e) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (f) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

“TRANSACTION” means one or more transactions whereby funds are generated by the sale of all or part of the assets of the COMPANY, for greater certainty the TRANSACTION includes the transaction pursuant to the Asset Purchase Agreement between the COMPANY, Sixty Canada Retail Inc. and Sixty Canada Trading Inc. made as of December 31, 2012;

“TRUSTEE” means Richter Advisory Group Inc. / Richter Groupe Conseil Inc. (formerly RSM Richter Inc.) licensed trustee, acting as trustee to the PROPOSAL;

“UNSECURED CLAIMS” means the CLAIMS of any CREDITOR, which are not SECURED CLAIMS, PRIORITY CLAIMS, CLAIMS for PROPOSAL COSTS or POST-FILING OBLIGATIONS, including CLAIMS of any kind whatsoever, whether due or not on the date of the filing of the NOTICE OF INTENTION, including contingent or unliquidated CLAIMS resulting from any transaction concluded by the COMPANY prior to the filing of the NOTICE OF INTENTION and, as the case may be, all damages or other amounts due to the coming into force of the PROPOSAL that could be claimed by any CREDITOR of the COMPANY;

2. The SECURED CLAIMS shall be paid in priority to any other CLAIMS from the GROSS AMOUNT.
3. The amounts:
 - (a) due to Her Majesty the Queen in right of Canada or of any province, which are subject to a demand under subsection 224(1.2) of the *Income Tax Act* or of 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 of any provision of provincial legislation essentially similar to the foregoing provisions as provided in paragraph 60(1.1)(c) of the ACT, and that were outstanding at the

time of the filing of the NOTICE OF INTENTION shall be paid in their entirety, without interest, from the GROSS AMOUNT, within six months after the APPROVAL OF THE PROPOSAL;

- (b) which employees (past and present) would be entitled to receive pursuant to paragraph 136(1)(d) of the ACT if the COMPANY had been declared bankrupt on the date of the APPROVAL OF THE PROPOSAL shall be paid in their entirety immediately after the APPROVAL OF THE PROPOSAL from the GROSS AMOUNT.
4. The PROPOSAL COSTS shall be paid using either the RESERVE or the GROSS AMOUNT in priority to all CLAIMS other than the SECURED CLAIMS.
 5. The PRIORITY CLAIMS, without interest or penalty, shall be paid in their entirety from the GROSS AMOUNT in priority to all UNSECURED CLAIMS, within sixty (60) days following the APPROVAL OF THE PROPOSAL.
 6. The POST-FILING OBLIGATIONS shall be paid forthwith upon written instructions of the COMPANY using either the RESERVE or the GROSS AMOUNT in priority to any of the above mentioned CLAIM save and except the PROPOSAL COSTS.
 7. Each ORDINARY CREDITOR shall receive, in full and final payment of its UNSECURED CLAIM, without interest or penalty:
 - (a) Within sixty (60) days of the APPROVAL OF THE PROPOSAL, from the NET AMOUNT:
 - (i) The lesser of the first five hundred dollars (\$500) of the UNSECURED CLAIM or the payment in full of the UNSECURED CLAIM; and
 - (ii) A pro rata share of the balance of the NET AMOUNT at the moment the dividend is to be paid less any amount set aside for the RESERVE and the amount required to satisfy the payments described in paragraph 7(a)(i) hereof;
 - (b) When so decided by the COMMITTEE or, if no such COMMITTEE is in place, when the TRUSTEE so decides and subject to the TRUSTEE being satisfied that no CLAIM will be made pursuant to paragraph 149(3) of the ACT a pro rata share of the NET AMOUNT then available and of the balance of the RESERVE shall be distributed.
 8. In order to proceed with the payments set forth above, the COMPANY is hereby authorized to set up a reserve to be held by the TRUSTEE to

facilitate the payment by the COMPANY of any and all PROPOSAL COSTS and POST-FILING OBLIGATIONS (the "RESERVE").

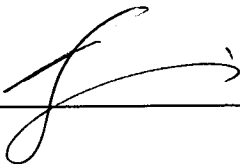
9. The COMPANY consents to the creation of a committee which shall be formed of at most three (3) individuals designated by the CREDITORS at the PROPOSAL MEETING, if they so wish. The COMMITTEE shall have the following powers:
 - (a) to advise the TRUSTEE with respect to the administration of the PROPOSAL;
 - (b) to waive any default in the execution of the PROPOSAL;
 - (c) to confirm that the COMPANY has satisfied all of the terms and conditions of the PROPOSAL; and
 - (d) to adjourn the payment of all dividends to ORDINARY CREDITORS provided for hereunder.
10. In conformity with section 101.1 of the ACT, sections 95 to 101 will not apply to the PROPOSAL.
11. By the APPROVAL OF THE PROPOSAL, all CREDITORS of the COMPANY give full and final discharge of all rights, CLAIMS or other recourses of any nature whatsoever which they had, have, or could have had against the COMPANY, its legal counsel, financial advisors, the DIRECTORS, management, representatives, agents and assignees.
12. All amounts payable under the PROPOSAL shall be remitted to the TRUSTEE so that it may distribute the dividends pursuant to the PROPOSAL.

IN CASE OF DISCREPANCY BETWEEN THE FRENCH AND ENGLISH VERSIONS OF THE PROPOSAL, THE ENGLISH VERSION SHALL PREVAIL.

MADE IN MONTREAL, QUEBEC, THIS 9TH DAY OF JANUARY, 2013.

SIXTY CANADA INC.

Witness



By:

Arpi BALOUZIAN
Duly authorised



CANADA
PROVINCE OF QUÉBEC
DISTRICT OF QUÉBEC
DIVISION NO.: 01-MONTREAL
COURT NO.: 500-11-043786-124
ESTATE NO.: 41-1695261

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

Sixty Canada Inc.

a legal person duly constituted, having its registered
office at 225 Chabanel Street West, Suite 620
Montreal QC H2N 2C9

Debtor

- and -

**Richter Advisory Group Inc. (formerly RSM Richter
Inc.)**

Trustee

**REPORT OF THE TRUSTEE ON THE FINANCIAL SITUATION
OF THE DEBTOR AND ON THE PROPOSAL
(Sections 50(10)(b) and 50(5) of the *Bankruptcy and Insolvency Act*)**

The purpose of the First Meeting of Creditors is to consider the Proposal filed on January 9, 2013 (hereinafter referred to as "the Proposal") by Sixty Canada Inc. (hereinafter referred to as the "Debtor" or "Sixty Canada").

Pursuant to Sections 50(10)(b) and 50(5) of the *Bankruptcy and Insolvency Act* (hereinafter referred to as the "Act" or "BIA"), and to assist the creditors in considering the Proposal, the Trustee is submitting its report on the financial situation of the Debtor and on the Proposal.

We caution the reader that we have neither conducted an audit nor a verification of the books and records of the Debtor. Consequently, we cannot render an opinion as to the accuracy of the information contained therein. The information discussed herein emanates from the books and records of the Debtor as well as from our discussions with the Management of the Debtor.

I. INTRODUCTION

On December 10, 2012, the Debtor and its wholly-owned subsidiary, Sixty Canada Retail Inc. ("Sixty Retail") each filed a Notice of Intention to Make a Proposal in accordance with the Bankruptcy and Insolvency Act ("the Act").

On December 21, 2012, the Honourable Justice Lalonde authorized the sale of all the assets of the Debtor (excluding cash and receivables) to Sixty Trading Inc. (the "Purchaser") with an effective closing date of December 31, 2012 (the "Transaction"). Consequently, the Debtor has no remaining assets (other than cash and receivables) and is no longer operating.

On January 9, 2013, the Debtor filed a Proposal to its creditors. We have enclosed herewith the Proposal made by the Debtor to its creditors, a proof of claim form, a voting form, a proxy and a notice indicating the place and time of the Meeting of Creditors to address the Proposal.

The purpose of the Proposal is to distribute to creditors, the cash on hand, the funds generated by the Transaction and the collection of the receivables.

The following summarizes the relevant information and key elements that may assist the creditors in evaluating the Debtor's affairs and the Proposal.

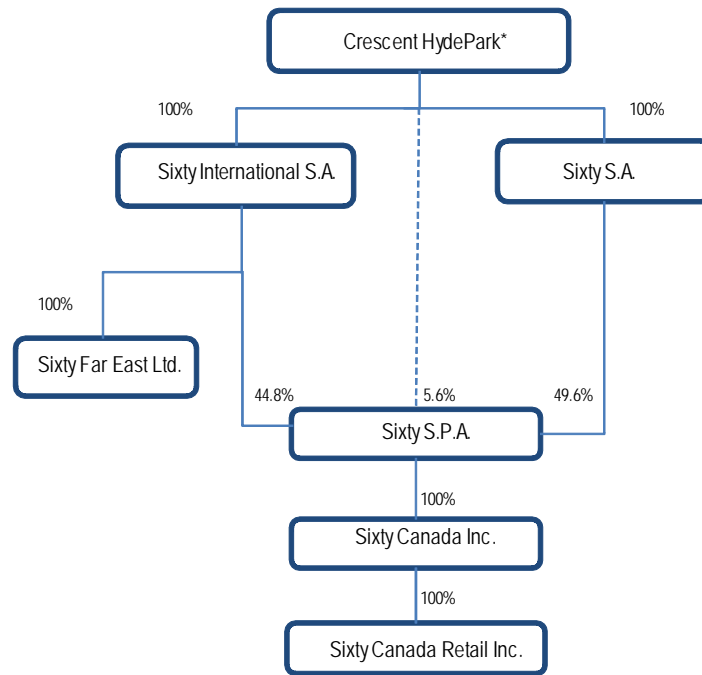
II. OVERVIEW OF THE COMPANY

Sixty Canada was a wholesaler that distributed its products to Sixty Retail and other retailers across Canada under the brands Miss Sixty, Energie, Killah and Sixty. Sixty Canada employed approximately 7 employees.

Sixty Retail was a fashion company that distributed apparel, footwear and accessories across Canada under the brands Miss Sixty, Energie, Killah and Sixty. Sixty Retail distributed its products through boutiques and company-owned stores and employed approximately 75 employees.

Sixty Canada and Sixty Retail are referred to herein as the "Companies".

Sixty Retail is a wholly-owned subsidiary of Sixty Canada, which is wholly owned by Sixty S.P.A., a legal person constituted under the laws of Italy. The organization chart of the Sixty Group is summarized as follows:



* Full name is Crescent HydePark European Opportuniltes I (Asian fund managed by Crescent HydePark Management Ltd.)

As shown in the table below, the Companies were tenants of eight retail stores located in malls across Canada, two of which were closed as part of the restructuring initiatives implemented following the filing of the Notices of Intention. All the stores were operated by Sixty Retail. The Companies' Head Office and warehouse were located in Montreal (Quebec).

