

C A N A D A
Province of Quebec
District of: Quebec
Division No.: 01 - Montréal
Court No.: 500-11-039459-108
Estate No.: 41-1393389

S U P E R I O R C O U R T
In Bankruptcy and Insolvency
(Commercial Division)

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

In the Matter of the Proposal of
Batterie Universelle Ltée
Of the City of Saint-Leonard
In the Province of Quebec

We, RSM Richter Inc., the Trustee acting in the Proposal of Batterie Universelle Ltée, hereby report to the Court as follows:

1. That a Proposal was filed with us on the 3rd day of December 2010, 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 3rd day of December 2010.
2. That on the 3rd day of December 2010, 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 17th day of December 2010 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, a voting letter and a Notice of hearing of application for Court approval of the Proposal. 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 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.
5. That the meeting of creditors was held on the 17th day of December 2010, and was presided over by the Official Receiver.
6. That the Proposal was accepted by the required majority of creditors.
7. That a copy of the Minutes of the meeting will be filed with the court at the hearing of application for Court approval of the Proposal.

8. That we are of the opinion that:

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

| Batterie Universelle Ltée Assets as at December 17, 2010 | | |
|---|-------------------------|--------------------------------------|
| (000's) | Book Value Unaudited | Estimated Gross Realization Value |
| Cash | \$ 248 | \$ 248 |
| Accounts receivable | 275 | 150 |
| Inventory | 330 | 150 |
| Capital Assets | 130 | 50 |
| | <u>\$ 983</u> | <u>\$ 598</u> |

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

| Batterie Universelle Ltée Liabilities | | |
|--|--|---|
| (000's) | As per Statement of Affairs dated December 2, 2010 | As at December 17, 2010 ¹ |
| Secured Claims | \$ 15,956 | - |
| Preferred Claims | - | - |
| Unsecured Claims | 1,034 | \$ 38 |
| | <u>\$ 16,990</u> | <u>\$ 38</u> |

¹ The secured claim is limited to \$500,000 following the obtention of a legal opinion on the validity of the security on the assets of Batterie Universelle Ltée. Claims as filed, subject to verification by the Debtor.

9. That we are also of the opinion that:

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

The insolvency of the debtor is due to operating losses incurred in the past two fiscal years (ending March 31, 2009 and 2010) due to a combination of extraordinary factors including absentee management due to illness and a downturn in the global economy.

(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.

10. That we are further of the opinion that the debtor's Proposal is an advantageous one for the creditors for the following reason:

The estimated distribution to the Ordinary Creditors in a Proposal is approximately \$0.10 on the dollar, which is greater than the estimated dividend of approximately \$0.03 on the dollar in the event of a bankruptcy.

11. 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 17th day of December 2010.

RSM Richter Inc. - Trustee

Per:



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

Exhibit A

C A N A D A

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

S U P E R I O R C O U R T
(Commercial Division)

NO: 500-11-039459-108

SUPERINTENDENT'S NO:
41-1393389

IN THE MATTER OF THE PROPOSAL OF:

BATTERIE UNIVERSELLE LTÉE

Debtor

PROPOSAL

(under the provisions of the *BIA*)

BATTERIE UNIVERSELLE LTÉE ("Debtor"), hereby submits the following Proposal under the *BIA*:

1. **DEFINITIONS AND INTERPRETATION**

1.1 In addition to words and terms otherwise defined herein, whenever used herein:

1.1.2 "Approval" means:

- (a) acceptance of this Proposal (or the PBI Proposal or the PCC Proposal, as the case may be) by the statutory majority of Creditors (or PBI's creditors or PCC's creditors, as the case may be) entitled to vote thereon in accordance with the relevant provisions of the *BIA*;
- (b) the approval of this Proposal (or the PBI Proposal or the PCC Proposal, as the case may be) by the Court by judgment rendered by such Court which has become executory as a result of the delay for appeal having expired without there having been an appeal lodged therefrom or, if an appeal is lodged therefrom, such judgment of the Court having been confirmed or such appeal withdrawn; and
- (c) the approval and the ordering of the Equity Restructuring by the Court by judgment rendered by such Court which has become executory as a result of the delay for appeal having expired without there having been an appeal lodged

therefrom or, if an appeal is lodged therefrom, such judgment of the Court having been confirmed or such appeal withdrawn;

1.1.3 "Approval Motion" has the meaning set forth in **Section 15.1** hereof;

1.1.4 "BIA" means the *Bankruptcy and Insolvency Act*, Canada, RSC 1985, c.B-3, as amended;

1.1.5 "CBCA" means the *Canada Business Corporations Act*, Canada, RSC 1985, c.C-44, as amended;

1.1.6 "Civil Code" means the *Civil Code of Quebec*;

1.1.7 "Committee" has the meaning set forth in **Section 12.1** hereof;

1.1.8 "Court" means the the Québec Superior Court for the District of Montréal, sitting as both:

(a) the "court" as envisaged and defined in Section 2(1) *BIA* and includes any Justice thereof or, if applicable, the Registrar or any Deputy Registrar thereof; and

(b) sitting as the "court" as envisaged in Section 191 *CBCA* and includes any Justice thereof;

1.1.9 "Creditors" means all creditors affected by the Proposal, namely the Crown, the Preferred Creditors, the Employee Creditors and the Ordinary Creditors, and "**Creditor**" means any of them. All other creditors of the Debtor shall not be, in any manner whatsoever, affected or bound by this Proposal;

1.1.10 "Crown" means Her Majesty in Right of Canada or any province of Canada;

1.1.11 "Crown Claims" means all claims of the Crown as set forth and described in Section 60(1.1) *BIA*, which were outstanding on the Proposal Date, and "**Crown Claim**" means any of them;

1.1.12 "Dividend" have the meaning set forth in **Section 8.2** hereof;

1.1.13 "Electing Creditor Claims" means all Proven Ordinary Claims in respect of which the Ordinary Creditors have elected (as set forth in **Section 8.1** hereof) to receive the lesser of \$200.00 or the amount of their Ordinary Claims or to reduce their respective Ordinary Claims to \$200.00, and "**Electing Creditor Claim**" means any of them;

1.1.14 "Electing Creditors" means Ordinary Creditors having Electing Creditor Claims and **"Electing Creditor"** means any of them;

1.1.15 "Employee Claims" means:

- (a) all amounts which the Debtor's present or former employees would have been entitled to receive under Section 136(1)(d) *B/A* if the Debtor had become bankrupt on the Proposal Date as well as wages, salaries, commissions or compensation for services rendered from and after the Proposal Date up to and including the date of Approval of this Proposal, together with, in the case of traveling salesmen, disbursements properly incurred by those salesmen in and about the Debtor's business during the same period, all as envisaged by Section 60(1.3) *B/A*; and
- (b) to the extent that the Debtor participated in a "prescribed pension plan" as envisaged by Section 60(1.5) *B/A*, all amounts envisaged by Section 60(1.5)(a) *B/A* which may be unpaid on the Proposal Date and which are required to be paid from and after the Proposal Date up to and including the Date of Approval of this Proposal,

and **"Employee Claim"** means any of them;

1.1.16 "Employee Creditors" means all of the Debtor's past and present employees having Employee Claims and **"Employee Creditor"** means any of them;

1.1.17 "Equity Restructuring" has the meaning set forth in the PBI Proposal;

1.1.18 "Ordinary Claims" means all claims other than Crown Claims, Employee Claims, Preferred Claims and Secured Claims, of any nature or source whatsoever, resulting from and/or arising out of any transaction entered into by the Debtor prior to the Proposal Date or any event which occurred prior to the Proposal Date, whether due or not due as of the Proposal Date and includes all such claims which are contingent and unliquidated (once quantified or liquidated) and **"Ordinary Claim"** means any of them. In addition to and notwithstanding the foregoing, "Ordinary Claims" include, under all circumstances:

- (a) all Electing Creditor Claims;
- (b) all claims resulting from or arising out of any breaches of any obligations contracted by the Debtor prior to the Proposal

Date where such breaches occurred (i) at any time prior to the Proposal Date, or (ii) at any time between the Proposal Date and the date hereof; and

- (c) any proof of claim which may be filed by a Secured Creditor in excess of the Value of such Secured Creditor's Security, as envisaged by **Paragraph 6.2.3** hereof.

