

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF QUÉBEC  
DIVISION NO.: 01-MONTREAL  
COURT NO.: 500-11-032894-087  
ESTATE NO.: 41-341490

SUPERIOR COURT  
(Commercial Division)

IN THE MATTER OF THE BANKRUPTCY OF:

**CapCity Clothing Inc./Vêtements CapCity Inc.**

a body politic and corporate, duly incorporated  
according to law and having its head office and its  
principal place of business at:  
4026 Bois-Franc  
Saint-Laurent QC H4S 1A7

**Bankrupt**

**NOTICE OF BANKRUPTCY AND FIRST MEETING OF CREDITORS**  
(Subsection 102(1) of the Act)

Take notice that:

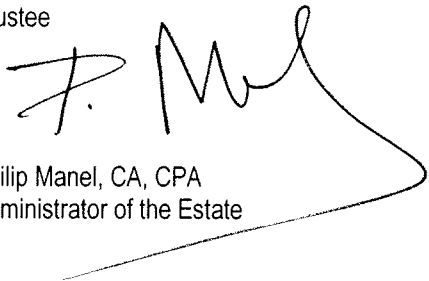
1. CapCity Clothing Inc./Vêtements CapCity Inc. was deemed to have filed an assignment on April 14, 2008 and the undersigned, RSM Richter Inc., was appointed as trustee to the estate of the bankrupt by the official receiver, subject to affirmation by the creditors of the trustee's appointment or substitution of another trustee by the creditors.
2. The first meeting of creditors of the bankrupt will be held:  
  
**on:** May 5, 2008  
**at:** 10:30 a.m.  
**at:** Office of the Official Receiver  
5 Place Ville Marie  
8<sup>th</sup> Floor  
Montreal, Quebec
3. To be entitled to vote at the meeting, a creditor must lodge with the trustee, before the meeting, a proof of claim and, where necessary, a proxy.

4. Enclosed with this notice is a form of proof of claim, a form of proxy, and a list of creditors with claims amounting to 25 dollars or more, showing the amounts of their claims.
5. Creditors must prove their claims against the estate of the bankrupt in order to share in any distribution of the proceeds realized from the estate.

Dated at Montréal, Province of Quebec, this 23<sup>rd</sup> day of April 2008.

**RSM Richter Inc.**

Trustee

A handwritten signature in black ink, appearing to read 'P. Manel', with a long horizontal line extending from the end of the signature.

Philip Manel, CA, CPA  
Administrator of the Estate

CapCity Clothing Inc./Vêtements CapCity Inc.

Condensed Statement of Affairs

As at April 14, 2008

LIABILITIES

Secured Creditors	\$ 4,080,158.20
Preferred Creditors	unknown
Ordinary Creditors	<u>438,688.93</u>
	<u>4,518,847.13</u>

ASSETS  
(encumbered)

Inventory	100,000.00
Accounts receivable	1,300,000.00
Furniture	<u>15,000.00</u>
	<u>1,415,000.00</u>
DEFICIENCY	<u>\$(3,103,847.13)</u>

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**NOTE FROM TRUSTEE:**

The Condensed Statement of Affairs has been prepared by the Trustee based on the unaudited books and records of the Company and various representations made by the Officer of the Debtor. The Officer of the Debtor has not made himself available to review, amend and sign the Statement of Affairs. In this regard, the Statement of Affairs has been filed without the required signature and swearing of the accuracy by the Officer of the Debtor.

*(français – au recto)*

**DANS L'AFFAIRE DE LA FAILLITE DE** Vêtements CapCity Inc./ CapCity Clothing Inc./, personne morale légalement constituée et dûment incorporée ayant son siège social et son principal établissement commercial 4026 Bois-Franc, Saint-Laurent, QC, H4S 1A7.

**IN THE MATTER OF THE BANKRUPTCY OF** CapCity Clothing Inc./Vêtements CapCity Inc, a body politic and corporate, duly incorporated according to law and having its head office and its principal place of business at 4026 Bois-Franc, Saint-Laurent, QC, H4S 1A7.