The following table summarizes information on the stores prior to the Transaction:

Tenant	Shopping Center	City	Province	Gross Leaseable area (sq. ft.)	Landlord
Stores in operation					
Sixty Canada Retail Inc.	Vaughan Mills (Outlet)	Vaughan	ON	1,455	Vaughan Mills Shopping Centre Corporation (Ivanhoe Cambridge)
Sixty Canada Retail Inc.	Metropolis at Metrotown	Burnaby	BC	1,116	Ivanhoe Cambridge II Inc.
Sixty Canada Inc.	West Edmonton Mall	Edmonton	AB	1,569	West Edmonton Mall Property Inc.
Sixty Canada Inc.	Chinook Centre	Calgary	AB	1,616	Ontrea Inc. (Cadillac Fairview Coproration Ltd.)
Sixty Canada Inc.	Le Carrefour Laval	Laval	QC	2,120	Le Carrefour Laval Leaseholds Inc. (Cadillac Fairview Corporation Ltd.)
Sixty Canada Inc.	Pacific Centre	Vancouver	BC	1,345	Pacific Centre Leaseholds Ltd (Cadillac Fairview Coproration Ltd.)
Closed Stores					
Sixty Canada Retail Inc.	Robson Street ¹	Vancouver	BC	2,035	Oxford Properties Group and 735832 Alberta Ltd.
Sixty Canada Inc.	Yorkdale Shopping Centre ²	Toronto	ON	1,960	Yorkdale Shopping Centre Holdings Inc. (Oxford Properties Group)

¹ Sixty Retail sent a notice of resiliation of the lease on December 11, 2012 effective January 12, 2013

² Sixty Canada received an eviction notice from the landlord to vacate the premises by January 6, 2013

III. CAUSES OF INSOLVENCY AND RECENT DEVELOPMENTS

Sixty S.P.A. supplies its retail network and wholesale distributors which purchase almost all of their products from Sixty S.P.A. and Sixty Far East Ltd (more than 95% of purchases). The production of goods is mainly carried out by suppliers located in the Far East and coordinated by Sixty Far East Ltd.

Sixty S.P.A. operates by virtue of trademark licensing agreements (the "Licensing Agreements") with Sixty International S.A., a corporation constituted under the laws of Luxembourg and owner of such trademarks. The Licensing Agreements expired on December 31, 2012.

On September 20, 2012, Sixty S.P.A. initiated a reorganization procedure pursuant to Italian law and is currently seeking to conclude a deed of arrangement (*concordato preventivo*) with its creditors within 120 days (i.e. January 20, 2013) in an attempt to avoid bankruptcy.

As a result of Sixty S.P.A.'s financial difficulties and the complexity to reach a restructuring agreement with its creditors, the shareholders of Sixty International S.A. and Sixty S.A. sold all their shares to an Asian fund, Crescent HydePark European Opportunities I ("Crescent HydePark"). This transaction occurred in July 2012 and gave Crescent HydePark ownership of the trademarks and control of the production.

The Debtor's financial distress is directly related to the situation described above. Indeed, as a result of the financial difficulties being experienced by Sixty S.P.A. coupled with the sale of Sixty International S.A. and Sixty S.A. to Crescent HydePark, no new inventory has been shipped to the Companies in the last four months of 2012. As a result, inventory on-hand has been depleted and Sixty Retail did not have any current season inventory to sell in its stores while Sixty Canada was not generating any new sales. Miss Sixty is considered a fashion brand; therefore, new collections, new designs and availability of new products are crucial factors to success in this industry.

Sixty Canada's main creditors are Sixty S.P.A. and Sixty Far East Ltd. which collectively represent 95% of the amounts due to the creditors. Sixty Retail's main creditors are Sixty S.P.A., Sixty Canada and Sixty Far East Ltd. which collectively represent approximately 95% of the amounts due to the creditors.

IV. TRANSACTION

Taking into account the complexity of the negotiations with Sixty S.P.A.'s creditors, the uncertainty of the legal procedures in Italy and the cash flow constraints, Crescent HydePark contacted the Companies directly with the objective of purchasing their operating assets in order to maintain the operations in Canada.

In this context, a rapid sale of the Companies' assets to Crescent HydePark was viewed as the most logical solution for the following reasons:

- Crescent HydePark owns the trademarks through Sixty International S.A. The Licensing Agreements with Sixty S.P.A. were expiring on December 31, 2012. Therefore, a transaction with another acquirer on a going concern basis was unlikely;
- The cash flow forecast reflected that the Companies would not have sufficient cash to pay the rent on January 1st, 2013 and otherwise fund their operations;
- Sixty S.P.A. had not been able to reach an agreement with its creditors and the situation could carry on for a long time which is in conflict with the urgency of the situation for the Companies;
- Crescent HydePark controls the production and can supply new inventory with the brands through Sixty Far East Ltd.

Based on the foregoing, on December 21, 2012, the Companies executed an Asset Purchase Agreement ("APA") with Sixty Canada Trading Inc. (the "Purchaser") with an effective closing date of December 31, 2012. Pursuant to the terms of the APA, the Purchaser acquired all of the operating assets of the Companies, excluding cash and accounts receivable (the "Purchased Assets").

Prior to the Companies executing the APA, the Trustee mandated two independent firms (the "Experts") in order to assess the realization value of the Purchased Assets:

- Oberfeld Snowcap Real Estate Agency for the valuation of the leases; and
- Crescent Commercial Corporation for the valuation of the inventory, fixed assets and leasehold improvements.

Based on the Experts reports, the value of the Purchased Assets as of November 30, 2012 was approximately \$1,400,000. Applying the same valuation factors resulted in the Purchased Assets being valued at \$1,005,000 as of December 31, 2012, summarized as follows:

(In 000's)	Sixty Canada Retail Inc.	Sixty Canada Inc.	Total
Inventory (Note 1)	\$ 439	\$ 12	\$ 451
Fixed assets and Leasehold Improvements	45	117	162
Assignment of Leases	92	300	392
Total	\$ 576	\$ 429	\$ 1,005

Note 1: Based on the inventory as of December 31, 2012, except for the Yorkdale location (as of Jan. 6/13).

The Purchaser has remitted the full \$1,005,000 purchase price to the Trustee.

The Purchased Assets were conveyed to the Purchaser on an "as is, where is" basis and subject to the usual terms and conditions contained in such a transaction.

In addition to the amounts presented above, the Purchaser is assuming certain obligations, as follows:

- The Purchaser has offered continuing employment to approximately 65 Sixty Retail employees and 7 Sixty Canada employees on substantially the same terms and conditions under which they were employed by the Companies ("Transferred Employees"); and
- The Purchaser will assume the Companies' obligations under the commercial leases.

V. FINANCIAL INFORMATION

The following financial data was extracted either from the books and records of the Debtor, the unaudited financial statements or from discussions held with Management. This information is submitted solely to assist the reader in assessing the current financial position of the Debtor.

The Trustee makes no representations or warranty as to the accuracy of said financial information.

A) Statement of Earnings and Retained Earnings (Deficit)

Sixty Canada Inc.			
Statement of Earnings and Retained Earnings (Deficit)			
(In 000's)	6-month period ended		
	June 30, 2012 Unaudited	F2011 Unaudited	F2010 Unaudited
Revenues	\$ 1,530	\$ 3,146	\$ 6,069
Cost of Sales	1,278	1,406	4,186
Gross profit	252	1,740	1,883
	16%	55%	31%
Expenses			
Selling	662	1,177	1,353
Administrative	409	688	654
Financial	19	99	55
Share of (earnings) loss of the subsidiary company	-	(184)	1,554
Income taxes	-	(57)	(60)
Net earnings (loss)	(838)	17	(1,673)
Retained earnings (deficit), beginning	(1,363)	(1,380)	293
Dividends paid	-	-	-
Retained earnings (deficit) , ending	\$ (2,201)	\$ (1,363)	\$ (1,380)

As shown in the above table, for the 6-month period ended June 30, 2012 (the latest information available), the Debtor reported a net loss of \$838,000. For the fiscal year ended December 31, 2011, the Debtor reported net earnings of \$17,000 compared to a net loss of \$1,673,000 in fiscal 2010. For the 6-month period ended June 30, 2012, sales reached \$1,530,000 compared to \$3,146,000 for the year ended December 31, 2011. Moreover, sales decreased by 48.2% from fiscal 2010 to fiscal 2011.

B) Historical Balance Sheet

Sixty Canada Inc.		
Balance Sheet		
As at December 31		
(In 000's)	F2011 Unaudited	F2010 Unaudited
Assets		
Cash	\$ -	\$ 3
Accounts receivable	920	1,248
Inventory	431	559
Income taxes receivable	60	142
Prepaid expenses	29	36
	<u>1,440</u>	<u>1,988</u>
Loan receivable, corporate shareholder ¹	993	906
Loan receivable, subsidiary company ²	4,486	3,875
Property, plant and equipment	346	435
Intangible assets	3	4
	<u>\$ 7,268</u>	<u>\$ 7,208</u>
Liabilities		
Bank indebtedness	\$ 796	\$ 10
Accounts payable	517	686
	<u>1,313</u>	<u>696</u>
Long-term accounts payable	-	900
Excess of liabilities over assets of subsidiary company	1,387	1,571
Loan payable, parent company ³	3,535	3,025
	<u>6,235</u>	<u>6,192</u>
Shareholder's Equity		
Capital Stock	2,396	2,396
Retained earnings	(1,363)	(1,380)
	<u>1,033</u>	<u>1,016</u>
	<u>\$ 7,268</u>	<u>\$ 7,208</u>
¹ Amount due from Sixty International S.A. ² Amount due from Sixty Canada Retail Inc. ³ Amount due to Sixty S.P.A.		

C) Assets

Based on the Debtor's Statement of Affairs as of January 9, 2013 and certain additional information provided by Management, the Debtor's assets can be summarized as follows:

Assets		
(In 000's)	Net Carrying Amount	Estimated gross realization amount
Cash (Transaction)	\$ 429	\$ 429
Less: outstanding disbursements	(16)	(16)
Accounts / Other Receivables	6,479	200
Total	\$ 6,892	\$ 613

Cash (Transaction) refers to the purchase price which has since been received by the Trustee. Estimated gross realization amount is prior to consideration of the payment of post-filing obligations as well as professional fees.

Accounts and other receivables include \$5.8 million which relates to amounts due from Related Parties which are being reviewed by the Trustee, but are assumed by Management not to be collectable. We summarize the Related Party receivables as follows:

(In 000's)	Net Carrying Amount
Sixty International S.A.	\$ 953
Sixty Retail	4,853
	\$ 5,806

Of the remaining \$0.7 million of receivables, based on the age of the accounts, the Debtor estimates the net realizable value to be approximately \$0.2 million. The Purchaser will be assisting the Debtor in the collection of these accounts.

D) Liabilities

The Debtor has provided us with a list of its Creditors. Notices have been sent to the known creditors and, to date, we are unable to determine if the Debtor's records agree with those of its Creditors. As Proofs of Claim are received, we shall record the specific amounts claimed by the Creditors, and prior to paying any dividend, we shall perform a variance analysis (where applicable).

Liabilities indicated below are based on the books and records of the Debtor, the Statement of Affairs as of January 9, 2013, Management's representations as well as information provided by certain creditors.

Liabilities	
(In 000's)	
Secured Creditors	\$ -
Preferred Creditors	-
Ordinary Creditors	
Due to Related Parties	7,262
Other Creditors	413
Total	\$ 7,675

As per the Statement of Affairs, there are no secured or preferred claims presently, excluding claims relating to Proposal expenses.

Approximately \$7.3 million (or 95%) of the unsecured claims represent amounts due to Related Parties (Sixty S.P.A., and Sixty Far East Ltd.). The Trustee is presently reviewing the details of these Related Party payables.

We caution that these amounts may change as proofs of claim are received.

VI. PROPOSAL

A) Summary

As noted above, the operating assets of the Debtor have been sold, the majority of employees have been transferred to the Purchaser and the Debtor is no longer carrying on business. The Purchaser will assist the Debtor to collect the remaining trade receivables.