1.1.19 "Ordinary Creditors" means all persons having Ordinary Claims and **"Ordinary Creditor"** means any of them;

1.1.20 "PBI" means "Power Battery (Iberville) Ltd./Batteries Power (Iberville) Ltée;

1.1.21 "PBI Proposal" means the "Proposal" made by PBI under even date herewith pursuant to the relevant provisions of the *BIA* (including a reorganization under the relevant provisions of the *CBCA*) as well as any and all future amendments thereto;

1.1.22 "PCC" means Power Canada Cables Ltd./Les Câbles Power Canada Ltée;

1.1.23 "PCC Proposal" means the "Proposal" made by PCC under even date herewith pursuant to the relevant provisions of the *BIA* as well as any and all future amendments thereto;

1.1.24 "Postponed Claims" means any and all Ordinary Claims and any and all Secured Claims of any or all of the Postponing Creditors, as well as, any and all other claims, of any nature or source whatsoever, of any or all of the Postponing Creditors against the Debtor which existed as at the Proposal Date;

1.1.25 "Postponing Creditors" means each and every one of PBI, PCC, Les Investissements Rasmussen Inc., William A. Rasmussen and any other person which is "related" to William A. Rasmussen (as envisaged by Section 4 *BIA*) and **"Postponing Creditor"** means any of them;

1.1.26 "Preferred Claims" means all claims, other than Employee Claims, as set forth and described in Sections 136(1)(a) through 136(1)(c) *BIA* and in Sections 136(1)(e) through 136(1)(j) *BIA*, being such claims directed by the *BIA* to be paid in priority to all other claims in the distribution of the property of a bankrupt to the extent applicable to this Proposal and **"Preferred Claim"** means any of them;

1.1.27 "Preferred Creditors" means all persons having Preferred Claims and **"Preferred Creditor"** means any of them;

1.1.28 "Proposal" means the "Proposal" as well as any and all future amendments hereto, which amendments may be made at any time prior to a vote by the Creditors hereon or by the Court at the time of Approval;

1.1.29 "Proposal Conditions" means the occurrence and/or fulfillment of each of each and every one of the following conditions precedent (unless expressly waived in writing, in whole or in part, by both the Debtor and the Investor), namely:

- (a) the Approval of this Proposal;
- (b) the Approval of the PBI Proposal;
- (c) the Approval of the PCC Proposal; and
- (d) the entering into between the Debtor and each of the Secured Creditors (including, without limitation, National Bank of Canada) of binding agreements restructuring all indebtedness owing by the Debtor to such Secured Creditors on terms and conditions satisfactory to the Debtor;

1.1.30 "Proposal Date" means **August 12, 2010**, being the date upon which the Debtor filed its Notice of Intention to Make a Proposal pursuant to Section 50.4(1) *BIA*;

1.1.31 "Proposal Expenses" means all proper fees, expenses, liabilities and obligations of the Trustee as well as all legal fees, accounting fees and consulting fees for, in respect of and/or incidental to all proceedings and matters pertaining to the Debtor's notice of intention to make a proposal and the Proposal and includes, without limitation, all advice to the Debtor in connection therewith;

1.1.32 "Proven" with reference to any Crown Claims, Employee Claims, Preferred Claims and Ordinary Claims, all such claims that have been the object of a proof of claim in accordance with Section 124 *BIA*, filed with the Trustee in due time and allowed by the latter. With respect thereto to all such claims:

- (a) contingent and unliquidated claims and claims payable at a future time shall be governed by Sections 121(2) and 121(3) *BIA*;
- (b) every provision of the *BIA* dealing with the right to vote a claim shall apply to this Proposal; and
- (c) Proven Ordinary Claims under successive performance contracts which have not been repudiated or terminated by

the Debtor shall be limited to amounts owing by the Debtor thereunder accruing only up to (but not after) the Proposal Date;

1.1.33 "Secured Claim" means the claim of each Secured Creditor and "Secured Claims" means all of them;

1.1.34 "Secured Creditor" means all creditors holding Security and "Secured Creditor" means any of them;

1.1.35 "Security" means:

- (a) all of the mortgages, hypothecs, pledges, charges, liens or other rights as set forth in and envisaged under the definition of "secured creditor" in Section 2(1) *B/A*; and
- (b) the rights of a lessor under any contract of leasing as envisaged by Articles 1842 and following of the *Civil Code*;

1.1.36 "Trustee" means RSM Richter Inc., the trustee under the Debtor's Notice of Intention to Make a Proposal and the trustee named herein; and

1.1.37 "Value" means, with respect to any claim filed by a Secured Creditor, the value of such Secured Creditor's Security as assessed by the Secured Creditor and accepted by the Trustee or as determined by the Court;

1.2 The paragraph headings herein contained are for ease of reference only, shall not form part of the Proposal and shall not be utilized, in any manner whatsoever, in the interpretation of the Proposal.

1.3 Whenever the context so provides, all references to the masculine shall include the feminine and *vice versa* and all references to the singular shall include the plural and *vice versa*.

1.4 In the event of any inconsistencies or discrepancies between the English language version of the Proposal and the French language version of the Proposal, the English language version of the Proposal shall govern and prevail under all circumstances.

2. PROPOSAL EXPENSES

2.1 All Proposal Expenses, to the extent not already paid by the Debtor in the ordinary course of the Debtor's business, shall be paid by the Debtor in priority to all Preferred Claims, and Ordinary Claims.

3. EMPLOYEE CLAIMS

- 3.1** Subject to **Paragraphs 3.2 and 3.3** hereof, all Proven Employee Claims will be paid in full, immediately after Approval.
- 3.2** With respect to all of the Employee Creditors who are currently employed by the Debtor, all of their Employee Claims have been or shall have been fully paid by the Debtor to such Employees, in the normal course of the Debtor's business.
- 3.3** With respect to the Employee Creditors who are not currently employed by the Debtor (being, for greater certainty, all of the Employee Creditors other than those referred to in **Paragraph 3.2** hereof), all of their Proven Employee Claims will be paid in full on the latest of the following dates, namely:
- 3.3.1** 5 days after acceptance of a valid proof of claim from such Employee Creditor or the Court's definitively determining such proof of claim to be valid;
- 3.3.2** the date of Approval; or
- 3.3.3** the date of receipt of the relevant certificates required in virtue of Section 46 of the *Employment Insurance Act*, Canada.
- 3.4** The Debtor undertakes to request all relevant certificates required in virtue of Section 46 of the *Employment Insurance Act*, Canada upon acceptance of each Employee Claim.

4. CROWN CLAIMS

- 4.1** All Proven Crown Claims, to the extent not already paid by the Debtor in the ordinary course of the Debtor's business, shall be paid in full, within 6 months after Approval or as may otherwise be arranged with the Crown.

5. PREFERRED CLAIMS

- 5.1** Within 30 days following Approval or as may otherwise be arranged with each individual Preferred Creditor, all Proven Preferred Claims of Preferred Creditors, without any interest whatsoever thereon, shall be paid prior to payment of all Ordinary Claims and after payment of all Crown Claims and Employee Claims.

6. SECURED CREDITORS

- 6.1** All Secured Claims shall be paid in accordance with existing agreements with each relevant Secured Creditor or as may be otherwise agreed with each such Secured Creditors;

6.2 For greater certainty:

6.2.1 This Proposal is not addressed to the Secured Creditors;

6.2.2 All Secured Creditors and their Secured Claims shall not, in any manner whatsoever, be affected or bound by this Proposal to the extent of their Secured Claims; and

6.2.3 If a Secured Creditor chooses to file a proof of claim and values its Security in order to be considered as an Ordinary Creditor, then the Proven claim of each such Secured Creditor in excess of the Value of its Security shall be included in the class of Ordinary Claims under this Proposal unless such Secured Creditor has agreed otherwise in writing.

7. SUBSEQUENT CLAIMS

7.1 All claims arising in respect of property supplied, services rendered or other consideration given to the Debtor subsequent to the Proposal Date, including, without limitation, all salaries, remuneration and other compensation of the Debtor's employees for current services, have been or shall be paid in full by the Debtor in the ordinary course of the Debtor's business.

8. ORDINARY CLAIMS

8.1 At any time within (but not after) 15 days following Approval, any Ordinary Creditor may elect in writing (as provided for in its proof of claim or in any other manner acceptable to the Trustee) to receive the lesser of \$200.00 or the amount of its Proven Ordinary Claim or to irrevocably and unconditionally reduce such Proven Ordinary Claim to \$200.00, whereupon:

8.1.1 any such Proven Ordinary Claim in excess of \$200.00 shall be deemed, for all purposes, to have been irrevocably and unconditionally reduced to \$200.00 and the Ordinary Creditor having a Proven Ordinary Claim in excess of \$200.00 shall be deemed to have irrevocably and unconditionally waived and renounced to any rights to file a proof of claim in this Proposal in excess of \$200.00 or to participate in any further amount of the Dividend; and

8.1.2 any such Ordinary Creditor shall be treated as an Electing Creditor and such Ordinary Creditor's Ordinary Claim shall be treated as an Electing Creditor Claim under this Proposal.

8.2 The following shall be paid by the Debtor, without any interest thereon whatsoever, in full and final settlement, release and discharge of all Ordinary Claims (collectively the "**Dividend**"), namely:

8.2.1 the full amount of all Proven Electing Creditor Claims shall be paid to the Trustee, no later than 60 days following Approval, for distribution to all Electing Creditors as herein set forth, in full and final settlement, release and discharge of all Electing Creditor Claims; and

8.2.2 an amount of \$20,000.00 (less all amounts set forth in **Section 8.2.1** hereof) shall be paid to the Trustee, no later than 60 days following Approval, for distribution on a *pro rata* basis to all Ordinary Creditors (other than Electing Creditors) as herein set forth.

8.3 All amounts referred to in **Section 8.2** shall be paid by the Debtor to the Trustee no later than 60 days following Approval and shall thereafter be distributed by the Trustee to the Ordinary Creditors, according to the amount of their respective Proven Ordinary Claims, as follows:

8.3.1 the amount set forth in **Section 8.2.1** hereof shall be distributed by the Trustee to the Electing Creditors according to the amounts of their respective Proven Electing Creditor Claims; and

8.3.2 the amounts set forth in **Section 8.2.2** shall be distributed by the Trustee to the Ordinary Creditors (other than the Electing Creditors), on a *pro rata* basis, according to the amounts of their respective Proven Ordinary Claims.

8.4 The Dividend, without any interest whatsoever thereon, once paid by the Debtor to the Trustee in accordance with the provisions of this Proposal, shall constitute full and final settlement of and shall operate as a complete release and discharge of all Ordinary Claims.

9. UNAFFECTED CREDITORS

9.1 All creditors of the Debtor other than the Creditors shall be unaffected and not bound by this Proposal except to the extent set forth in this Proposal;

10. CLAIMS AGAINST DIRECTORS

10.1 In accordance with Section 50(13) *B/A*, Approval of the Proposal shall be deemed, for all purposes whatsoever, to constitute the complete release and discharge of all claims, of any nature or source whatsoever, of all Creditors and any other persons against all of the Debtor's past and present directors which arose before the Proposal Date and which relate to obligations of the Debtor where such directors are by law liable in their

capacity as directors for payment of such obligations.