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

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

**CRÉANCIERS GARANTIS / SECURED CREDITORS**

**MONTANT / AMOUNT**

Voir liste ci-jointe  
See list attached

\$4,080,158.20

**CRÉANCIERS PRIVILÉGIÉS / PREFERRED CREDITORS**

Voir liste ci-jointe  
See list attached

Inconnu/Unknown

**CRÉANCIERS CHIROGRAPHAIRES / ORDINARY CREDITORS**

Voir liste ci-jointe  
See list attached

\$438,688.93

**LISTE SUPPLÉMENTAIRE / SUPPLEMENTARY LIST**

1. Monsieur François Leblanc (séquestre officiel)
2. Ministère du Revenu du Québec (TPS)
3. Ministère du Revenu du Québec (TVQ)
4. Ministère du Revenu du Québec (DAS)
5. Ministère du Revenu du Québec (Immeuble)
6. Agence des douanes et du revenu du Canada - Impôt
7. Agence des douanes et du revenu du Canada (DAS)
8. Agence des douanes et du revenu du Canada (Section faillite et insolvabilité)
9. Commission des normes du travail
10. Commission de la santé et de la sécurité du travail
11. Dun & Bradstreet du Canada Ltée
12. Equifax Canada Inc., Montréal
13. Equifax Canada Inc., Toronto
14. EULER-ACI, M. Tony Sullo, vice-président régional
15. Bell Canada (Section faillite et insolvabilité)
16. Hydro-Québec (Section du risque)
17. Mr. Jason Akerman
18. Mr. Frank DiCeglie, GMAC Commercial Finance LLC
19. Ms. Tricia A. R. Dennis, GMAC Commercial Finance LLC
20. Mr. R. Haddad, Otterbourg, Steindler, Houston & Rosen, P.C.
21. Mr. Gordon Levine, Kugler Kandestin
22. Mr. Gerald Kandestin, Kugler Kandestin

Dans l'affaire de la faillite de / In the matter of the Bankruptcy of  
CAPCITY CLOTHING INC./VÊTEMENTS CAPCITY INC.

Nom / Name	Adresse / Address	Montant / Amount
<b>Créanciers garantis / Secured Creditors</b>		
GMAC COMMERCIAL FINANCE CORPORATION Créanciers garantis / Secured Creditors	1290 AVENUE OF THE AMERICAS NEW YORK NY 10104	4,080,158.20 <hr/> 4,080,158.20
<b>Créanciers privilégiés / Preferred Creditors</b>		
C. M. J. AKERMAN L FARIAS EMPLOYEES AND VACATIONS PAYABLE Créanciers privilégiés / Preferred Creditors	4026, BOIS FRANC ST-LAURENT QC H4S 1A7	Unknown Unknown Unknown
<b>Créanciers chirographaires / Ordinary Creditors</b>		
4238851 CANADA INC.	9071 BOUL. PIE IX SUITE #7 MONTRÉAL QC H1Z 3V7	846.56
9152-9701 QUEBEC INC.	SHARMA, SUNNY 601 STINSON ST. LAURENT QC H4N 2E1	7,689.29
A1 SERVICES DE MULTIPLE INC.	7847 AVE. DRUCHER #7 MONTREAL QC H3N 2A5	733.68
ACRON INT'L TECHNOLOGY LTD	3124 KENT AVE. MONTREAL QC H3S 1N1	169.31
BESSNER GALLAY KRISMAN	215 AVE. REDFERN BUREAU 300 MONTREAL QC H3Z 3L5	5,602.94
C-AIR INTERNATIONAL, INC.*	6053 W. CENTURY BOULEVARD SUITE 650 LOS ANGELES CA 90045	2,617.56
CANSEW INC.	111 CHABANEL OUEST MONTRÉAL QC H2N 1C9	277.23
CHUBB SECURITY SYSTEMS	6680 AVE. DU PARC MONTREAL QC H2V 4H9	211.58
CLAUDE BENABOU	1434, RUE STE-CATHERINE OUEST BUREAU 200 MONTREAL QC H3G 1R4	965.89
DYNAMIC EXPRESS INC.*		1,492.08
E.R.A. DISPLAY	2500 RUE, GUENETTE ST. LAURENT QC H4R 2H2	165.93
EDB ENLEVEMENT DE DECHETS BERGERON INC.	FERLAND, CLAUDIA 4365 BOUL. ST-ELZEAR WEST LAVAL QC H7P 4J3	238.89
FED EX U.S. *	P.O. BOX 1140 MEMPHIS TN 38101-1140	418.26
FEDERAL EXPRESS CANADA LTD	P.O. BOX 4626 TORONTO, STN A TORONTO ON M5W 5B4	16,686.79
GAZMETRO	C.P. 6115 SUCCURSALE CENTRE-VILLE MONTRÉAL QC H3C 4N7	250.38
GRAND & TOY	2275 52ND AVENUE LACHINE QC H8T 2Y8	51.04
GROUPE SPINCO GROUP	SPINDER, DOUGLAS 895, RUE MUIRE, SUITE 506 ST. LAURENT QC H4L 5P4	100.46
GRUNFELD DESIDERIO*	399 PARK AVENUE 25TH FLOOR NEW YORK NY 10022-4877	1,688.25
HYDRO-QUEBEC	C.P. 11022 SUCCURSALE CENTRE VILLE MONTRÉAL QC H3C 4V6	177.80
IDS IMPAC LTD.*	P.O. BOX 2398 SECAUCUS NJ 07096	147,383.71
JOHN WISEMAN	1010 DE LA GAUCHETIÈRE OUEST SUITE 1020 MONTREAL QC H3B 2N2	430.42
KAPLAN BENJAMIN INC.	215 AVENUE REDFERN SUITE /300 MONTRÉAL QC H3Z 3L5	670.91
MARITIME-ONTARIO FREIGHT LINES LIMITED	1 MARITIME-ONTARIO BLVD. BRAMPTON ON L6S 6G4	247.09
MILGRAM INT1 SHIPPING INC.*	407, RUE MCGILL SUITE 700 MONTRÉAL QC H2Y 2G7	20,984.52
NORMAN KRIEGER INC.*	P.O. BOX 4488 CARSON CA 90749	59,473.68
PATTY SHAPIRO & ASSOCIATES INC.	555 CHABANEL ST. WEST GROUND FLOOR /R17 MONTRÉAL QC H2N 2H7	3,738.65
PEAU SEIDON	465 4E AVENUE LACHINE QC H8S 2V3	70.90
PITNEY BOWES	P.O. BOX 278 ORANGEVILLE ON L9W 4Z7	198.05
RD ELECTRIQUE 2006		135.45
RIBBONS EXPRESS	KING, BILL 3615 RIVIÈRE CACHEE BOISBRIAND QC J7E 4H4	963.72
ROGERS	PO BOX 3100 ST-LAURENT QC H4L 5J8	107.93
RSM RICHTER INC.	2 PLACE ALEXIS NIHON SUITE 1820 MONTREAL QC H3Z 3C2	2,279.00
SERVICORP	8010 CH. DEVONSHIRE TOWN OF MOUNT-ROYAL QC H4P 2K3	273.48
SPIEGEL SOHMER	5, PLACE VILLE-MARIE SUITE 1203 MONTREAL QC H3B 2G2	16,411.22
SUNSPAN INTERNATIONAL TRADE CO. LTD*	ROOM 2301 FORTUNE PLAZA NO. 278 SUIXI ROAD HEFEI, ANHUI	84,198.86
SWEIBEL NOVEK	SYSTEMS DE MARQUAGE INDUSTRIAL INC. 9000 HENRI BOURASSA OUEST ST. LAURENT QC H4S 1L5	259.06
TODIA LTD*	FLAT D, CAPITAL TRADE CENTRE, NO. 62 TSUN YIP STREET, KWUN TONG KOWLOON, HONG KONG, CHINA	47,592.47
U.P.S. CANADA	C.P. /11086 SUCCURSALE CENTRE-VILLE MONTRÉAL QC H3C 5C6	10.30
VIA COURRIER	2340 LUCERNE STREET SUITE 38 TOWN OF MOUNT-ROYAL QC H3R 2J8	501.05
VIDEOTRON LTÉE	CP 11078 SUCCURSALE CENTRE-VILLE MONTRÉAL QC H3C 5B7	320.13
VIROX MAINTENANCE	2244 LISE STREET LASALLE QC H8N 1M5	457.14
XEROX CANADA LTÉE	CP 939 SUCCURSALE A MONTRÉAL QC H3C 2W3	414.80
YORK INTERNATIONAL*		3,500.00
ZZZ US EXCHANGE AT 1.0208		7,682.47
<b>Créanciers chirographaires / Ordinary Creditors</b>		<hr/> 438,688.93
<b>Grand Total</b>		<hr/> <b>4,518,847.13</b> <hr/>