The terms of the Proposal provide that after payment of priority claims, post-filing obligations and professional fees, the net funds will be used to pay an initial dividend to Ordinary Creditors 60 days following approval of the Proposal, as more fully summarized below. A further dividend will be paid to Ordinary Creditors at a later date following the realization of all receivables.

B) Amounts to be paid as a priority

According to the terms of the Proposal, the following amounts must be paid in priority:

- The secured claims shall be paid in priority to any other claims;
- Amounts due to Her Majesty the Queen in right of Canada or of any province which are subject to a demand under subsection 224 (1.2) of the *Income Tax Act*, or of 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 of any provision of provincial legislation essentially similar to the foregoing provisions as provided in paragraph 60(1.1)(c) of the Act and that were outstanding at the time of the filing of the Notice of intention, shall be paid in their entirety, without interest, within six (6) months after the approval of the Proposal;
- Amounts owing to employees (past and present) and that they would have been entitled to receive under Section 136(1)(d) of the Act if the Debtor had been declared bankrupt on the date of the approval of the Proposal, shall be paid in their entirety immediately after the approval of the Proposal. (Note: any such amounts are the responsibility of the Purchaser in respect of Transferred Employees);
- The Proposal costs shall be paid in priority to all claims other than secured claims;
- The priority claims, without interest or penalty, shall be paid in their entirety in priority to unsecured claims, within sixty (60) days of the approval of the Proposal;
- Post-filing obligations shall be paid in priority to all other claims save and except for proposal costs.

C) Amounts to be Disbursed to Ordinary Creditors

The net proceeds available after payment of the above-mentioned amounts shall be distributed to ordinary creditors as follows:

- Each of the ordinary creditors shall receive, in full and final payment of its unsecured claim, without interest or penalty:

- a) Within sixty (60) days of the Approval of the Proposal:
 - i. The lesser of the first five hundred dollars (\$500) of the unsecured claim or the payment in full of the unsecured claim as set out in its proof of claim; and
 - ii. A pro-rata share of the balance of the Net Amount then available (as defined in the Proposal) at the moment the dividend is to be paid; and

- b) A pro rata portion of the remaining Net Amount (as defined in the Proposal) when so decided by the Committee (as defined below) of creditors or by the Trustee if no such Committee is in place.

D) Creditors' Committee

The Debtor consents to the creation of a committee which shall be comprised of, at most, three (3) individuals (the "Committee") designated by the creditors at the Meeting of Creditors. The Committee shall have the following powers:

- to advise the Trustee with respect to the administration of the Proposal;
- to waive any default in the execution of the Proposal;
- to confirm that the Debtor has satisfied all of the terms and conditions of the Proposal; and
- to adjourn the payment of any dividends to ordinary creditors provided for in the Proposal.

VII. ESTIMATE AS TO DISTRIBUTION TO CREDITORS

In the event that the creditors reject the Proposal, the Debtor will automatically be bankrupt and the net proceeds from the liquidation of the assets (after the payment of the Trustee's fees and expenses) will be distributed to the creditors in the order provided for under the Act. The following information is to inform the creditors on the estimate as to the distribution to creditors under the Proposal in comparison to the estimated distribution under a bankruptcy scenario.

A) Proposal

As noted above, the Transaction has been completed and the proceeds have been remitted to the Trustee. There remain various accounts receivable to collect and various post-filing obligations to settle. Based on Management's representations and the aggregate amount of the Unsecured Claims as reflected in the Debtor's Statement of Affairs and information provided by certain creditors, at the present time, we estimate funds of \$478,000 to be available for distribution to ordinary creditors, representing 6.2% of Unsecured Claims, as follows:

Proposal Estimated Distribution			
(In 000's)			
Net Realization of Assets (estimated)			
Cash (proceeds from Transaction and cash on hand)	\$	413	
Accounts Receivable (Note 1)		200	
Dividend from Sixty Retail		95	
		<u>708</u>	
Post-Filing Obligations/Professional Fees		(230)	
		<u>\$ 478</u>	
	Estimated Claims	Distribution	
Secured Claims	\$ -	\$ -	
Preferred Claims	-	-	
Unsecured Claims	7,675	478	6.2%
Total	\$ 7,675	\$ 478	

Note 1: Assuming collection of trade receivables only.

The Trustee is analyzing the related party balances and the impact on the dividends to ordinary creditors. At the Meeting of Creditors scheduled for January 30, 2013, we will provide a further update based on information then available.

B) Bankruptcy

In a bankruptcy scenario, it has been estimated that the net realization value of the assets would be the same as in the Proposal or lower, considering that additional costs and professional fees may have to be incurred in a bankruptcy.

C) Other considerations

The following are additional elements to be considered:

- i. The Proposal provides for the payment of an initial dividend within sixty (60) days of the approval of the Proposal. In a bankruptcy, it is expected that any distribution will occur at a much later date.
- ii. Sections 95 to 101 of the Act will not be applicable to the Proposal. The remedies pursuant to these provisions relate to the recovery of certain amounts under reviewable transactions, preferential treatments and asset disposals.

Since these remedies would be available in the event of a bankruptcy of the Debtor, we are in the process of performing a summary analysis of various transactions involving the Debtor during the last twelve months and will provide an update at the Meeting of Creditors.

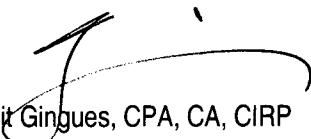
- iii. As mentioned above, there exists a related party receivable owed by Sixty International S.A. to the Debtor in the approximate amount of \$953,000. The Trustee has been unable to determine whether such receivable is collectable, nor at what cost. Under the present Proposal, only the Debtor has the ability to collect that receivable. Should the Debtor become bankrupt, the Trustee can pursue the claim on behalf of the creditors. The Trustee will provide further analysis of this receivable at the Meeting of Creditors.

VIII. CONCLUSION & RECOMMENDATION

The Trustee will further investigate the collectability of the Related Party receivable and, if applicable, the mechanism to collect the balance owing. Therefore, the Trustee will make his recommendation on the acceptance of the present Proposal at the Meeting of Creditors.

Dated at Montreal, Province of Quebec, this 18th day of January 2013.

Richter Advisory Group Inc.
(formerly RSM Richter Inc. – Trustee)


Benoit Gingues, CPA, CA, CIRP

District of: Quebec
Division No. 01 - Montréal
Court No. 500-11-043786-124
Estate No. 41-1695261

FORM 01.1
General Sender Identification for: Copies of all Prescribed Forms
Sent to Creditor(s) Electronically

In the Matter of the Proposal of
Sixty Canada Inc.
Of the City of Montréal
In the Province of Quebec

Dated at the City of Montréal in the Province of Quebec, this 18th day of January 2013.

Responsible Individual (Sender): Benoit Gingues, CPA, CA, CIRP
(Trustee)

Corporate Name : RSM Richter Inc.

Address: 1981 McGill College, 12th Floor
Montréal QC H3A 0G6

Telephone: (514) 934-3400

Fax: (514) 934-8603

E-mail: reclamations@rsmrichter.com

NOTICE

Please be advised that the above-noted individual is required to retain the signed original
of the document as part of the official records of this proceeding.



Industry Canada

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Office of the Superintendent of Bankruptcy Canada

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Update filing - update is confirmed

Estate Information

Please Note: The following estate(s) were updated:

- **Estate Number:** 41-1695261
- **Estate Name:** Sixty Canada Inc.

Document(s) submitted

The following document(s) have been successfully submitted

- Form 40.1: Notice of Hearing of Application for Court Approval of Proposal
- Form 92: Notice of Proposal to Creditors

Reference

- The Reference Number for this transaction is: **8102369**.
- Submitted by Carol O'Donnell.
- 2013-01-18 15:27 EST

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Update filing - update is confirmed

Estate Information

Please Note: The following estate(s) were updated:

- **Estate Number:** 41-1695261
- **Estate Name:** Sixty Canada Inc.

Document(s) submitted

The following document(s) have been successfully submitted

- Report of the Trustee on the financial situation of the Debtor and of the Propo

Reference

- The Reference Number for this transaction is: **8102390**.
- Submitted by Carol O'Donnell.
- 2013-01-18 15:28 EST

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COUR SUPÉRIEURE
(Chambre commerciale)
Loi sur la faillite et l'insolvabilité

Province de Québec
No Division : 01-Montréal
No Cour : 500-11-043786-124

Dans l'affaire de la proposition de
Sixty Canada Inc.

Débitrice

- et -

Richter Groupe Conseil Inc.
(anciennement RSM Richter Inc.)

Syndic

Richter Groupe Conseil Inc.
(anciennement RSM Richter Inc., Syndic)
Benoit Gingues, CPA, CA, CIRP
1981 McGill College
Montréal (Québec) H3A 0G6
Téléphone : 514.934.3400
Télécopieur : 514.934.3504

RICHTER

CANADA
 Province de Québec
 District de : Québec
 No division : 01-Montréal
 No cour : 500-11-043786-124
 No dossier : 41-1695261

COUR SUPÉRIEURE
 (Chambre commerciale)
Loi sur la faillite et l'insolvabilité

**Avis de la proposition aux créanciers et
 Avis d'audition de la demande d'approbation par le tribunal d'une proposition**
 (article 51 et alinéa 58(b) de la Loi)

**Dans l'affaire de la proposition de
 Sixty Canada Inc.
 de la ville de Montréal
 en la province de Québec**

Avis est donné que Sixty Canada Inc. de la ville de Montréal en la province de Québec a déposé une proposition entre nos mains, en vertu de la Loi sur la faillite et l'insolvabilité.

Ci-inclus vous trouverez une copie de la proposition, d'un état succinct de son actif et de son passif ainsi qu'une liste des créanciers visés par la proposition et dont les réclamations se chiffrent à 250 \$ ou plus.

Une assemblée générale des créanciers sera tenue au Bureau du surintendant des faillites, 5 Place Ville Marie, 8^e étage, Montréal QC H3B 2G2 le 30 janvier 2013 à 11 heures.

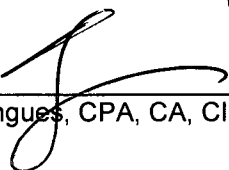
Les créanciers ou toute catégorie de créanciers ayant droit de voter à l'assemblée peuvent, au moyen d'une résolution, accepter la proposition, telle que formulée ou telle que modifiée à l'assemblée. Si la proposition est ainsi acceptée et si elle est approuvée par le tribunal, elle deviendra obligatoire pour tous les créanciers ou pour la catégorie de créanciers visés.

Avis est donné que, si la proposition est acceptée à l'assemblée générale des créanciers qui sera tenue le 30 janvier 2013, une demande sera faite au tribunal, Cour supérieure du Québec, district judiciaire de Montréal, 1, rue Notre-Dame E., salle 16.10, Montréal QC H2Y 1B6, le 21 février 2013, à 9 h15, en vue de faire approuver la proposition de Sixty Canada Inc.

Les preuves de réclamation, procurations et formulaires de votation dont l'usage est projeté à l'assemblée doivent nous être remis au préalable.

Daté le 18 janvier 2013, à Montréal en la province de Québec.

Richter Groupe Conseil Inc.
 (anciennement RSM Richter Inc. – Syndic)
 Par :



 Benoit Gingues, CPA, CA, CIRP

T. 514.934.3400
 F. 514.934.8603
reclamations@richter.ca

Richter Groupe Conseil Inc.
 (anciennement RSM Richter Inc.)
 1981 McGill College
 Montréal (QC) H3A 0G6

Membre
 RSM International
 Montréal, Toronto



RICHTER

CANADA
Province of Quebec
District of: Quebec
Division No.: 01-Montréal
Court No.: 500-11-043786-124
Estate No.: 41-1695261

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

**Notice of Proposal to Creditors and
Notice of Hearing of Application for Court Approval of Proposal**
(Section 51 and Paragraph 58(b) of the Act)

**In the Matter of the Proposal of
Sixty Canada Inc.
Of the City of Montréal
In the Province of Quebec**

Take notice that Sixty Canada Inc., of the City 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 herewith.