- 10.2** Nothing in the Proposal shall be deemed, in any manner whatsoever, to constitute any acknowledgement of any liability or obligations of any of the Debtor's past or present directors.

11. PREFERENCES, TRANSFERS AT UNDER VALUE, ETC.

- 11.1** All of the provisions of and all rights, remedies and recourses under and/or pursuant to:

11.1.1 Sections 95 through 101 *BIA*;

11.1.2 Articles 1631 through 1636 of the *Civil Code of Québec*; and

11.1.3 all other provisions of law, rights, remedies and recourses similar to the provisions of law, rights, remedies and recourses set forth in **Sections 11.1.1 and/or 11.1.2** hereof in any province of Canada other than the Province of Québec,

shall not, in any manner whatsoever, apply to this Proposal.

- 11.2** As a result of and in accordance with the provisions of **Section 11.1** hereof and all of the rights, remedies, recourses and claims therein described:

11.2.1 all of such provisions, rights, remedies and recourses and any claims based thereon shall be completely unavailable to the Trustee or any Creditors against the Debtor, any of the Debtor's property, any other Creditor or any other person whatsoever; and

11.2.2 the Trustee and all of the Creditors shall be deemed, for all purposes whatsoever, to have irrevocably and unconditionally waived and renounced to such provisions, rights, remedies and recourses and any claims based thereon against the Debtor, the Debtor's property, any other Creditor or any other persons,

arising from and/or as a result of any matter whatsoever which occurred at any time prior to the Proposal Date.

12. COMMITTEE

- 12.1** A committee (the "**Committee**") of up to 5 individuals shall be appointed by the Ordinary Creditors at a meeting of the Creditors called to consider the Proposal. Such Committee shall be thereafter deemed to have been formed and constituted for the purposes hereafter set forth.

- 12.2** The powers of the Committee shall be limited to the following:

- 12.2.1** to advise the Trustee in connection with the Trustee's actions under the Proposal, as the Trustee may, from time to time, request;
- 12.2.2** to postpone, suspend or cause the postponement or suspension of Approval, if deemed necessary by the Trustee and the Committee;
- 12.2.3** to advise the Trustee concerning any dispute which may arise as to the validity or valuation of any proofs of claim under the Proposal; and
- 12.2.4** to authorize the deferment of any payment of any of the Dividend under the terms of **Section 8.2** hereof, either in whole or in part, and entirely at the discretion of the Committee.

13. POSTPONED CLAIMS

- 13.1** Subject to the occurrence and/or fulfillment of each and every one of the Proposal Conditions, each of the Postponing Creditors hereby unconditionally and irrevocably:
 - 13.1.1** subordinates and postpones its entire Postponed Claim to and in favour of full payment of all of the Dividends, such that each of the Postponing Creditors shall not be entitled to receive any payment from the Debtor of any principal of or interest on its Postponed Claim unless and until all of the Dividends shall have been fully paid to the Ordinary Creditors as set forth in the Proposal; and
 - 13.1.2** waives and renounces to any right to prove the whole or any portion of its Postponed Claim as an Ordinary Claim under the Proposal.
- 13.2** Nothing set forth in **Section 13.1** hereof shall restrict or prohibit any sale or transfer by any Postponing Creditor of its Postponed Claim, provided always that such Postponed Claim has not been repaid by the Debtor and remains owing by the Debtor.
- 13.3** The provisions of **Section 13.1** hereof shall survive:
 - 13.3.1** any annulment of the Proposal; or
 - 13.3.2** any bankruptcy of the Debtor occurring after occurrence and/or fulfillment of each and every one of the Proposal Conditions but prior to satisfaction of the Proposal.
- 13.4** Prior to the vote of the Creditors on this Proposal, the Debtor shall provide the Trustee with a written undertaking from each of the Postponing Creditors whereby each of the Postponing Creditors, subject to the

occurrence and/or fulfillment of all of the Proposal Conditions, shall agree to the subordinations and postponements set forth in **Section 13.1** hereof. Nothing herein contained shall constitute any agreement or undertaking by the Postponing Creditors to agree to such subordinations and postponements unless and until such written undertakings is delivered to the Trustee as aforesaid.

14. POWERS OF THE TRUSTEE

14.1 Subject to the rights of the Secured Creditors, the Trustee shall have the following rights, powers and authority, namely:

14.1.1 to have full access to the Debtor's premises as well as the Debtor's books, records and documents in order to obtain such information on the Debtor's activities as the Trustee may consider appropriate, in its sole discretion; and

14.1.2 to examine, accept or contest any security or alleged security of any Secured Creditor or the evaluation thereof.

14.2 The rights, powers and authority set forth and enumerated in **Section 14.1** hereof are in addition to and not in lieu of all of the Trustee's rights, powers and authorities under the *BIA* and any other applicable laws.

15. TRUSTEE

15.1 The Trustee will be the trustee under the Proposal. All monies payable to the Creditors affected by the Proposal shall be paid over to the Trustee which shall make all payments provided for hereunder (including, without limitation, payment of the Dividend), in accordance with the provisions of the Proposal.

16. NOTICE OF PRESENTATION OF APPROVAL MOTION

16.1 Each of:

16.1.1 the Creditors; and

16.1.2 the official receiver (as defined in the *BIA*),

are hereby given notice that, after acceptance of this Proposal by the Creditors entitled to vote thereon in accordance with the relevant provisions of the *BIA*, the Trustee and/or the Debtor will present an application to the Court (the "**Approval Motion**") for Approval;

16.2 The Approval Motion will be presented before the Court (namely the Commercial Division of the Québec Superior Court for the District of Montreal in **Room 16.10** of the Palais de Justice, 1 Notre Dame Street,

East, City of Montreal, Province of Québec on **December 21, 2010** at 9 o'clock a.m. or so soon thereafter as counsel may be heard.

- 16.3** The forwarding of this Proposal to the Creditors, and the official receiver (as defined in the *B/A*) shall avail, for all purposes, as valid and proper signification and service of the Approval Motion on all of the Creditors, and the official receiver (as defined in the *B/A*).

17. PROPOSAL CONDITIONS

- 17.1** This Proposal is expressly subject to the occurrence and/or fulfillment of each and every one of the Proposal Conditions by no later than the date of presentation of the Approval Motion before the Court as set forth in **Section 16.2** above (or such later date as may be agreed to in writing by both the Debtor).
- 17.2** In the event of the non occurrence and/or unfulfillment of any of the Proposal Conditions within the delay set forth in **Section 17.1** above, then this Proposal shall become null, void and inoperative for all purposes.

Montreal, Province of Québec, Canada
this **1st** day of **December, 2010**.

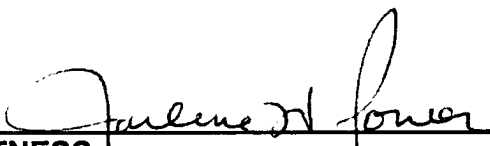
BATTERIE UNIVERSELLE LTÉE

Per:



Régis Rehel, President

WITNESS



Office of the Superintendent
of Bankruptcy CanadaBureau du surintendant
des faillites CanadaAn Agency of
Industry CanadaUn organisme
d'Industrie Canada

Canada

[Français](#)[Contact Us](#)[Help](#)[Search](#)[Canada Site](#)[OSB Home](#)[Site Map](#)[What's New](#)[About Us](#)[Registration](#)[New Filing](#)[Update](#)[Preferences](#)[Manual](#)[Logout](#)

E-Filing | update an estate:

The Reference Number for this transaction is: 5645144.
Submitted by Ann Stremski.
(2010-12-03 11:28 EST)

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

- **Estate Number:** 41-1393389
Estate Name: Batterie Universelle Ltée

The following document(s) have been successfully submitted:

- Proposal

[Click here](#) if you would like to submit another document for this estate.

If you would like to submit a document against a different estate, please click on the "Update" button in the navigation bar at the top of the screen.





**Bureau du surintendant
des faillites Canada**

Un organisme
d'Industrie Canada

**Office of the Superintendent
of Bankruptcy Canada**

An Agency of
Industry Canada

District de : Québec
No division : 01 - Montreal
No cour : 500-11-039459-108
No dossier : 41-1393389

Dans l'affaire de la proposition de :

Batterie Universelle Ltée

Débiteur

RSM RICHTER INC.

Syndic

| | | | |
|----------------------------|--|------------|----|
| Date de la proposition : | 03 décembre 2010 | Garantie : | \$ |
| Assemblée des créanciers : | 17 décembre 2010, 11:00 5, Place Ville Marie, 8e étage Montréal Canada, | | |
| Président : | Séquestre officiel | | |

CERTIFICAT DU DEPOT D'UNE PROPOSITION - Article 62

Je soussigné, séquestre officiel pour ce district de faillite, certifie par les présentes que :

- une proposition à l'égard du débiteur susmentionné a été déposée en vertu de l'article 62 de la *Loi sur la faillite et l'insolvabilité*.

Le syndic susmentionné doit :

- me fournir, sans délai, une garantie selon la somme susmentionnée; et
- envoyer à tous les créanciers, aux moins dix jours avant l'assemblée, un avis de l'assemblée des créanciers, laquelle sera tenue à la date et à l'endroit susmentionnés.