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

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

**PARAGRAPH 1 OF THE PROOF OF CLAIM**

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

**PARAGRAPH 3 OF THE PROOF OF CLAIM**

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

**PARAGRAPH 4 OF THE PROOF OF CLAIM**

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

**PARAGRAPH 5 OF THE PROOF OF CLAIM**

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

**PARAGRAPH 6 OF THE PROOF OF CLAIM**

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

*(français - au recto)*

## PROOF OF CLAIM

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

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Telephone number: \_\_\_\_\_  
Fax number: \_\_\_\_\_  
E-mail address: \_\_\_\_\_

In the matter of the bankruptcy of **CapCity Clothing Inc./Vêtements CapCity Inc.**, of Ville Saint-Laurent, Quebec, and the claim of:

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

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

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

3. That the debtor was, at the date of the bankruptcy, namely **April 14, 2008**, and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. **(The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim. In addition, indicate the creditors address, fax number, telephone number and E-mail address).**

4. (Check and complete appropriate category.)

( ) A. **UNSECURED CLAIM OF \$ \_\_\_\_\_**

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

(Check appropriate description.)

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

( ) Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under section 136 of the Act ("**Preferred Creditor**").

(Set out on an attached sheet details to support priority claim.)

( ) B. **CLAIM OF LANDLORD FOR DISCLAIMER OF A LEASE \$ \_\_\_\_\_**

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

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

( ) C. **SECURED CLAIM OF \$ \_\_\_\_\_**

That in respect of the 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.)

**PROOF OF CLAIM**  
*(continued)*

- ( ) **D. CLAIM BY FARMER, FISHERMAN, OR AQUACULTURIST OF \$** \_\_\_\_\_  
That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_.  
(Attach a copy of sales agreement and delivery receipts.)
- ( ) **E. CLAIM AGAINST DIRECTOR \$** \_\_\_\_\_  
(To be completed when a proposal provides for the compromise of claims against directors.)  
That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:  
(Give full particulars of the claim, including the calculations upon which the claim is based).

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

Dated at \_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature of creditor or his representative

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

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

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

**PROXY**

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

IN THE MATTER OF THE BANKRUPTCY OF **CapCity Clothing Inc./Vêtements CapCity 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 \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Name of creditor and name of authorized signatory

\_\_\_\_\_  
Signature of Witness

Per: \_\_\_\_\_  
Signature