A general meeting of the creditors will be held at the Office of the Superintendent of Bankruptcy, 5 Place Ville Marie, 8th Floor, Montréal QC H3B 2G2 on January 30, 2013 at 11:00 a.m.

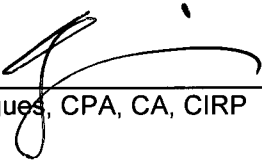
The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Take notice that, if the proposal is accepted by the creditors at the meeting held on January 30, 2013, an application will be made to the court, Quebec Superior Court, judicial district of Montréal, 1 Notre-Dame Street E., Room 16.10, Montréal QC H2Y 1B6, on February 21, 2013 at 9:15 a.m. to approve the proposal of Sixty Canada Inc.

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 in the Province of Quebec, January 18, 2013.

Richter Advisory Group Inc.
(formerly RSM Richter Inc. – Trustee)
Per:


Benoit Gingues, CPA, CA, CIRP

T. 514.934.3400
F. 514.934.8603
claims@richter.ca

Richter Advisory Group inc.
(formerly RSM Richter Inc.)
1981 McGill College
Montréal (QC) H3A 0G6

Member
RSM International
Montréal, Toronto



District of: Quebec
 Division No. 01 - Montréal
 Court No. 500-11-043786-124
 Estate No. 41-1695261

Original

EXHIBIT C.2

-- 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 Notice of Intention to make a Proposal of
 Sixty Canada Inc.
 Of the City of Montréal
 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 10th day of December 2012. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	ASSETS (as stated and estimated by the officer)
1. Unsecured creditors as per list "A" <u>7,328,060.63</u>	1. Inventory <u>0.00</u>
Balance of secured claims as per list "B" <u>0.00</u>	2. Trade fixtures, etc. <u>0.00</u>
Total unsecured creditors <u>7,328,060.63</u>	3. Accounts receivable and other receivables, as per list "E"
2. Secured creditors as per list "B" <u>0.00</u>	Good <u>200,000.00</u>
3. Preferred creditors as per list "C" <u>0.00</u>	Doubtful <u>440,176.00</u>
4. Contingent, trust claims or other liabilities as per list "D"	Bad <u>5,713,918.00</u>
estimated to be reclaimable for <u>0.00</u>	Estimated to produce <u>200,000.00</u>
Total liabilities <u>7,328,060.63</u>	4. Bills of exchange, promissory note, etc., as per list "F" ... <u>0.00</u>
Surplus <u>NIL</u>	5. Deposits in financial institutions <u>0.00</u>
	6. Cash <u>36,074.00</u>
	7. Livestock <u>0.00</u>
	8. Machinery, equipment and plant <u>0.00</u>
	9. Real property or immovable as per list "G" <u>0.00</u>
	10. Furniture <u>0.00</u>
	11. RRSPs, RRIFs, life insurance, etc. <u>0.00</u>
	12. Securities (shares, bonds, debentures, etc.) <u>0.00</u>
	13. Interests under wills <u>0.00</u>
	14. Vehicles <u>0.00</u>
	15. Other property, as per list "H" <u>428,000.00</u>
	If debtor is a corporation, add:
	Amount of subscribed capital <u>2,395,735.00</u>
	Amount paid on capital <u>2,395,735.00</u>
	Balance subscribed and unpaid <u>0.00</u>
	Estimated to produce <u>0.00</u>
	Total assets <u>664,074.00</u>
	Deficiency <u>6,663,986.63</u>

I, Arpi Balouzian, of the City of Montréal 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 9th day of January 2013 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 Montréal in the Province of Quebec, on this 9th day of January 2013.

Christiane Girard

Arpi Balouzian



District of: Quebec
 Division No. 01 - Montréal
 Court No. 500-11-043786-124
 Estate No. 41-1695261

EXHIBIT C.3

FORM 78 -- Continued

List "A"
 Unsecured Creditors

Sixty Canada Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	174 SPADINA AVENUE REALTY	174 SPADINA AVE TORONTO ON M5T 2C2	9,850.60	0.00	9,850.60
2	4300611 CANADA INC. Attr: Steven M. Shein	c/o ME S. SHEIN, KAUFMAN LARAMÉE LLP 2220-800 RENE-LEVESQUE W. MONTREAL QC H3B 1X9	0.00	0.00	0.00
3	ALL TYPE TRANSPORT	5203 FAIRWAY LACHINE QC H8T 3K8	448.98	0.00	448.98
4	BELL CANADA	GROUPE INSOLVABILITE - AFFAIRE 1 ALEXANDRE GRAHAM BELL AILE E 3 VERDUN QC H3E 3B3	225.60	0.00	225.60
5	BLAKE, CASSELS & GRAYDON LLP	200-600, DE MAISONNEUVE O. MONTREAL QC H3A 3J2	0.00	0.00	0.00
6	BOUTIQUE NEW BREED - 9257-8541 QUEBEC INC	1450-540 RUE D'AVAUGOUR BOUCHERVILLE QC J4B 0G6	300.00	0.00	300.00
7	BUROPLUS	950 PLACE PAUL KANE LAVAL QC H7C 2T2	196.36	0.00	196.36
8	CANADIAN SPRINGS	P.O. BOX 4514 STN A TORONTO ON M5W 4L7	30.28	0.00	30.28
9	CONSOLIDATED FASTFRATE INC	9701 HIGHWAY 50 WOODBIDGE ON L4H 2G4	345.62	0.00	345.62
10	DELL CANADA INC.	501-155 GORDON BAKER RD NORTH YORK ON M2H 3N5	1,568.14	0.00	1,568.14
11	DUGGERS MENS WEAR	5476 SPRING GARDEN ROAD HALIFAX NS B3J 1G3	233.65	0.00	233.65
12	EMBALLAGES DE LA BEAUCE INC (LES)	469 ROUTE 112 EST VALLEE-JONCTION QC G0S 3J0	259.84	0.00	259.84
13	ISABEL J. SCHURMAN, IN TRUST	620-625 BOUL RENE-LEVESQUE MONTREAL QC H3B 1R2	1,745.18	0.00	1,745.18
14	J PICHE ET FILS	5564 BOUL. ST. LAURENT MONTREAL QC H2T 1S8	103.48	0.00	103.48
15	JPS LOGISTIQUE INC	1137 DE LA DECOUVERTE ST-LAZARE QC J7T 0A4	425.00	0.00	425.00
16	KAUFMAN LARAMEE	2220-800 BOUL RENE-LEVESQUE MONTREAL QC H3B 1X9	21,432.84	0.00	21,432.84
17	MARK EDWARDS APPAREL INC	600-225 CHABANEL WEST MONTREAL QC H2N 2C9	89,239.80	0.00	89,239.80
18	METROSPEC	2650 BOUL PITFIELD, MONTREAL MONTREAL QC H4S 1G9	35.82	0.00	35.82
19	NEXIA FRIEDMAN LLP	500-800 BOUL DECARIE MONTREAL QC H4P 2S4	1,916.24	0.00	1,916.24
20	PITNEY BOWES	P.O. BOX 278 ORANGEVILLE ON L9W 2Z7	271.12	0.00	271.12
21	PRINCIPE SPA	VIA LUNGOLAGO DUCA DEGLI ABRUZZI 166, CALCINATE DEL PESCE VARESE - 21100 ITALY	255.81	0.00	255.81
22	RELYCO	121 BROADWAY DOVER NH 03820 USA	8.54	0.00	8.54
23	ROGERS BUSINESS SOLUTIONS	P.O. BOX 2000 STN D ROAD SCARBOROUGH ON M1R 5P4	636.43	0.00	636.43

10-Dec-2012

Date



Arpi Balouzian

District of: Quebec
 Division No. 01 - Montréal
 Court No. 500-11-043786-124
 Estate No. 41-1695261

FORM 78 -- Continued

List "A"
 Unsecured Creditors

Sixty Canada Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
24	SIXTY FAR EAST LTD.	10/FJOS TOWER MILLENNIUM CITY2,378K, WUN TONG ROAD K.W. KOWLOON HONG KONG -	507,660.31	0.00	507,660.31
25	SIXTY RETAIL CANADA INC	620-225 CHABANEL WEST MONTREAL QC H2N 2C9	212.36	0.00	212.36
26	SIXTY SPA	VIA ERASMO PIAGGIO, 35 CHIETI SCALO CHIETI - 66100 ITALY	6,668,575.97	0.00	6,668,575.97
27	STELLAR PROPERTIES LTD	215-1008 HOMER ST VANCOUVER BC V6B 2X1	11,946.68	0.00	11,946.68
28	THE HEADHUNTERS.CA	625 HOWE ST # 200- THE STANDARD LIFE BUILDING VANCOUVER BC V6C 2T6	10,080.00	0.00	10,080.00
29	WANT AGENCY	915-225 CHABANEL WEST MONTREAL QC H2N 2C9	55.98	0.00	55.98
Total:			7,328,060.63	0.00	7,328,060.63

10-Dec-2012

Date



Arpi Baloujian

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF QUÉBEC
DIVISION NO.: 01-MONTREAL
COURT NO.: 500-11-043786-124
ESTATE NO.: 41-1695261

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

Sixty Canada Inc.

a legal person duly constituted, having its registered
office at 225 Chabanel Street West, Suite 620
Montreal QC H2N 2C9

Debtor

- and -

**Richter Advisory Group Inc. (formerly RSM Richter
Inc.)**

Trustee

**REPORT OF THE TRUSTEE ON THE FINANCIAL SITUATION
OF THE DEBTOR AND ON THE PROPOSAL
(Sections 50(10)(b) and 50(5) of the *Bankruptcy and Insolvency Act*)**

The purpose of the First Meeting of Creditors is to consider the Proposal filed on January 9, 2013 (hereinafter referred to as "the Proposal") by Sixty Canada Inc. (hereinafter referred to as the "Debtor" or "Sixty Canada").

Pursuant to Sections 50(10)(b) and 50(5) of the *Bankruptcy and Insolvency Act* (hereinafter referred to as the "Act" or "BIA"), and to assist the creditors in considering the Proposal, the Trustee is submitting its report on the financial situation of the Debtor and on the Proposal.

We caution the reader that we have neither conducted an audit nor a verification of the books and records of the Debtor. Consequently, we cannot render an opinion as to the accuracy of the information contained therein. The information discussed herein emanates from the books and records of the Debtor as well as from our discussions with the Management of the Debtor.

I. INTRODUCTION

On December 10, 2012, the Debtor and its wholly-owned subsidiary, Sixty Canada Retail Inc. ("Sixty Retail") each filed a Notice of Intention to Make a Proposal in accordance with the Bankruptcy and Insolvency Act ("the Act").

On December 21, 2012, the Honourable Justice Lalonde authorized the sale of all the assets of the Debtor (excluding cash and receivables) to Sixty Trading Inc. (the "Purchaser") with an effective closing date of December 31, 2012 (the "Transaction"). Consequently, the Debtor has no remaining assets (other than cash and receivables) and is no longer operating.