Date : 03 décembre 2010, 11:42

E-File/Dépôt Electronique

Séquestre officiel

, 5, Place Ville Marie, 8e étage, Montréal Canada, H3B2G2, (514)283-6192

Canada

Exhibit B

CANADA
PROVINCE DE QUÉBEC
District de : Québec
No Division : 01-Montréal
No Cour : 500-11-039459-108
No Dossier : 41-1393389

COUR SUPÉRIEURE
En matière de faillite et d'insolvabilité
(Chambre commerciale)

**Affidavit d'envoi
Avis de la proposition aux créanciers**


Dans l'affaire de la proposition de
Batterie Universelle Ltée

Je, soussignée, du cabinet de RSM Richter Inc., 2 Place Alexis Nihon, bureau 1820, Montréal, Québec, déclare et dis ce qui suit :

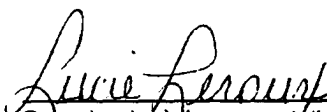
Que j'ai fait expédier, par courrier ordinaire dûment affranchi, du bureau de poste de la ville de Westmount, province de Québec, le 3 décembre 2010, à tous les créanciers connus apparaissant à la Liste de poste ci-jointe, au dirigeant de la personne morale insolvable, ainsi qu'à la cour, l'*Avis de la proposition aux créanciers*, incluant une copie de la proposition, d'un état succinct de son actif et de son passif; une liste des créanciers visés par la proposition et dont les réclamations se chiffrent à 250 \$ ou plus; un formulaire de preuve de réclamation et de procuration et un formulaire de votation; et un *Avis d'audition de la demande d'approbation par le tribunal d'une proposition*, et 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.

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*, l'*Avis d'audition de la demande d'approbation par le tribunal d'une proposition*, et le *Rapport du syndic sur la situation financière de la débitrice et sur la proposition*, dont copie conforme desdits documents sont annexées au présent affidavit; et

Que j'ai également déposé électroniquement, le 6 décembre 2010, auprès du Bureau de division l'*Avis de la proposition aux créanciers* et 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.


Heather Chennell

Assermentée dans la ville de Montréal, en la
province de Québec, le 6 décembre 2010.


Commissaire à l'assermentation pour la
province de Québec



- Creditor Mailing List -

In the Matter of the Proposal of
Batterie Universelle Ltée
Of the City of Saint-Leonard
In the province of Quebec

| Creditor Type | Name | Attention | Address |
|---------------|---|-----------|---|
| Unsecured | EAU PURE PLUS | | 2250 BELANGER EST MONTREAL QC H2G 1C6 |
| | EXPRESS TOLL ROUTE | | 407 ETR P.O. BOX 407, STATION D SCARBOROUGH ON M1R 5J8 |
| | FORD ELECTRIQUE FOURNITURE | | 175 GRAVELINE ST-LAURENT QC H4T 1R3 |
| | GAZ METROPOLITAIN | | 1717, RUE DU HAVRE MONTREAL QC H2K 2X3 |
| | GILLETTE CANADA COMPANY | | 4711 Yonge Street North York ON M2N 6K8 |
| | GMAC | | 333 BOUL. DE LA COTE VERTU, SUITE 900 MONTREAL QC H4R 2N1 |
| | GNB INDUSTRIAL POWER DIVISION OF EXIDE TECHNOLOGIE | | P.O. BOX 46265 STATION A TORONTO ON M5W 4K9 |
| | GROUPE PAGES JAUNES | | P.O. BOX 11788 STATION CENTRE VILLE MONTREAL QC H3C 0C2 |
| | HYDRO QUEBEC | | 140, CREMAZIE OUEST, 1E ETAGE MONTREAL QC H2P 1C3 |
| | IMPRIMERIE M.L | | 121 RUE BERBARD ST-JEAN SUR LE RICHELIEU QC J3B7X1 |
| | INDUSTRIES DESORMEAU INC | | 8195 PASCAL GAGNON ST-JEAN-SUR-RICHELIEU QC H1P 1Y5 |
| | LAREAU ET FILS ASSURANCE INC | | P.O. BOX 580 353 ST-JACQUES NAPIERVILLE QC J0J 1L0 |
| | MAC-MOTOR APPLIANCE CORPORATION * | | P.O. BOX 293 WASHINGTON MO 63166 USA |
| | MATRIX ENERGY | | 296 LABROSSE POINTE-CLAIRE QC H9R 5L8 |
| | MERCHANT RETAIL SUPPLIES | | SUITE 300 6875 , BOUL. DECARIE MONTREAL QC H3W 3E4 |
| | METRO NORAMCO | | 3490 GRIFFITH ST., ST-LAURENT QC H4T 1A7 |
| | MINISTRE DU REVENU DU QUEBEC | | 1600, BOUL RENE-LEVESQUE OUEST 3E ETAGE MONTREAL QC H3H 2V2 |
| | O-MAX INC. | | 102 ALEXANDRA VALLEYFIELD QC J2S 3K2 |
| | ON POWER SYSTEMS INC. | | 1120 DE LA FAYETTE BLVD. LONGUEUIL QC J4K 3B3 |
| | PHILADELPHIA SCIENTIFIC * | | 207 PROGRES DRIVE MONTGOMERYVILLE PA 18936 USA |
| | PITNEY BOWES | | P.O. BOX 278 ORANGEVILLE ON L9W 2Z7 |
| | POWER BATTERY COMPANY INC.* | | 25 MCLEAN PatTERSON NJ - |
| | POWER BATTERY IBERVILLE | | 770 THOMAS St Jean sur Richelieu QC |

December 1, 2010

**RE: Power Battery (Iberville) Ltd.
Power Canada Cables Ltd.
Batterie Universelle Ltée
(collectively the "Power Battery Group")**

Dear Suppliers & Creditors:

As you are aware, each member of the Power Battery Group filed a *Notice Of Intention To Make A Proposal* under the *Canadian Bankruptcy and Insolvency Act* on August 12, 2010. From that time onward, Power Battery Group began immediate steps to restructure its business and seek solutions to its financial problems.

Through the auspices of Power Battery Group's Trustee, RSM Richter Inc., a process was conducted whereby the Trustee sought out purchasers of Power Battery Group's businesses and/or investors in Power Battery Group's businesses.

In parallel with this process, we implemented measures with a view to restoring our business operations to profitability. These measures include the following:

- The US operations of Power Battery Co., Inc. are in the process of being wound down and will be consolidated into the Canadian operations of Power Battery Group.
- New senior management has been engaged by Power Battery Group.
- Power Battery Group's Canadian production has been radically re-engineered and made more efficient.
- An agreement has been made by Power Battery Group and its unionized employees under which significant concessions have been granted to Power Battery Group.

The process conducted by the Trustee resulted in our closing down and selling our truck parts business. This will enable us to focus on our core battery business.

The Trustee's process also attracted various interested parties in our battery business. After careful examination, it became clear that the best alternative for all of Power Battery Group's stakeholders was to enter into a transaction with a group led by Michel Caron. Under this transaction, a significant investment of \$2 Million will be made by the new investors into Power Battery Group.

RSM Richter Inc.

RSM Richter Inc.
2, Place Alexis Nihon, bureau 1820
Montréal (Québec) H3Z 3C2
Téléphone / Telephone : 514.934.3497
Télécopieur / Facsimile : 514.934.3504
www.rsmrichter.com

C A N A D A

Province de Québec

District de : Québec

No division : 01 - Montréal

No cour : 500-11-039459-108

No dossier : 41-1393389

C O U R S U P É R I E U R E

En matière de faillite et d'insolvabilité
(Chambre commerciale)

Avis de la proposition aux créanciers
(article 51 de la Loi)

Dans l'affaire de la proposition de
Batterie Universelle Ltée

Avis est donné que Batterie Universelle Ltée de la ville de Saint-Léonard 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 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 au 5, Place Ville Marie, 8^e étage, Montréal, Québec, le 17 décembre 2010 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.

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

Daté le 3 décembre 2010, à Montréal en la province de Québec.

RSM Richter Inc. - Syndic

Par :


Benoit Gingues, CA, CIRP

(English - over)

RSM Richter Inc.

RSM Richter Inc.
2, Place Alexis Nihon, bureau 1820
Montréal (Québec) H3Z 3C2
Téléphone / Telephone : 514 934.3497
Télécopieur / Facsimile : 514 934.3504
www.rsmrichter.com

CANADA
Province of Québec
District of: Québec
Division No.: 01 - Montréal
Court No.: 500-11-039459-108
Estate No.: 41-1393389

SUPERIOR COURT
In Bankruptcy and Insolvency
(Commercial Division)

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

In the Matter of the Proposal of
Batterie Universelle Ltée

Take notice that Batterie Universelle Ltée of the city of St. Leonard 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 at 5 Place Ville Marie, 8th Floor, Montréal, Quebec on December 17, 2010 at 11:00 o'clock A.M.

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

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

Dated at Montréal in the Province of Quebec, December 3, 2010.

RSM Richter Inc. - Trustee
Per:


Benoit Gingues, CA, CIRP

(français – au recto)

District de: Québec
No division: 01 - Montréal
No cour: 500-11-039459-108
No dossier: 41-1393389

☒ original

☐ modifié

TRADUCTION

-- 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
Batterie Universelle Ltée
de la ville de Saint-Léonard
dans 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 12 août 2010. Une fois complété, 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)

| | |
|--|---------------|
| 1. Créanciers non garantis: voir liste "A" | 1,034,246.41 |
| Équilibre de réclamations non garantis: voir liste "A" | 15,606,000.00 |
| Créanciers non garantis total. | 16,640,246.41 |
| 2. Créanciers garantis: voir liste "B" | 350,000.00 |
| 3. Créanciers privilégiés: voir liste "C" | 18,000.00 |
| 4. Dettes éventuelles, réclamations de fiducie ou autres (voir liste D)pouvant être réclamées pour une somme de | 0.00 |
| Total du passif. | 17,008,246.41 |
| Surplus. | NIL |

ACTIF

(Tel que déclaré et estimé par l'officier)

| | |
|---|---------------|
| 1. Inventaire | 150,000.00 |
| 2. Aménagements | 50,000.00 |
| 3. Comptes à recevoir et autres créances: voir liste E | |
| Bonnes | 150,000.00 |
| Douteuses | 0.00 |
| Mauvaises | 124,000.00 |
| Estimation des créances qui peuvent être réalisées .. | 150,000.00 |
| 4. Lettres de change, billets à ordre, etc., voir liste F | 0.00 |
| 5. Dépôts en institutions financières | 0.00 |
| 6. Espèces | 0.00 |
| 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, débentures etc. | 0.00 |
| 13. Droits en vertu de testaments | 0.00 |
| 14. Véhicules | 0.00 |
| 15. Autres biens: voir liste H | 0.00 |
| Si le débiteur est une personne morale, ajoute | |
| Montant du capital souscrit | 40,100.00 |
| Montant du capital payé | 40,100.00 |
| Solde souscrit et impayé | 0.00 |
| Estimation du solde qui peut être réalisé | 0.00 |
| Total de l'actif | 350,000.00 |
| Déficit | 16,658,246.41 |

Je, Regis J Rehel, de Brossard 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 12 août 2010, 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 2 décembre 2010,
à Montréal en la province de Québec.

Renia Rudnicki, Commissaire à l'Assermentation
pour la province de Québec
Expire le 12 fév 2011

Regis J Rehel

District of: Quebec
Court No. 01 - Montréal
Court No. 500-11-039459-108
Estate No. 41-1393389

☒ 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 Proposal of
Batterie Universelle Ltée
Of the City of Saint-Leonard
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 12th day of August 2010. 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)

| | |
|---|---------------|
| 1. Unsecured creditors as per list "A" | 1,034,246.41 |
| Balance of claims unsecured as per list "A" .. | 15,606,000.00 |
| Total unsecured creditors | 16,640,246.41 |
| 2. Secured creditors value of security as per list "B" | 350,000.00 |
| 3. Preferred creditors as per list "C" | 18,000.00 |
| 4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for | 0.00 |
| Total liabilities | 17,008,246.41 |
| Surplus | NIL |

ASSETS

(as stated and estimated by the officer)

| | |
|---|------------|
| 1. Inventory | 150,000.00 |
| 2. Trade fixtures, etc. | 50,000.00 |
| 3. Accounts receivable and other receivables, as per list "E" Good | 150,000.00 |
| Doubtful | 0.00 |
| Bad | 124,000.00 |
| Estimated to produce | 150,000.00 |
| 4. Bills of exchange, promissory note, etc., as per list "F" .. | 0.00 |
| 5. Deposits in financial institutions | 0.00 |
| 6. Cash | 0.00 |
| 7. Livestock | 0.00 |
| 8. Machinery, equipment and plant | 0.00 |
| 9. Real property or immovables as per list "G" | 0.00 |
| 10. Furniture | 0.00 |
| 11. RRSPs, RRIFs, life insurance, etc. | 0.00 |
| 12. Securities (shares, bonds, debentures, etc.) | 0.00 |
| 13. Interests under wills | 0.00 |
| 14. Vehicles | 0.00 |
| 15. Other property, as per list "H" | 0.00 |

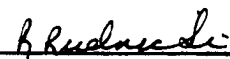
If debtor is a corporation, add:

| | |
|-------------------------------------|-----------|
| Amount of subscribed capital | 40,100.00 |
| Amount paid on capital | 40,100.00 |
| Balance subscribed and unpaid | 0.00 |
| Estimated to produce | 0.00 |

| | |
|--------------------|---------------|
| Total assets | 350,000.00 |
| Deficiency | 16,658,246.41 |

I, Regis J Rehel, of the City of Brossard 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 12th day of August 2010 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 Ville of Montréal in the Province of Quebec,
on this 2nd day of December 2010.


Renia Rudnicki, Commissioner of Oaths
For the Province of Quebec
Expires Feb. 12, 2011




Regis J Rehel

District of Quebec
Division No. 01- Montréal
Court No. 500-11-039459-108
Estate No. 41-1393389

— FORM 78 — Continued —


List "A"
Unsecured Creditors

Batterie Universelle Ltée

| No. | Name of creditor | Address | Unsecured claim | Balance of claim unsecured | Total claim |
|-----|---|--|-----------------|----------------------------|---------------|
| 1 | ACTIVE-TECH ELECTRONIQUE INC. | 6080 B. METROPOLITAIN EST MONTREAL QC H1S 1A9 | 84.65 | 0.00 | 84.65 |
| 2 | AEG POWER SOLUTIONS INC. | UNIT 1 & 2 2680 FOURTEENTH AVE. MARKHAM ON L3R 5B2 | 857.58 | 0.00 | 857.58 |
| 3 | AMPERGEN (FORMERLY KNOWN AS N.A.B.C.) * | P.O. BOX 847478 BOSTON MA 02284 USA | 11,694.89 | 0.00 | 11,694.89 |
| 4 | AUTOMATES PREBEC, DIVISON (ENTREP. DIST. ROLAMO) | 11875 , RUE THIER MONTREAL NORD QC H1H 3H5 | 188.99 | 0.00 | 188.99 |
| 5 | AVENUE LTEE | UNIT #2 331 ALDEN ROAD MARKHAM ON L3R 3L4 | 59.78 | 0.00 | 59.78 |
| 6 | BANQUE NATIONALE DU CANADA | 600 DE LA GAUCHETIERE O. MONTREAL QC H3B 4L2 | 0.00 | 15,606,000.00 | 15,606,000.00 |
| 7 | BARBEAU VITRES D'AUTOS | 6975 BOMBARDIER ST-LEONARD QC H1P 3G6 | 383.72 | 0.00 | 383.72 |
| 8 | BATTERIE COMMERCIALE LTEE | 173 , AVENUE LABROSSE POINTE-CLAIRE QC H9R 1A3 | 9,591.00 | 0.00 | 9,591.00 |
| 9 | BATTERIE DIXON INC. | 5640 AVENUE LOUIS HEBERT MONTREAL QC H2G 2E8 | 14,834.00 | 0.00 | 14,834.00 |
| 10 | BGL BROKERAGE LTD | SUITE 123 300 ST-SACREMENT MONTREAL QC H2Y 1X4 | 1,480.00 | 0.00 | 1,480.00 |
| 11 | CANADIAN TIRE ACCEPTANCE LTD, COMPTE RECEVABLES | P.O. BOX 5000 WELLAND ON L3B 5W3 | 18.39 | 0.00 | 18.39 |
| 12 | CANON CANADA INC. | P O BOX 77271 RPO COURTNEY PARK MISSISSAUGA ON L5T 2P4 | 46.00 | 0.00 | 46.00 |
| 13 | CANTEC SYSTEMS LIMITED | 1573 LAPERRIERE AVENUE OTTAWA ON K1Z 7T3 | 2,229.76 | 0.00 | 2,229.76 |
| 14 | CEB COURRIER | 2045 RUE DE LA METROPOLE LONGUEUIL QC J4G 1S9 | 275.00 | 0.00 | 275.00 |
| 15 | CHAUSSURES BELMONT INC. | 2148 BEAUBIEN EST MONTREAL QC H2G 1M6 | 108.37 | 0.00 | 108.37 |
| 16 | CHLORIDE CANADA | 2103 HALPERN AVE ST-LAURENT QC H4S 1S3 | 21,259.00 | 0.00 | 21,259.00 |
| 17 | CYGNAL TECHNOLOGIES | SUITE 200 120 EAST BEAVER CREEK RD. RICHMOND HILL ON L4B 4V1 | 304.76 | 0.00 | 304.76 |
| 18 | DISTRIBUTION PRAXAIR INC. | 3200 PITFIELD ST-LAURENT QC H4S 1K6 | 247.00 | 0.00 | 247.00 |
| 19 | DISTRIBUTIONS REVOLUTEC | 2901 BERGMAN LAVAL QC H7L 3Y5 | 1,391.59 | 0.00 | 1,391.59 |
| 20 | EASTERN BATTERY SYSTEMS | P.O. BOX 1249 MONCTON NB E1C 8P9 | 418.00 | 0.00 | 418.00 |
| 21 | EAU PURE PLUS | 2250 BELANGER EST MONTREAL QC H2G 1C6 | 62.00 | 0.00 | 62.00 |

02-Dec-2010

Date


Régis Rehel

District of Quebec
Division No. 01- Montréal
Court No. 500-11-039459-108
Estate No. 41-1393389