On January 9, 2013, the Debtor filed a Proposal to its creditors. We have enclosed herewith the Proposal made by the Debtor to its creditors, a proof of claim form, a voting form, a proxy and a notice indicating the place and time of the Meeting of Creditors to address the Proposal.

The purpose of the Proposal is to distribute to creditors, the cash on hand, the funds generated by the Transaction and the collection of the receivables.

The following summarizes the relevant information and key elements that may assist the creditors in evaluating the Debtor's affairs and the Proposal.

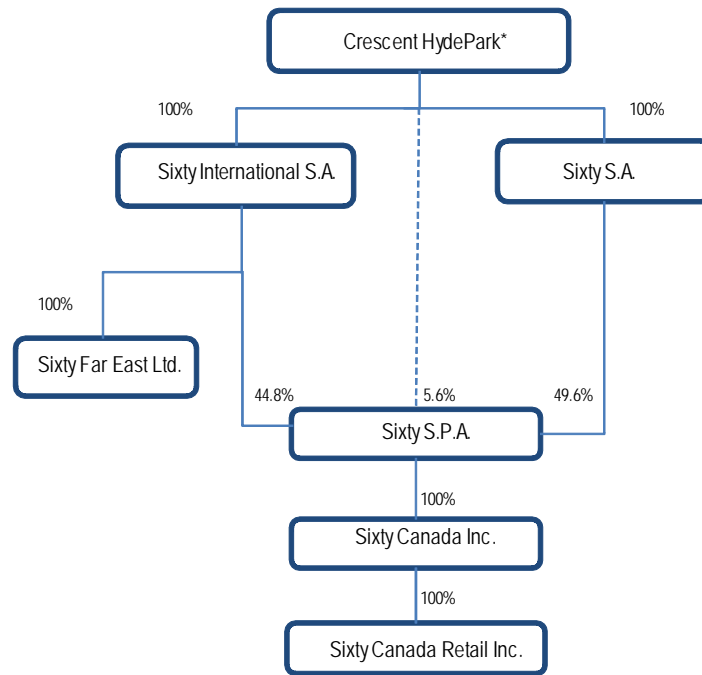
II. OVERVIEW OF THE COMPANY

Sixty Canada was a wholesaler that distributed its products to Sixty Retail and other retailers across Canada under the brands Miss Sixty, Energie, Killah and Sixty. Sixty Canada employed approximately 7 employees.

Sixty Retail was a fashion company that distributed apparel, footwear and accessories across Canada under the brands Miss Sixty, Energie, Killah and Sixty. Sixty Retail distributed its products through boutiques and company-owned stores and employed approximately 75 employees.

Sixty Canada and Sixty Retail are referred to herein as the "Companies".

Sixty Retail is a wholly-owned subsidiary of Sixty Canada, which is wholly owned by Sixty S.P.A., a legal person constituted under the laws of Italy. The organization chart of the Sixty Group is summarized as follows:



* Full name is Crescent HydePark European Opportuniltes I (Asian fund managed by Crescent HydePark Management Ltd.)

As shown in the table below, the Companies were tenants of eight retail stores located in malls across Canada, two of which were closed as part of the restructuring initiatives implemented following the filing of the Notices of Intention. All the stores were operated by Sixty Retail. The Companies' Head Office and warehouse were located in Montreal (Quebec).

The following table summarizes information on the stores prior to the Transaction:

Tenant	Shopping Center	City	Province	Gross Leaseable area (sq. ft.)	Landlord
Stores in operation					
Sixty Canada Retail Inc.	Vaughan Mills (Outlet)	Vaughan	ON	1,455	Vaughan Mills Shopping Centre Corporation (Ivanhoe Cambridge)
Sixty Canada Retail Inc.	Metropolis at Metrotown	Burnaby	BC	1,116	Ivanhoe Cambridge II Inc.
Sixty Canada Inc.	West Edmonton Mall	Edmonton	AB	1,569	West Edmonton Mall Property Inc.
Sixty Canada Inc.	Chinook Centre	Calgary	AB	1,616	Ontrea Inc. (Cadillac Fairview Coproration Ltd.)
Sixty Canada Inc.	Le Carrefour Laval	Laval	QC	2,120	Le Carrefour Laval Leaseholds Inc. (Cadillac Fairview Corporation Ltd.)
Sixty Canada Inc.	Pacific Centre	Vancouver	BC	1,345	Pacific Centre Leaseholds Ltd (Cadillac Fairview Coproration Ltd.)
Closed Stores					
Sixty Canada Retail Inc.	Robson Street ¹	Vancouver	BC	2,035	Oxford Properties Group and 735832 Alberta Ltd.
Sixty Canada Inc.	Yorkdale Shopping Centre ²	Toronto	ON	1,960	Yorkdale Shopping Centre Holdings Inc. (Oxford Properties Group)

¹ Sixty Retail sent a notice of resiliation of the lease on December 11, 2012 effective January 12, 2013

² Sixty Canada received an eviction notice from the landlord to vacate the premises by January 6, 2013

III. CAUSES OF INSOLVENCY AND RECENT DEVELOPMENTS

Sixty S.P.A. supplies its retail network and wholesale distributors which purchase almost all of their products from Sixty S.P.A. and Sixty Far East Ltd (more than 95% of purchases). The production of goods is mainly carried out by suppliers located in the Far East and coordinated by Sixty Far East Ltd.

Sixty S.P.A. operates by virtue of trademark licensing agreements (the "Licensing Agreements") with Sixty International S.A., a corporation constituted under the laws of Luxembourg and owner of such trademarks. The Licensing Agreements expired on December 31, 2012.

On September 20, 2012, Sixty S.P.A. initiated a reorganization procedure pursuant to Italian law and is currently seeking to conclude a deed of arrangement (*concordato preventivo*) with its creditors within 120 days (i.e. January 20, 2013) in an attempt to avoid bankruptcy.

As a result of Sixty S.P.A.'s financial difficulties and the complexity to reach a restructuring agreement with its creditors, the shareholders of Sixty International S.A. and Sixty S.A. sold all their shares to an Asian fund, Crescent HydePark European Opportunities I ("Crescent HydePark"). This transaction occurred in July 2012 and gave Crescent HydePark ownership of the trademarks and control of the production.

The Debtor's financial distress is directly related to the situation described above. Indeed, as a result of the financial difficulties being experienced by Sixty S.P.A. coupled with the sale of Sixty International S.A. and Sixty S.A. to Crescent HydePark, no new inventory has been shipped to the Companies in the last four months of 2012. As a result, inventory on-hand has been depleted and Sixty Retail did not have any current season inventory to sell in its stores while Sixty Canada was not generating any new sales. Miss Sixty is considered a fashion brand; therefore, new collections, new designs and availability of new products are crucial factors to success in this industry.

Sixty Canada's main creditors are Sixty S.P.A. and Sixty Far East Ltd. which collectively represent 95% of the amounts due to the creditors. Sixty Retail's main creditors are Sixty S.P.A., Sixty Canada and Sixty Far East Ltd. which collectively represent approximately 95% of the amounts due to the creditors.

IV. TRANSACTION

Taking into account the complexity of the negotiations with Sixty S.P.A.'s creditors, the uncertainty of the legal procedures in Italy and the cash flow constraints, Crescent HydePark contacted the Companies directly with the objective of purchasing their operating assets in order to maintain the operations in Canada.

In this context, a rapid sale of the Companies' assets to Crescent HydePark was viewed as the most logical solution for the following reasons:

- Crescent HydePark owns the trademarks through Sixty International S.A. The Licensing Agreements with Sixty S.P.A. were expiring on December 31, 2012. Therefore, a transaction with another acquirer on a going concern basis was unlikely;
- The cash flow forecast reflected that the Companies would not have sufficient cash to pay the rent on January 1st, 2013 and otherwise fund their operations;
- Sixty S.P.A. had not been able to reach an agreement with its creditors and the situation could carry on for a long time which is in conflict with the urgency of the situation for the Companies;
- Crescent HydePark controls the production and can supply new inventory with the brands through Sixty Far East Ltd.

Based on the foregoing, on December 21, 2012, the Companies executed an Asset Purchase Agreement ("APA") with Sixty Canada Trading Inc. (the "Purchaser") with an effective closing date of December 31, 2012. Pursuant to the terms of the APA, the Purchaser acquired all of the operating assets of the Companies, excluding cash and accounts receivable (the "Purchased Assets").

Prior to the Companies executing the APA, the Trustee mandated two independent firms (the "Experts") in order to assess the realization value of the Purchased Assets:

- Oberfeld Snowcap Real Estate Agency for the valuation of the leases; and
- Crescent Commercial Corporation for the valuation of the inventory, fixed assets and leasehold improvements.

Based on the Experts reports, the value of the Purchased Assets as of November 30, 2012 was approximately \$1,400,000. Applying the same valuation factors resulted in the Purchased Assets being valued at \$1,005,000 as of December 31, 2012, summarized as follows:

(In 000's)	Sixty Canada Retail Inc.	Sixty Canada Inc.	Total
Inventory (Note 1)	\$ 439	\$ 12	\$ 451
Fixed assets and Leasehold Improvements	45	117	162
Assignment of Leases	92	300	392
Total	\$ 576	\$ 429	\$ 1,005

Note 1: Based on the inventory as of December 31, 2012, except for the Yorkdale location (as of Jan. 6/13).

The Purchaser has remitted the full \$1,005,000 purchase price to the Trustee.

The Purchased Assets were conveyed to the Purchaser on an "as is, where is" basis and subject to the usual terms and conditions contained in such a transaction.

In addition to the amounts presented above, the Purchaser is assuming certain obligations, as follows:

- The Purchaser has offered continuing employment to approximately 65 Sixty Retail employees and 7 Sixty Canada employees on substantially the same terms and conditions under which they were employed by the Companies ("Transferred Employees"); and
- The Purchaser will assume the Companies' obligations under the commercial leases.

V. FINANCIAL INFORMATION

The following financial data was extracted either from the books and records of the Debtor, the unaudited financial statements or from discussions held with Management. This information is submitted solely to assist the reader in assessing the current financial position of the Debtor.

The Trustee makes no representations or warranty as to the accuracy of said financial information.

A) Statement of Earnings and Retained Earnings (Deficit)

Sixty Canada Inc.			
Statement of Earnings and Retained Earnings (Deficit)			
(In 000's)	6-month period ended		
	June 30, 2012 Unaudited	F2011 Unaudited	F2010 Unaudited
Revenues	\$ 1,530	\$ 3,146	\$ 6,069
Cost of Sales	1,278	1,406	4,186
Gross profit	252	1,740	1,883
	16%	55%	31%
Expenses			
Selling	662	1,177	1,353
Administrative	409	688	654
Financial	19	99	55
Share of (earnings) loss of the subsidiary company	-	(184)	1,554
Income taxes	-	(57)	(60)
Net earnings (loss)	(838)	17	(1,673)
Retained earnings (deficit), beginning	(1,363)	(1,380)	293
Dividends paid	-	-	-
Retained earnings (deficit) , ending	\$ (2,201)	\$ (1,363)	\$ (1,380)

As shown in the above table, for the 6-month period ended June 30, 2012 (the latest information available), the Debtor reported a net loss of \$838,000. For the fiscal year ended December 31, 2011, the Debtor reported net earnings of \$17,000 compared to a net loss of \$1,673,000 in fiscal 2010. For the 6-month period ended June 30, 2012, sales reached \$1,530,000 compared to \$3,146,000 for the year ended December 31, 2011. Moreover, sales decreased by 48.2% from fiscal 2010 to fiscal 2011.