- FORM 78 - Continued -

List "A"
Unsecured Creditors

Batterie Universelle Ltée

| No. | Name of creditor | Address | Unsecured claim | Balance of claim unsecured | Total claim |
|-----|---|---|-----------------|----------------------------|-------------|
| 22 | EXPRESS TOLL ROUTE | 407 ETR P.O. BOX 407, STATION D SCARBOROUGH ON M1R 5J8 | 1.33 | 0.00 | 1.33 |
| 23 | FORD ELECTRIQUE FOURNITURE | 175 GRAVELINE ST-LAURENT QC H4T 1R3 | 551.00 | 0.00 | 551.00 |
| 24 | GAZ METROPOLITAIN | 1717, RUE DU HAVRE MONTREAL QC H2K 2X3 | 27.00 | 0.00 | 27.00 |
| 25 | GILLETTE CANADA COMPANY | 4711 Yonge Street North York ON M2N 6K8 | 162.33 | 0.00 | 162.33 |
| 26 | GMAC | 333 BOUL. DE LA CÔTE VERTU, SUITE 900 MONTREAL QC H4R 2N1 | 0.00 | 0.00 | 0.00 |
| 27 | GNB INDUSTRIAL POWER DIVISION OF EXIDE TECHNOLOGIE | P.O. BOX 46265 STATION A TORONTO ON M5W 4K9 | 1,128.75 | 0.00 | 1,128.75 |
| 28 | GROUPE PAGES JAUNES | P.O. BOX 11788 STATION CENTRE VILLE MONTREAL QC H3C 0C2 | 266.09 | 0.00 | 266.09 |
| 29 | HYDRO QUEBEC | 140, CREMAZIE OUEST, 1E ETAGE MONTREAL QC H2P 1C3 | 1,624.00 | 0.00 | 1,624.00 |
| 30 | IMPRIMERIE M.L | 121 RUE BERBARD ST-JEAN SUR LE RICHELIEU QC J3B7X1 | 448.12 | 0.00 | 448.12 |
| 31 | INDUSTRIES DESORMEAU INC | 8195 PASCAL GAGNON ST-JEAN-SUR-RICHELIEU QC H1P 1Y5 | 56.00 | 0.00 | 56.00 |
| 32 | LAREAU ET FILS ASSURANCE INC | P.O. BOX 580 353 ST-JACQUES NAPIERVILLE QC J0J 1L0 | 4,418.00 | 0.00 | 4,418.00 |
| 33 | MAC-MOTOR APPLIANCE CORPORATION * | P.O. BOX 293 WASHINGTON MO 63166 USA | 3,103.38 | 0.00 | 3,103.38 |
| 34 | MATRIX ENERGY | 296 LABROSSE POINTE-CLAIRE QC H9R 5L8 | 4,798.00 | 0.00 | 4,798.00 |
| 35 | MERCHANT RETAIL SUPPLIES | SUITE 300 6875, BOUL. DECARIE MONTREAL QC H3W 3E4 | 981.63 | 0.00 | 981.63 |
| 36 | METRO NORAMCO | 3490 GRIFFITH ST., ST-LAURENT QC H4T 1A7 | 819.47 | 0.00 | 819.47 |
| 37 | MINISTRE DU REVENU DU QUEBEC | 1600, BOUL RENE-LEVESQUE OUEST 3E ETAGE MONTREAL QC H3H 2V2 | 1,017.00 | 0.00 | 1,017.00 |
| 38 | O-MAX INC. | 102 ALEXANDRA VALLEYFIELD QC J2S 3K2 | 35.00 | 0.00 | 35.00 |
| 39 | ON POWER SYSTEMS INC. | 1120 DE LA FAYETTE BLVD. LONGUEUIL QC J4K 3B3 | 880.43 | 0.00 | 880.43 |
| 40 | PHILADELPHIA SCIENTIFIC * | 207 PROGRES DRIVE MONTGOMERYVILLE PA 18936 USA | 759.89 | 0.00 | 759.89 |
| 41 | PITNEY BOWES | P.O. BOX 278 ORANGEVILLE ON L9W 2Z7 | 108.00 | 0.00 | 108.00 |
| 42 | POWER BATTERY COMPANY INC. * | 25 MCLEAN PatTERSON NJ - | 282,010.00 | 0.00 | 282,010.00 |

02-Dec-2010

Date


Régis J Rahel

District of Quebec
Division No. 01 - Montréal
Court No. 500-11-039459-108
Estate No. 41-1393389

- FORM 78 - Continued -

List "A"
Unsecured Creditors
Batterie Universelle Ltée

| No. | Name of creditor | Address | Unsecured claim | Balance of claim unsecured | Total claim |
|-----|----------------------------------|--|-----------------|-------------------------------|-------------|
| 43 | POWER BATTERY IBERVILLE | 770 THOMAS St Jean sur Richelieu QC | 552,289.00 | 0.00 | 552,289.00 |
| 44 | POWER CANADA CABLES LTD. | 770 THOMAS St Jean sur Richelieu QC | 20,384.00 | 0.00 | 20,384.00 |
| 45 | PR VENTION INCENDIE | 2805 , BOUL LOSCH ST-HUBERT QC J3Y 3V6 | 338.63 | 0.00 | 338.63 |
| 46 | RESSORT IDEAL LTEE | 8950 PASCAL-GAGNON ST-LEONARD QC H1P 1Z3 | 1,588.15 | 0.00 | 1,588.15 |
| 47 | ROSSPAR LIMITED | 17-1755 PLUMMER ST PIUKERING ON L1W 3S1 | 1,000.00 | 0.00 | 1,000.00 |
| 48 | ROVER & ROVER INTERNATIONALE INC | 52 RUE D'AUVERGNE GATINEAU QC J8T 1H3 | 16,620.00 | 0.00 | 16,620.00 |
| 49 | ROY FOSS MOTORS LTD | 2345 AUTOROUTE DES LAURENTIDES SUITE 100 LAVAL QC H7S 1Z7 | 2,174.00 | 0.00 | 2,174.00 |
| 50 | ROZON BATTERIE INC. | 228 JEAN TALON ST-JEAN SUR LE RICHELIEU QC J2W 1J2 | 27.00 | 0.00 | 27.00 |
| 51 | SELECTCOM TELECOM | 5320 JEAN TALON EST MONTREAL QC H1S 1L3 | 1,375.00 | 0.00 | 1,375.00 |
| 52 | SK RESEAUTIQUE | 2500 AVE. DE LA VOLIERE LAVAL QC H7L 4B6 | 243.81 | 0.00 | 243.81 |
| 53 | STACION | 390 TAPSCOTT RD UNIT 5 SCARBOROUGH ON M1B 2Y9 | 5,289.00 | 0.00 | 5,289.00 |
| 54 | SURETTE BATTERY COMPANY LTD | P.O. BOX 2020 SPRINGHILL NS B9M 1X0 | 48,400.97 | 0.00 | 48,400.97 |
| 55 | SYSTEME D'ENERGIE RONAC | 180 AVE DU VOYAGEUR POINTE-CLAIRE QC H9R 6A8 | 395.00 | 0.00 | 395.00 |
| 56 | TELEBEC MOBILITE | P.O. BOX 1274 201 , RUE ST-ANTOINE OUEST MONTREAL QC H2Y 3K5 | 355.86 | 0.00 | 355.86 |
| 57 | TELUS MOBILITE | P.O. BOX 11049, STATION CENTRE-VILLE MONTREAL QC H3C 4Y5 | 506.00 | 0.00 | 506.00 |
| 58 | TRANSPORT BOURASSA | 800 RUE DIJON ST-JEAN-SUR-RICHELIEU QC J3B 8G3 | 460.67 | 0.00 | 460.67 |
| 59 | TRANSPORT THIBODEAU SAGUEL | 128 2IEME AVENUE PORTNEUF QC G0A 2Y0 | 176.00 | 0.00 | 176.00 |
| 60 | USINAGE LEBRO MACHINING | 6330 BOUL. GRANDES PRAIRIES ST-LEONARD QC H1P 1A2 | 316.05 | 0.00 | 316.05 |
| 61 | VULCAN ELECTRIC CO INC. | 40 TELSON ROAD MARKHAM ON L3R 1E5 | 333.51 | 0.00 | 333.51 |
| 62 | WURTH CANADA LTEE | 6330 TOMKEN ROAD MISSISSAUGA ON L5T 1N2 | 329.40 | 0.00 | 329.40 |
| 63 | ZUS EXCHANGE 1.0434 | - -- | 12,914.46 | 0.00 | 12,914.46 |

02-Dec-2010

Date


Régis J Réhel

District of Quebec
Division No. 01- Montréal
Court No. 500-11-039459-108
Estate No. 41-1393389

-- FORM 78 -- Continued --

| | | | |
|-------|--------------|---------------|---------------|
| Total | 1,034,246.41 | 15,606,000.00 | 16,640,246.41 |
|-------|--------------|---------------|---------------|

02-Dec-2010

Date


Régis J Reha

District of Quebec
Division No. 01 - Montréal
Court No. 500-11039459-108
Estate No. 41-1393389

-- FORM 78 -- Continued --

List "B"
Secured Creditors

Batterie Universelle Ltée

| 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 |
|--------|----------------------------|---|-----------------|---|------------|---|---------------------------------|----------------------------|
| 1 | BANQUE NATIONALE DU CANADA | 600 DE LA GAUCHETIERE O. MONTREAL QC H3B 4L2 | 15,956,000.00 | Business Assets - Trade Fixtures - Office and Fixture equipment Debts Due - Business - Accounts receivable Business Assets - Stock In Trade - Inventory | | 50,000.00 150,000.00 150,000.00 | | 15,606,000.00 |
| Total: | | | 15,956,000.00 | | | 350,000.00 | 0.00 | 15,606,000.00 |

02-Dec-2010

Date


Régis J. Rehel

District of Quebec
Division No. 01 - Montréal
Court No. 500-11-039459-108
Estate No. 41-1393389

-- FORM 78 -- Continued --

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

Batterie Universelle Ltée

| 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 |
|--------|------------------|------------------------|-----------------|-----------------------------------|-----------------|------------------------|---------------------------------|
| 1 | VACATIONS | - -- | | - | 18,000.00 | 0.00 | 18,000.00 |
| Total: | | | | | 18,000.00 | 0.00 | 18,000.00 |

02-Dec-2010

Date


Régis Rehel

Exhibit C

C A N A D A

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

S U P E R I O R C O U R T
(Commercial Division)

NO: 500-11-039459-108

SUPERINTENDENT'S NO:
41-1393389

IN THE MATTER OF THE PROPOSAL OF:

BATTERIE UNIVERSELLE LTÉE

Debtor

PROPOSAL

(under the provisions of the *B/A*)

BATTERIE UNIVERSELLE LTÉE ("Debtor"), hereby submits the following Proposal under the *B/A*:

1. DEFINITIONS AND INTERPRETATION

1.1 In addition to words and terms otherwise defined herein, whenever used herein:

1.1.2 "**Approval**" means:

- (a) acceptance of this Proposal (or the PBI Proposal or the PCC Proposal, as the case may be) by the statutory majority of Creditors (or PBI's creditors or PCC's creditors, as the case may be) entitled to vote thereon in accordance with the relevant provisions of the *B/A*;
- (b) the approval of this Proposal (or the PBI Proposal or the PCC Proposal, as the case may be) by the Court by judgment rendered by such Court which has become executory as a result of the delay for appeal having expired without there having been an appeal lodged therefrom or, if an appeal is lodged therefrom, such judgment of the Court having been confirmed or such appeal withdrawn; and
- (c) the approval and the ordering of the Equity Restructuring by the Court by judgment rendered by such Court which has become executory as a result of the delay for appeal having expired without there having been an appeal lodged

1.1.14 "Electing Creditors" means Ordinary Creditors having Electing Creditor Claims and **"Electing Creditor"** means any of them;

1.1.15 "Employee Claims" means:

- (a) all amounts which the Debtor's present or former employees would have been entitled to receive under Section 136(1)(d) *B/A* if the Debtor had become bankrupt on the Proposal Date as well as wages, salaries, commissions or compensation for services rendered from and after the Proposal Date up to and including the date of Approval of this Proposal, together with, in the case of traveling salesmen, disbursements properly incurred by those salesmen in and about the Debtor's business during the same period, all as envisaged by Section 60(1.3) *B/A*; and
- (b) to the extent that the Debtor participated in a "prescribed pension plan" as envisaged by Section 60(1.5) *B/A*, all amounts envisaged by Section 60(1.5)(a) *B/A* which may be unpaid on the Proposal Date and which are required to be paid from and after the Proposal Date up to and including the Date of Approval of this Proposal,

and **"Employee Claim"** means any of them;

1.1.16 "Employee Creditors" means all of the Debtor's past and present employees having Employee Claims and **"Employee Creditor"** means any of them;

1.1.17 "Equity Restructuring" has the meaning set forth in the PBI Proposal;

1.1.18 "Ordinary Claims" means all claims other than Crown Claims, Employee Claims, Preferred Claims and Secured Claims, of any nature or source whatsoever, resulting from and/or arising out of any transaction entered into by the Debtor prior to the Proposal Date or any event which occurred prior to the Proposal Date, whether due or not due as of the Proposal Date and includes all such claims which are contingent and unliquidated (once quantified or liquidated) and **"Ordinary Claim"** means any of them. In addition to and notwithstanding the foregoing, "Ordinary Claims" include, under all circumstances:

- (a) all Electing Creditor Claims;
- (b) all claims resulting from or arising out of any breaches of any obligations contracted by the Debtor prior to the Proposal

1.1.28 "Proposal" means the "Proposal" as well as any and all future amendments hereto, which amendments may be made at any time prior to a vote by the Creditors hereon or by the Court at the time of Approval;

1.1.29 "Proposal Conditions" means the occurrence and/or fulfillment of each of each and every one of the following conditions precedent (unless expressly waived in writing, in whole or in part, by both the Debtor and the Investor), namely:

- (a) the Approval of this Proposal;
- (b) the Approval of the PBI Proposal;
- (c) the Approval of the PCC Proposal; and
- (d) the entering into between the Debtor and each of the Secured Creditors (including, without limitation, National Bank of Canada) of binding agreements restructuring all indebtedness owing by the Debtor to such Secured Creditors on terms and conditions satisfactory to the Debtor;

1.1.30 "Proposal Date" means **August 12, 2010**, being the date upon which the Debtor filed its Notice of Intention to Make a Proposal pursuant to Section 50.4(1) *BIA*;

1.1.31 "Proposal Expenses" means all proper fees, expenses, liabilities and obligations of the Trustee as well as all legal fees, accounting fees and consulting fees for, in respect of and/or incidental to all proceedings and matters pertaining to the Debtor's notice of intention to make a proposal and the Proposal and includes, without limitation, all advice to the Debtor in connection therewith;

1.1.32 "Proven" with reference to any Crown Claims, Employee Claims, Preferred Claims and Ordinary Claims, all such claims that have been the object of a proof of claim in accordance with Section 124 *BIA*, filed with the Trustee in due time and allowed by the latter. With respect thereto to all such claims:

- (a) contingent and unliquidated claims and claims payable at a future time shall be governed by Sections 121(2) and 121(3) *BIA*;
- (b) every provision of the *BIA* dealing with the right to vote a claim shall apply to this Proposal; and
- (c) Proven Ordinary Claims under successive performance contracts which have not been repudiated or terminated by

3. EMPLOYEE CLAIMS

- 3.1** Subject to **Paragraphs 3.2 and 3.3** hereof, all Proven Employee Claims will be paid in full, immediately after Approval.
- 3.2** With respect to all of the Employee Creditors who are currently employed by the Debtor, all of their Employee Claims have been or shall have been fully paid by the Debtor to such Employees, in the normal course of the Debtor's business.
- 3.3** With respect to the Employee Creditors who are not currently employed by the Debtor (being, for greater certainty, all of the Employee Creditors other than those referred to in **Paragraph 3.2** hereof), all of their Proven Employee Claims will be paid in full on the latest of the following dates, namely:
 - 3.3.1** 5 days after acceptance of a valid proof of claim from such Employee Creditor or the Court's definitively determining such proof of claim to be valid;
 - 3.3.2** the date of Approval; or
 - 3.3.3** the date of receipt of the relevant certificates required in virtue of Section 46 of the *Employment Insurance Act*, Canada.
- 3.4** The Debtor undertakes to request all relevant certificates required in virtue of Section 46 of the *Employment Insurance Act*, Canada upon acceptance of each Employee Claim.

4. CROWN CLAIMS

- 4.1** All Proven Crown Claims, to the extent not already paid by the Debtor in the ordinary course of the Debtor's business, shall be paid in full, within 6 months after Approval or as may otherwise be arranged with the Crown.

5. PREFERRED CLAIMS

- 5.1** Within 30 days following Approval or as may otherwise be arranged with each individual Preferred Creditor, all Proven Preferred Claims of Preferred Creditors, without any interest whatsoever thereon, shall be paid prior to payment of all Ordinary Claims and after payment of all Crown Claims and Employee Claims.

6. SECURED CREDITORS

- 6.1** All Secured Claims shall be paid in accordance with existing agreements with each relevant Secured Creditor or as may be otherwise agreed with each such Secured Creditors;

8.2 The following shall be paid by the Debtor, without any interest thereon whatsoever, in full and final settlement, release and discharge of all Ordinary Claims (collectively the "Dividend"), namely:

8.2.1 the full amount of all Proven Electing Creditor Claims shall be paid to the Trustee, no later than 60 days following Approval, for distribution to all Electing Creditors as herein set forth, in full and final settlement, release and discharge of all Electing Creditor Claims; and

8.2.2 an amount of \$20,000.00 (less all amounts set forth in **Section 8.2.1** hereof) shall be paid to the Trustee, no later than 60 days following Approval, for distribution on a *pro rata* basis to all Ordinary Creditors (other than Electing Creditors) as herein set forth.

8.3 All amounts referred to in **Section 8.2** shall be paid by the Debtor to the Trustee no later than 60 days following Approval and shall thereafter be distributed by the Trustee to the Ordinary Creditors, according to the amount of their respective Proven Ordinary Claims, as follows:

8.3.1 the amount set forth in **Section 8.2.1** hereof shall be distributed by the Trustee to the Electing Creditors according to the amounts of their respective Proven Electing Creditor Claims; and

8.3.2 the amounts set forth in **Section 8.2.2** shall be distributed by the Trustee to the Ordinary Creditors (other than the Electing Creditors), on a *pro rata* basis, according to the amounts of their respective Proven Ordinary Claims.

8.4 The Dividend, without any interest whatsoever thereon, once paid by the Debtor to the Trustee in accordance with the provisions of this Proposal, shall constitute full and final settlement of and shall operate as a complete release and discharge of all Ordinary Claims.

9. UNAFFECTED CREDITORS

9.1 All creditors of the Debtor other than the Creditors shall be unaffected and not bound by this Proposal except to the extent set forth in this Proposal;

10. CLAIMS AGAINST DIRECTORS

10.1 In accordance with Section 50(13) BIA, Approval of the Proposal shall be deemed, for all purposes whatsoever, to constitute the complete release and discharge of all claims, of any nature or source whatsoever, of all Creditors and any other persons against all of the Debtor's past and present directors which arose before the Proposal Date and which relate to obligations of the Debtor where such directors are by law liable in their

- 12.2.1** to advise the Trustee in connection with the Trustee's actions under the Proposal, as the Trustee may, from time to time, request;
- 12.2.2** to postpone, suspend or cause the postponement or suspension of Approval, if deemed necessary by the Trustee and the Committee;
- 12.2.3** to advise the Trustee concerning any dispute which may arise as to the validity or valuation of any proofs of claim under the Proposal; and
- 12.2.4** to authorize the deferment of any payment of any of the Dividend under the terms of **Section 8.2** hereof, either in whole or in part, and entirely at the discretion of the Committee.