B) Historical Balance Sheet

Sixty Canada Inc. Balance Sheet As at December 31		
(In 000's)	F2011 Unaudited	F2010 Unaudited
Assets		
Cash	\$ -	\$ 3
Accounts receivable	920	1,248
Inventory	431	559
Income taxes receivable	60	142
Prepaid expenses	29	36
	<u>1,440</u>	<u>1,988</u>
Loan receivable, corporate shareholder ¹	993	906
Loan receivable, subsidiary company ²	4,486	3,875
Property, plant and equipment	346	435
Intangible assets	3	4
	<u>\$ 7,268</u>	<u>\$ 7,208</u>
Liabilities		
Bank indebtedness	\$ 796	\$ 10
Accounts payable	517	686
	<u>1,313</u>	<u>696</u>
Long-term accounts payable	-	900
Excess of liabilities over assets of subsidiary company	1,387	1,571
Loan payable, parent company ³	3,535	3,025
	<u>6,235</u>	<u>6,192</u>
Shareholder's Equity		
Capital Stock	2,396	2,396
Retained earnings	(1,363)	(1,380)
	<u>1,033</u>	<u>1,016</u>
	<u>\$ 7,268</u>	<u>\$ 7,208</u>
¹ Amount due from Sixty International S.A. ² Amount due from Sixty Canada Retail Inc. ³ Amount due to Sixty S.P.A.		

C) Assets

Based on the Debtor's Statement of Affairs as of January 9, 2013 and certain additional information provided by Management, the Debtor's assets can be summarized as follows:

Assets		
(In 000's)	Net Carrying Amount	Estimated gross realization amount
Cash (Transaction)	\$ 429	\$ 429
Less: outstanding disbursements	(16)	(16)
Accounts / Other Receivables	6,479	200
Total	\$ 6,892	\$ 613

Cash (Transaction) refers to the purchase price which has since been received by the Trustee. Estimated gross realization amount is prior to consideration of the payment of post-filing obligations as well as professional fees.

Accounts and other receivables include \$5.8 million which relates to amounts due from Related Parties which are being reviewed by the Trustee, but are assumed by Management not to be collectable. We summarize the Related Party receivables as follows:

(In 000's)	Net Carrying Amount
Sixty International S.A.	\$ 953
Sixty Retail	4,853
	\$ 5,806

Of the remaining \$0.7 million of receivables, based on the age of the accounts, the Debtor estimates the net realizable value to be approximately \$0.2 million. The Purchaser will be assisting the Debtor in the collection of these accounts.

D) Liabilities

The Debtor has provided us with a list of its Creditors. Notices have been sent to the known creditors and, to date, we are unable to determine if the Debtor's records agree with those of its Creditors. As Proofs of Claim are received, we shall record the specific amounts claimed by the Creditors, and prior to paying any dividend, we shall perform a variance analysis (where applicable).

Liabilities indicated below are based on the books and records of the Debtor, the Statement of Affairs as of January 9, 2013, Management's representations as well as information provided by certain creditors.

Liabilities	
(In 000's)	
Secured Creditors	\$ -
Preferred Creditors	-
Ordinary Creditors	
Due to Related Parties	7,262
Other Creditors	413
Total	\$ 7,675

As per the Statement of Affairs, there are no secured or preferred claims presently, excluding claims relating to Proposal expenses.

Approximately \$7.3 million (or 95%) of the unsecured claims represent amounts due to Related Parties (Sixty S.P.A., and Sixty Far East Ltd.). The Trustee is presently reviewing the details of these Related Party payables.

We caution that these amounts may change as proofs of claim are received.

VI. PROPOSAL

A) Summary

As noted above, the operating assets of the Debtor have been sold, the majority of employees have been transferred to the Purchaser and the Debtor is no longer carrying on business. The Purchaser will assist the Debtor to collect the remaining trade receivables.

The terms of the Proposal provide that after payment of priority claims, post-filing obligations and professional fees, the net funds will be used to pay an initial dividend to Ordinary Creditors 60 days following approval of the Proposal, as more fully summarized below. A further dividend will be paid to Ordinary Creditors at a later date following the realization of all receivables.

B) Amounts to be paid as a priority

According to the terms of the Proposal, the following amounts must be paid in priority:

- The secured claims shall be paid in priority to any other claims;
- Amounts due to Her Majesty the Queen in right of Canada or of any province which are subject to a demand under subsection 224 (1.2) of the *Income Tax Act*, or of 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 of any provision of provincial legislation essentially similar to the foregoing provisions as provided in paragraph 60(1.1)(c) of the Act and that were outstanding at the time of the filing of the Notice of intention, shall be paid in their entirety, without interest, within six (6) months after the approval of the Proposal;
- Amounts owing to employees (past and present) and that they would have been entitled to receive under Section 136(1)(d) of the Act if the Debtor had been declared bankrupt on the date of the approval of the Proposal, shall be paid in their entirety immediately after the approval of the Proposal. (Note: any such amounts are the responsibility of the Purchaser in respect of Transferred Employees);
- The Proposal costs shall be paid in priority to all claims other than secured claims;
- The priority claims, without interest or penalty, shall be paid in their entirety in priority to unsecured claims, within sixty (60) days of the approval of the Proposal;
- Post-filing obligations shall be paid in priority to all other claims save and except for proposal costs.

C) Amounts to be Disbursed to Ordinary Creditors

The net proceeds available after payment of the above-mentioned amounts shall be distributed to ordinary creditors as follows:

- Each of the ordinary creditors shall receive, in full and final payment of its unsecured claim, without interest or penalty:

- a) Within sixty (60) days of the Approval of the Proposal:
 - i. The lesser of the first five hundred dollars (\$500) of the unsecured claim or the payment in full of the unsecured claim as set out in its proof of claim; and
 - ii. A pro-rata share of the balance of the Net Amount then available (as defined in the Proposal) at the moment the dividend is to be paid; and

- b) A pro rata portion of the remaining Net Amount (as defined in the Proposal) when so decided by the Committee (as defined below) of creditors or by the Trustee if no such Committee is in place.

D) Creditors' Committee

The Debtor consents to the creation of a committee which shall be comprised of, at most, three (3) individuals (the "Committee") designated by the creditors at the Meeting of Creditors. The Committee shall have the following powers:

- to advise the Trustee with respect to the administration of the Proposal;
- to waive any default in the execution of the Proposal;
- to confirm that the Debtor has satisfied all of the terms and conditions of the Proposal; and
- to adjourn the payment of any dividends to ordinary creditors provided for in the Proposal.

VII. ESTIMATE AS TO DISTRIBUTION TO CREDITORS

In the event that the creditors reject the Proposal, the Debtor will automatically be bankrupt and the net proceeds from the liquidation of the assets (after the payment of the Trustee's fees and expenses) will be distributed to the creditors in the order provided for under the Act. The following information is to inform the creditors on the estimate as to the distribution to creditors under the Proposal in comparison to the estimated distribution under a bankruptcy scenario.

A) Proposal

As noted above, the Transaction has been completed and the proceeds have been remitted to the Trustee. There remain various accounts receivable to collect and various post-filing obligations to settle. Based on Management's representations and the aggregate amount of the Unsecured Claims as reflected in the Debtor's Statement of Affairs and information provided by certain creditors, at the present time, we estimate funds of \$478,000 to be available for distribution to ordinary creditors, representing 6.2% of Unsecured Claims, as follows:

Proposal Estimated Distribution			
(In 000's)			
Net Realization of Assets (estimated)			
Cash (proceeds from Transaction and cash on hand)	\$	413	
Accounts Receivable (Note 1)		200	
Dividend from Sixty Retail		95	
		<u>708</u>	
Post-Filing Obligations/Professional Fees		(230)	
		<u>\$ 478</u>	
	Estimated Claims	Distribution	
Secured Claims	\$ -	\$ -	
Preferred Claims	-	-	
Unsecured Claims	7,675	478	6.2%
Total	<u>\$ 7,675</u>	<u>\$ 478</u>	

Note 1: Assuming collection of trade receivables only.

The Trustee is analyzing the related party balances and the impact on the dividends to ordinary creditors. At the Meeting of Creditors scheduled for January 30, 2013, we will provide a further update based on information then available.

B) Bankruptcy

In a bankruptcy scenario, it has been estimated that the net realization value of the assets would be the same as in the Proposal or lower, considering that additional costs and professional fees may have to be incurred in a bankruptcy.

C) Other considerations

The following are additional elements to be considered:

- i. The Proposal provides for the payment of an initial dividend within sixty (60) days of the approval of the Proposal. In a bankruptcy, it is expected that any distribution will occur at a much later date.
- ii. Sections 95 to 101 of the Act will not be applicable to the Proposal. The remedies pursuant to these provisions relate to the recovery of certain amounts under reviewable transactions, preferential treatments and asset disposals.

Since these remedies would be available in the event of a bankruptcy of the Debtor, we are in the process of performing a summary analysis of various transactions involving the Debtor during the last twelve months and will provide an update at the Meeting of Creditors.

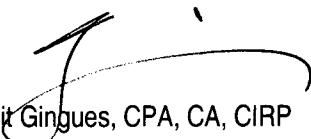
- iii. As mentioned above, there exists a related party receivable owed by Sixty International S.A. to the Debtor in the approximate amount of \$953,000. The Trustee has been unable to determine whether such receivable is collectable, nor at what cost. Under the present Proposal, only the Debtor has the ability to collect that receivable. Should the Debtor become bankrupt, the Trustee can pursue the claim on behalf of the creditors. The Trustee will provide further analysis of this receivable at the Meeting of Creditors.

VIII. CONCLUSION & RECOMMENDATION

The Trustee will further investigate the collectability of the Related Party receivable and, if applicable, the mechanism to collect the balance owing. Therefore, the Trustee will make his recommendation on the acceptance of the present Proposal at the Meeting of Creditors.

Dated at Montreal, Province of Quebec, this 18th day of January 2013.

Richter Advisory Group Inc.
(formerly RSM Richter Inc. – Trustee)


Benoit Gingues, CPA, CA, CIRP

CANADA

SUPERIOR COURT

PROVINCE OF QUÉBEC
DISTRICT OF QUÉBEC
DIVISION N°: 01-MONTREAL
COURT N°: 500-11-043786-124
FILE N°: 41-1695261

IN THE MATTER OF THE PROPOSAL OF SIXTY CANADA INC., a company,
having its head office at 225 Chabanel Street West, Suite 620, Montreal, Quebec
H2N 2C9

DEBTOR

AMENDED PROPOSAL

We, **SIXTY CANADA INC.**, hereby submit the following proposal pursuant to the *Bankruptcy and Insolvency Act*:

1. For the purposes hereof:

“**ACT**” means the *Bankruptcy and Insolvency Act*;

“**ADMINISTRATION CHARGE**” has the meaning ascribed to such term in the Order of Justice Chantal Corriveau, S.C.J. of December 11, 2012;

“**APPROVAL OF THE PROPOSAL**” means the approval of the PROPOSAL by the prescribed majority of the CREDITORS of the COMPANY, and by an order of the COURT which is executory and for which all delays to appeal have expired;

“**CLAIM**” has the meaning given to such term in section 2 of the ACT, and includes, without limitation, any claim of any PERSON against the COMPANY with regard to any debt, liability or obligation of any kind owed to such PERSON arising out of the COMPANY’s current restructuring, disclaimer or termination of any contract, lease, employment agreement or any other agreement, whether written or oral, by the COMPANY, as well as any claims by any GOVERNMENTAL AUTHORITY arising directly or indirectly from APPROVAL OF THE PROPOSAL, including all claims related to TAXES, to the goods and services tax and to provincial sales taxes payable following a reduction of or arrangement concerning the liability of the COMPANY inherent to the APPROVAL OF THE PROPOSAL and all claims (real or projected) resulting from application of articles 79 to 80.04 of the *Income Tax Act (Canada)* (or equivalent provisions in the relevant provincial tax laws) with regard to the COMPANY and related to the APPROVAL OF THE PROPOSAL;

"COMMITTEE" means the committee formed of at most three (3) individuals pursuant to paragraph 9 hereof;

"COMPANY" means Sixty Canada Inc.;

"COURT" means the Superior Court of Quebec (Commercial Division), District of Montreal;

"CREDITOR" means any PERSON having a CLAIM or a claim against the DIRECTORS and may, where the context requires, include the assignee of a CLAIM or a trustee, interim receiver, receiver, receiver and manager, or other PERSON acting on behalf of such PERSON. A CREDITOR shall not include a PERSON entitled to a CLAIM for PROPOSAL COSTS;

"DIRECTORS" means all of past and present directors and officers of the COMPANY and any other PERSON deemed to have acted in such capacity;

"GOVERNMENTAL AUTHORITY" means any (i) provincial, federal, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"GROSS AMOUNT" means the NET AMOUNT OF THE TRANSACTION plus the cash on hand as of December 31, 2012 and the net proceeds of the sale of any property of the COMPANY not sold to Sixty Canada Trading Inc., pursuant to the TRANSACTION, and the collection of the accounts receivable of the COMPANY other than those identified by the COMPANY acting reasonably as uncollectable or deemed to be uncollectable;

"LESSORS CLAIMS" means the CLAIMS to be filed by the lessors for an amount equal to the lesser of (i) the aggregate of (A) the rent provided for in the lease for the first year of the lease following the date on which the disclaimer or resiliation becomes effective, and (B) 15% of the rent for the remainder of the term of the lease after that year, and (ii) three years' rent, the whole pursuant to section 65.2 of the ACT;

"NET AMOUNT" means the GROSS AMOUNT after payment of all PROPOSAL COSTS, POST-FILING OBLIGATIONS, the SECURED CLAIMS, the PRIORITY CLAIMS, and all other amounts to be paid in priority to the UNSECURED CLAIMS;



"NET AMOUNT OF THE TRANSACTION" means the proceeds generated by the TRANSACTION;

"NOTICE OF INTENTION" means the notice of intention to make a proposal pursuant to the ACT, which notice was filed on December 10, 2012;

"ORDINARY CREDITORS" means those PERSONS having UNSECURED CLAIMS against the COMPANY, including, for greater certainty, PERSONS having LESSORS' CLAIMS;

"PERSON" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, trustee, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"POST-FILING OBLIGATIONS" means all unpaid obligations incurred by the COMPANY in the course of its activities since the filing of the NOTICE OF INTENTION, and those which it foresees up to the moment of execution of the PROPOSAL and the winding-up of the COMPANY;

"PRIORITY CLAIMS" means all CLAIMS which must by the ACT be paid in priority to all other CLAIMS sharing in the estate of an insolvent debtor;

"PROPOSAL" means the present proposal;

"PROPOSAL COSTS" means all fees, costs, undertakings and obligations of the TRUSTEE, and all the legal fees due to its advisors or those of the COMPANY and accounting fees relating to or resulting from the NOTICE OF INTENTION, the PROPOSAL and/or the TRANSACTION;

"PROPOSAL MEETING" means the meeting of CREDITORS of the COMPANY in order to consider the PROPOSAL;

"RELATED PARTIES RECEIVABLES" means the amounts due to the COMPANY from Sixty International S.A. and Sixty Canada Retail Inc., if any;

"RESERVE" has the meaning set forth in paragraph 9 hereof;

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

"SECURED CREDITORS" means those PERSONS having SECURED CLAIMS;

"TAXES" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a GOVERNMENTAL



AUTHORITY, including (a) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employer health, pension plan, anti-dumping, countervail, excise, severance, stamp, occupation, or premium tax, (b) all withholdings on amounts paid to or by the relevant PERSON, (c) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (d) any fine, penalty, interest, or addition to tax, (e) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (f) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"TRANSACTION" means one or more transactions whereby funds are generated by the sale of all or part of the assets of the COMPANY, for greater certainty the TRANSACTION includes the transaction pursuant to the Asset Purchase Agreement between the COMPANY, Sixty Canada Retail Inc. and Sixty Canada Trading Inc. made as of December 31, 2012;

"TRUSTEE" means Richter Advisory Group Inc. / Richter Groupe Conseil Inc. (formerly RSM Richter Inc.) licensed trustee, acting as trustee to the PROPOSAL;

"UNSECURED CLAIMS" means the CLAIMS of any CREDITOR, which are not SECURED CLAIMS, PRIORITY CLAIMS, CLAIMS for PROPOSAL COSTS or POST-FILING OBLIGATIONS, including CLAIMS of any kind whatsoever, whether due or not on the date of the filing of the NOTICE OF INTENTION, including contingent or unliquidated CLAIMS resulting from any transaction concluded by the COMPANY prior to the filing of the NOTICE OF INTENTION and, as the case may be, all damages or other amounts due to the coming into force of the PROPOSAL that could be claimed by any CREDITOR of the COMPANY;

2. The SECURED CLAIMS shall be paid in priority to any other CLAIMS from the GROSS AMOUNT.
3. Upon the APPROVAL OF THE PROPOSAL, the rights of the COMPANY to the RELATED PARTIES RECEIVABLES will vest in the TRUSTEE who will be in charge of the collection of the RELATED PARTIES RECEIVABLES for the benefit of the CREDITORS, unless the RELATED PARTIES RECEIVABLES identified by the TRUSTEE acting reasonably as uncollectable or deemed to be uncollectable.
4. The amounts:

- (a) due to Her Majesty the Queen in right of Canada or of any province, which are subject to a demand under subsection 224(1.2) of the *Income Tax Act* or of 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 of any provision of provincial legislation essentially similar to the foregoing provisions as provided in paragraph 60(1.1)(c) of the ACT, and that were outstanding at the time of the filing of the NOTICE OF INTENTION shall be paid in their entirety, without interest, from the GROSS AMOUNT, within six months after the APPROVAL OF THE PROPOSAL;
 - (b) which employees (past and present) would be entitled to receive pursuant to paragraph 136(1)(d) of the ACT if the COMPANY had been declared bankrupt on the date of the APPROVAL OF THE PROPOSAL shall be paid in their entirety immediately after the APPROVAL OF THE PROPOSAL from the GROSS AMOUNT.
- 5. The PROPOSAL COSTS shall be paid using either the RESERVE or the GROSS AMOUNT in priority to all CLAIMS other than the SECURED CLAIMS.
 - 6. The PRIORITY CLAIMS, without interest or penalty, shall be paid in their entirety from the GROSS AMOUNT in priority to all UNSECURED CLAIMS, within sixty (60) days following the APPROVAL OF THE PROPOSAL.
 - 7. The POST-FILING OBLIGATIONS shall be paid forthwith upon written instructions of the COMPANY using either the RESERVE or the GROSS AMOUNT in priority to any of the above mentioned CLAIM save and except the PROPOSAL COSTS.
 - 8. Each ORDINARY CREDITOR shall receive, in full and final payment of its UNSECURED CLAIM, without interest or penalty:
 - (a) Within sixty (60) days of the APPROVAL OF THE PROPOSAL, from the NET AMOUNT:
 - (i) The lesser of the first five hundred dollars (\$500) of the UNSECURED CLAIM or the payment in full of the UNSECURED CLAIM; and
 - (ii) A pro rata share of the balance of the NET AMOUNT at the moment the dividend is to be paid less any amount set aside



for the RESERVE and the amount required to satisfy the payments described in paragraph 8(a)(i) hereof;

- (b) When so decided by the COMMITTEE or, if no such COMMITTEE is in place, when the TRUSTEE so decides and subject to the TRUSTEE being satisfied that no CLAIM will be made pursuant to paragraph 149(3) of the ACT a pro rata share of the NET AMOUNT then available and of the balance of the RESERVE shall be distributed.
9. In order to proceed with the payments set forth above, the COMPANY is hereby authorized to set up a reserve to be held by the TRUSTEE to facilitate the payment by the COMPANY of any and all PROPOSAL COSTS and POST-FILING OBLIGATIONS (the "RESERVE").
10. The COMPANY consents to the creation of a committee which shall be formed of at most three (3) individuals designated by the CREDITORS at the PROPOSAL MEETING, if they so wish. The COMMITTEE shall have the following powers:
- (a) to advise the TRUSTEE with respect to the administration of the PROPOSAL;
 - (b) to give instructions to the TRUSTEE with respect to the collection of the RELATED PARTIES RECEIVABLES;
 - (c) to waive any default in the execution of the PROPOSAL;
 - (d) to confirm that the COMPANY has satisfied all of the terms and conditions of the PROPOSAL; and
 - (e) to adjourn the payment of all dividends to ORDINARY CREDITORS provided for hereunder.
11. By the APPROVAL OF THE PROPOSAL, all CREDITORS of the COMPANY give full and final discharge of all rights, CLAIMS or other recourses of any nature whatsoever which they had, have, or could have had against the COMPANY, its legal counsel, financial advisors, the DIRECTORS, management, representatives, agents and assignees.
12. All amounts payable under the PROPOSAL shall be remitted to the TRUSTEE so that it may distribute the dividends pursuant to the PROPOSAL.

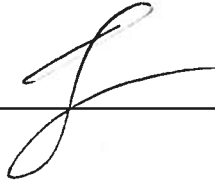


IN CASE OF DISCREPANCY BETWEEN THE FRENCH AND ENGLISH
VERSIONS OF THE PROPOSAL, THE ENGLISH VERSION SHALL PREVAIL.

MADE IN MONTREAL, QUEBEC, THIS 30TH DAY OF JANUARY, 2013.

SIXTY CANADA INC.

Witness



By:

Duly authorised



CANADA
PROVINCE OF QUÉBEC
DISTRICT OF QUÉBEC
DIVISION NO.: 01-MONTREAL
COURT NO.: 500-11-043786-124
ESTATE NO.: 41-1695261

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

Sixty Canada Inc.

a legal person duly constituted, having its registered
office at 225 Chabanel Street West, Suite 620
Montreal QC H2N 2C9

Debtor

- and -

**Richter Advisory Group Inc. (formerly RSM Richter
Inc.)**

Trustee

**SECOND REPORT OF THE TRUSTEE ON THE FINANCIAL SITUATION
OF THE DEBTOR AND ON THE PROPOSAL
(Sections 50(10)(b) and 50(5) of the *Bankruptcy and Insolvency Act*)**

On January 9, 2013, Sixty Canada Inc. (hereinafter referred to as the "Debtor" or "Sixty Canada") filed a Proposal (hereinafter referred to as the "Initial Proposal"). Subsequently, the Debtor informed the Trustee that it wishes to amend its Proposal at the Meeting of Creditors to be held on January 30, 2013 (the "Amended Proposal").

The purpose of the First Meeting of Creditors is to consider the Amended Proposal. Copies of the Amended Proposal, which is submitted to Creditors for approval, are being herewith made available for the Creditors' consideration.

Pursuant to Sections 50(10)(b) and 50(5) of the *Bankruptcy and Insolvency Act* (hereinafter referred to as the "Act" or "BIA"), and to assist the creditors in considering the Amended Proposal, the Trustee is submitting its Second Report on the financial situation of the Debtor and on the Amended Proposal.

This Second Report of the Trustee provides an update on certain analysis conducted by the Trustee and summarizes the elements of the Initial Proposal that have been amended by the Debtor.

We caution the Creditors to read the Amended Proposal in its entirety as this Second Report is only a succinct summary.

We caution the reader that we have neither conducted an audit nor a verification of the books and records of the Debtor. Consequently, we cannot render an opinion as to the accuracy of the information contained therein. The

information discussed herein emanates from the books and records of the Debtor as well as from our discussions with the Management of the Debtor.

I. RECEIVABLES FROM RELATED PARTIES

Accounts and Other receivables include \$5.8 million which relates to amounts due from Related Parties. Management indicated that these receivables are not collectable. We summarize the Related Party receivables as follows:

(In 000's)	Net Carrying Amount
Sixty International S.A.	\$ 953
Sixty Retail	4,853
	<u>\$ 5,806</u>

The Trustee was not able to obtain sufficient information on the balance due from Sixty International S.A. in order to assess the collectability of the receivable. Further analysis is required and the Trustee will report to the Creditors' Committee to be created pursuant to the Amended Proposal.

II. AMOUNTS DUE TO RELATED PARTIES

Approximately \$7.3 million (or 95%) of the unsecured claims represent amounts due to Related Parties. We summarize the Related Party payables as follows:

(In 000's)	Net Carrying Amount
Sixty S.P.A.	\$ 6,672
Sixty Far East Ltd.	582
Sixty Hong Kong	8
	<u>\$ 7,262</u>

The Trustee has not yet received the proof of claims from the Related Parties. Upon receipt of those proofs of claims, an analysis will be conducted to determine the application of Section 139 of the Act and assess if said claims should be postponed. A report will be submitted to the Creditors' Committee to be constituted pursuant to the Amended Proposal.

III. PREFERENCES AND TRANSFER AT UNDERVALUE

Paragraph 10 of the Initial Proposal provides that Sections 95 to 101 of the Act will not be applicable. The remedies pursuant to these provisions relate to the recovery of certain amounts under reviewable transactions, preferential treatments and asset disposals. These remedies would be available in the event of a bankruptcy of the Debtor.

The Trustee was provided with some information and performed a limited analysis of certain transactions involving the Debtor and its Related Parties during the last twelve months.

Although some transactions have been noted, the Trustee does not have sufficient information to assess if they could constitute preferences. The analysis needs to be completed and the Trustee will report to the Creditors' Committee to be constituted pursuant to the Amended Proposal.

IV. AMENDED PROPOSAL

In essence, the Amended Proposal addresses the issues discussed above as follows:

- The rights of the Debtor to the receivables from Sixty International S.A. and Sixty Canada Retail Inc., if any, will vest in the Trustee;
- The Committee will have the power to give instructions to the Trustee with respect to the collection of the above-mentioned receivables; and
- Paragraph 10 of the Initial Proposal is removed.

V. CONCLUSION & RECOMMENDATION

The Amended Proposal submitted by the Debtor at the Meeting of Creditors on January 30, 2013, is the result of meetings and discussions held between the Trustee, representatives of major creditors and Sixty Canada. It is the view of the Trustee that the Amended Proposal is better than the Initial Proposal as it gives the ability to the Trustee to collect certain receivables and review certain transactions should it be determined advisable by the Committee.

For these reasons, the Trustee recommends the approval of the Amended Proposal and votes received before the Meeting of Creditors in favour of the Initial Proposal will be considered as votes in favour of the Amended Proposal during the Meeting of Creditors on January 30, 2013.

Dated at Montréal, Province of Québec, this 30th day of January 2013.

Richter Advisory Group Inc.
(formerly RSM Richter Inc. – Trustee)



Benoit Gingues, CPA, CA, CIRP

Canada
Province : Québec
District : Québec
Division : Montréal
No de dossier: 41-1695261
No de Cour: 500-11-043786-124

COUR SUPÉRIEURE
CHAMBRE COMMERCIALE

DANS L'AFFAIRE DE LA PROPOSITION DE:

Sixty Canada Inc.

Débitrice

et

Richter Groupe Conseil Inc..

Syndic

PROCÈS-VERBAL DE L'ASSEMBLÉE DES CRÉANCIERS

Assemblée tenue le 30 janvier 2013 à 11h00
5 Place Ville-Marie, Montréal, Bureau 800
Montréal (Québec)
H3B 2G2

Président: Kamel Rezig, Séquestre officiel

PRÉSENCES:

En personne:

Benoît Gingues, syndic
Représentant la firme Richter Groupe Conseil Inc..
Me Pierre-Marc Lemire, procureur du syndic

Carol O'Donnell, pour Richter Groupe Conseil Inc..
Patrick Iférgan pour Richter Groupe Conseil Inc..

Arpi Balouzian, représentant la débitrice.

Me Alain N Tardif, procureur de la débitrice
Me Olivier Coche, procureur de la débitrice

Créanciers présents: Selon la liste en annexe

QUORUM:

Le président examine l'avis de convocation et les preuves de réclamations , constate le quorum et déclare l'assemblée constituée pour toute fin que de droit.

PRÉSENTATION DU RAPPORT PRÉLIMINAIRE ET PÉRIODE DE QUESTIONS:

La présentation par le syndic de son rapport sur la proposition modifiée. Il explique que les modifications visent à lui permettre de pouvoir collecter les recevables, de pouvoir prendre des recours vis à vis des transactions avec des parties liées ainsi que celles de la dernière année. Le syndic explique que la proposition modifiée est une amélioration par rapport à la proposition initiale. Pour cette raison, les votes en faveur de la proposition initiale déjà reçus, seront appliqués à la proposition modifiée.

Le syndic recommande l'acceptation de la proposition modifiée.

PÉRIODE DE QUESTIONS:

Plusieurs questions sont posées auxquelles le syndic répond.

VOTE SUR LA PROPOSITION:

L'assemblée vote sur la proposition telle que présentée. Le résultat du vote est le suivant:

CRÉANCIERS POUR	MONTANT	CRÉANCIERS CONTRE
6	609 086.99	0
POURCENTAGE	100%	0%

Le président informe l'assemblée que la proposition telle que proposée est acceptée telle car elle satisfait à l'article 54 (1) d) de la Loi sur la faillite et l'insolvabilité.

NOMINATION DES INSPECTEURS:

Le président informe l'assemblée que la loi permet aux créanciers de nommer de un à cinq inspecteurs.

Il demande s'il y a des créanciers qui veulent soit proposer une personne ou se proposer à être nommé inspecteurs.

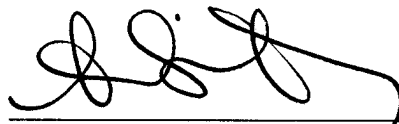
L'assemblée propose la nomination de :

- Anne-Marie Becchis, Mark Edwards Apparels, .

L'assemblée confirme la nomination de Anne-Marie Becchis au poste d'inspecteur.

LEVÉE DE L'ASSEMBLÉE:

L'ordre du jour étant épuisé, l'assemblée est levée.



Kamel Rezig, LLB
Séquestre officiel

ANNEXES :

- Liste des présences



Court No. / N° de cour 500-11-043786-124	Estate No. / N° de l'actif 41-1695261
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Debtor and Representatives / Débiteur et représentants

Sixty Canada Inc.

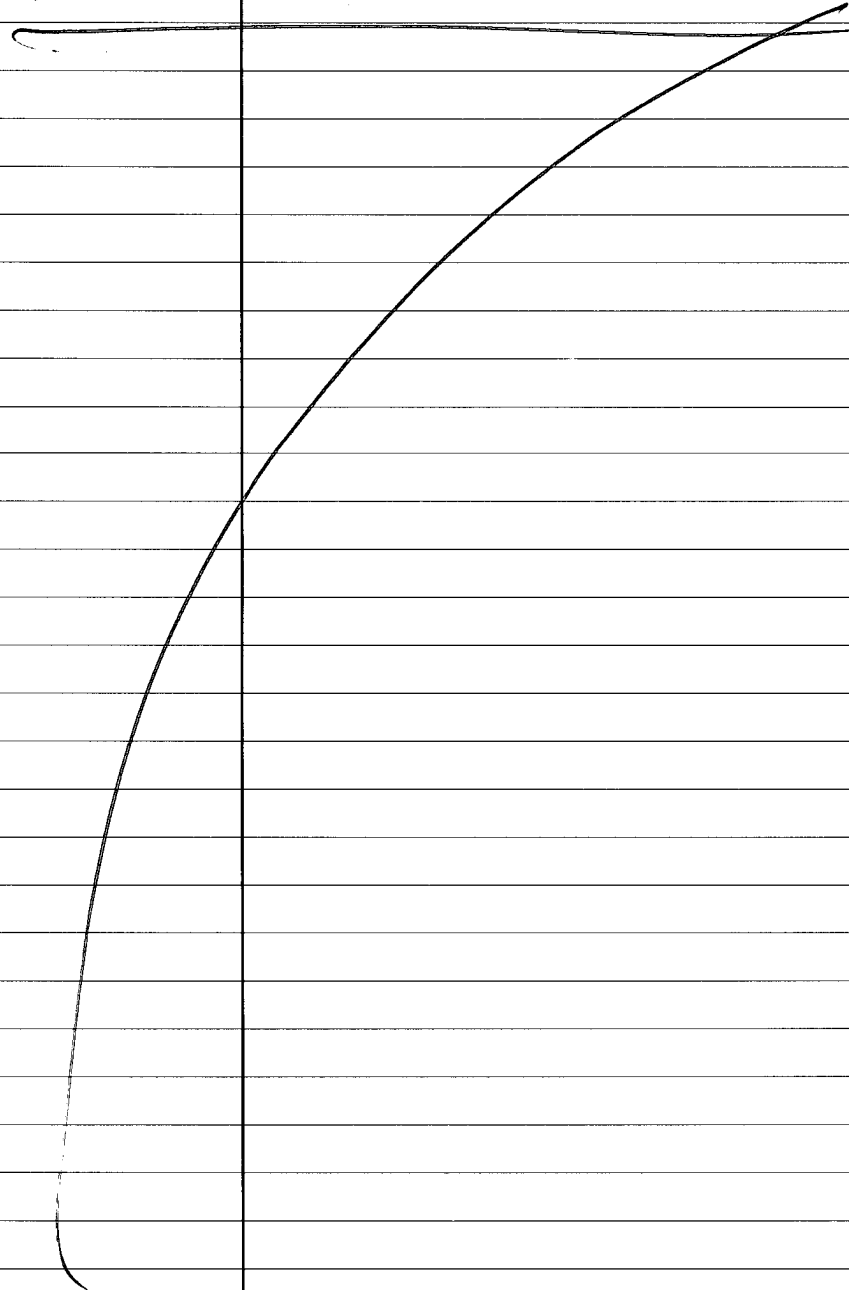
Rep: Arpi Balouzián

Trustee and Representatives / Syndic et représentants

Richter Groupe Conseil inc.

Rep: Benoît Gingues, Syndic

Creditors Present or Represented / Créanciers présents ou représentés

Name / Nom	Representing / Représente	Amount - Proven Claim Montant - Réclamation prouvée
Martin Zubras Natacha Mignon	Marc Edwards Apparels " " " "	\$
		

Chair of meeting / Nom du président de l'assemblée

Kamel Kazi

Signature / Signature du président de l'assemblée

30/01/2013