13. POSTPONED CLAIMS

- 13.1** Subject to the occurrence and/or fulfillment of each and every one of the Proposal Conditions, each of the Postponing Creditors hereby unconditionally and irrevocably:
 - 13.1.1** subordinates and postpones its entire Postponed Claim to and in favour of full payment of all of the Dividends, such that each of the Postponing Creditors shall not be entitled to receive any payment from the Debtor of any principal of or interest on its Postponed Claim unless and until all of the Dividends shall have been fully paid to the Ordinary Creditors as set forth in the Proposal; and
 - 13.1.2** waives and renounces to any right to prove the whole or any portion of its Postponed Claim as an Ordinary Claim under the Proposal.
- 13.2** Nothing set forth in **Section 13.1** hereof shall restrict or prohibit any sale or transfer by any Postponing Creditor of its Postponed Claim, provided always that such Postponed Claim has not been repaid by the Debtor and remains owing by the Debtor.
- 13.3** The provisions of **Section 13.1** hereof shall survive:
 - 13.3.1** any annulment of the Proposal; or
 - 13.3.2** any bankruptcy of the Debtor occurring after occurrence and/or fulfillment of each and every one of the Proposal Conditions but prior to satisfaction of the Proposal.
- 13.4** Prior to the vote of the Creditors on this Proposal, the Debtor shall provide the Trustee with a written undertaking from each of the Postponing Creditors whereby each of the Postponing Creditors, subject to the

East, City of Montreal, Province of Québec on **December 21, 2010** at 9 o'clock a.m. or so soon thereafter as counsel may be heard.

- 16.3** The forwarding of this Proposal to the Creditors, and the official receiver (as defined in the *B/A*) shall avail, for all purposes, as valid and proper signification and service of the Approval Motion on all of the Creditors, and the official receiver (as defined in the *B/A*).

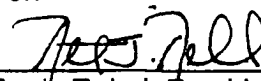
17. PROPOSAL CONDITIONS

- 17.1** This Proposal is expressly subject to the occurrence and/or fulfillment of each and every one of the Proposal Conditions by no later than the date of presentation of the Approval Motion before the Court as set forth in **Section 16.2** above (or such later date as may be agreed to in writing by both the Debtor).
- 17.2** In the event of the non occurrence and/or unfulfillment of any of the Proposal Conditions within the delay set forth in **Section 17.1** above, then this Proposal shall become null, void and inoperative for all purposes.

Montreal, Province of Québec, Canada
this **1st** day of **December, 2010**.

BATTERIE UNIVERSELLE LTÉE

Per:



Régis Rehel, President



WITNESS

District de: Québec
No division: 01 - Montréal
No cour: 500-11-039459-108
No dossier: 41-1393389

☒ original ☐ modifié

TRADUCTION

-- 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
Batterie Universelle Ltée
de la ville de Saint-Léonard
dans 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 12 août 2010. Une fois complété, 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)

| | |
|---|---------------|
| 1. Créanciers non garantis: voir liste "A" | 1,034,246.41 |
| Équilibre de réclamations non garantis: voir liste "A" | 15,606,000.00 |
| Créanciers non garantis total | 16,640,246.41 |
| 2. Créanciers garantis: voir liste "B" | 350,000.00 |
| 3. Créanciers privilégiés: voir liste "C" | 18,000.00 |
| 4. Dettes éventuelles, réclamations de fiducie ou autres (voir liste D) pouvant être réclamées pour une somme de | 0.00 |
| Total du passif | 17,008,246.41 |
| Surplus | NIL |

ACTIF

(Tel que déclaré et estimé par l'officier)

| | |
|---|---------------|
| 1. Inventaire | 150,000.00 |
| 2. Aménagements | 50,000.00 |
| 3. Comptes à recevoir et autres créances: voir liste E | |
| Bonnes | 150,000.00 |
| Douteuses | 0.00 |
| Mauvaises | 124,000.00 |
| Estimation des créances qui peuvent être réalisées | 150,000.00 |
| 4. Lettres de change, billets à ordre, etc., voir liste F | 0.00 |
| 5. Dépôts en institutions financières | 0.00 |
| 6. Espèces | 0.00 |
| 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, débentures etc. | 0.00 |
| 13. Droits en vertu de testaments | 0.00 |
| 14. Véhicules | 0.00 |
| 15. Autres biens: voir liste H | 0.00 |
| Si le débiteur est une personne morale, ajoutez | |
| Montant du capital souscrit | 40,100.00 |
| Montant du capital payé | 40,100.00 |
| Solde souscrit et impayé | 0.00 |
| Estimation du solde qui peut être réalisé | 0.00 |
| Total de l'actif | 350,000.00 |
| Déficit | 16,658,246.41 |

Je, Regis J Rehel, de Brossard 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 12 août 2010, 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 2 décembre 2010,
à Montréal en la province de Québec.

Renia Rudnicki, Commissaire à l'Assermentation
pour la province de Québec
Expire le 12 fév 2011

Regis J Rehel

District of Quebec
Division No. 01 - Montréal
Court No. 500-11-039459-108
Estate No. 41-1393389

- FORM 78 - Continued -

List "A"
Unsecured Creditors

Batterie Universelle Ltée

| No. | Name of creditor | Address | Unsecured claim | Balance of claim unsecured | Total claim |
|-----|---|--|-----------------|-------------------------------|---------------|
| 1 | ACTIVE-TECH ELECTRONIQUE INC. | 6080 B. METROPOLITAIN EST MONTREAL QC H1S 1A9 | 84.65 | 0.00 | 84.65 |
| 2 | AEG POWER SOLUTIONS INC. | UNIT 1 & 2 2680 FOURTEENTH AVE. MARKHAM ON L3R 5B2 | 857.58 | 0.00 | 857.58 |
| 3 | AMPERGEN (FORMERLY KNOWN AS N.A.B.C.) * | P.O. BOX 847478 BOSTON MA 02284 USA | 11,694.89 | 0.00 | 11,694.89 |
| 4 | AUTOMATES PREBEC, DIVISON (ENTREP. DIST. ROLAMO) | 11875 , RUE THIER MONTREAL NORD QC H1H 3H5 | 188.99 | 0.00 | 188.99 |
| 5 | AVENUE LTEE | UNIT #2 331 ALDEN ROAD MARKHAM ON L3R 3L4 | 59.78 | 0.00 | 59.78 |
| 6 | BANQUE NATIONALE DU CANADA | 600 DE LA GAUCHETIERE O. MONTREAL QC H3B 4L2 | 0.00 | 15,606,000.00 | 15,606,000.00 |
| 7 | BARBEAU VITRES D'AUTOS | 6975 BOMBARDIER ST-LEONARD QC H1P 3G6 | 383.72 | 0.00 | 383.72 |
| 8 | BATTERIE COMMERCIALE LTEE | 173 , AVENUE LABROSSE POINTE-CLAIRE QC H9R 1A3 | 9,591.00 | 0.00 | 9,591.00 |
| 9 | BATTERIE DIXON INC. | 5640 AVENUE LOUIS HEBERT MONTREAL QC H2G 2E8 | 14,834.00 | 0.00 | 14,834.00 |
| 10 | BGL BROKERAGE LTD | SUITE 123 300 ST-SACREMENT MONTREAL QC H2Y 1X4 | 1,480.00 | 0.00 | 1,480.00 |
| 11 | CANADIAN TIRE ACCEPTANCE LTD, COMPTES RECEVABLES | P.O. BOX 5000 WELLAND ON L3B 5W3 | 18.39 | 0.00 | 18.39 |
| 12 | CANON CANADA INC. | P.O. BOX 77271, RPO COURTNEY PARK MISSISSAUGA ON L5T 2P4 | 46.00 | 0.00 | 46.00 |
| 13 | CANTEC SYSTEMS LIMITED | 1573 LAPERRIERE AVENUE OTTAWA ON K1Z 7T3 | 2,229.76 | 0.00 | 2,229.76 |
| 14 | CEB COURRIER | 2045 RUE DE LA METROPOLE LONGUEUIL QC J4G 1S9 | 275.00 | 0.00 | 275.00 |
| 15 | CHAUSSURES BELMONT INC. | 2148 BEAUBIEN EST MONTREAL QC H2G 1M6 | 108.37 | 0.00 | 108.37 |
| 16 | CHLORIDE CANADA | 2103 HALPERN AVE ST-LAURENT QC H4S 1S3 | 21,259.00 | 0.00 | 21,259.00 |
| 17 | CYGNAL TECHNOLOGIES | SUITE 200 120 EAST BEAVER CREEK RD. RICHMOND HILL ON L4B 4V1 | 304.76 | 0.00 | 304.76 |
| 18 | DISTRIBUTION PRAXAIR INC. | 3200 PITFIELD ST-LAURENT QC H4S 1K6 | 247.00 | 0.00 | 247.00 |
| 19 | DISTRIBUTIONS REVOLUTECH | 2901 BERGMAN LAVAL QC H7L 3Y5 | 1,391.59 | 0.00 | 1,391.59 |
| 20 | EASTERN BATTERY SYSTEMS | P.O. BOX 1249 MONCTON NB E1C 8P9 | 418.00 | 0.00 | 418.00 |
| 21 | EAU PURE PLUS | 2250 BELANGER EST MONTREAL QC H2G 1C6 | 62.00 | 0.00 | 62.00 |

02-Dec-2010

Date


Régis J. Renel

District of
Division No.
Court No.
Estate No.

Quebec
01- Montréal
500-11-039459-108
41-1393389

- FORM 78 -- Continued -

List "A"
Unsecured Creditors

Batterie Universelle Ltée

| No. | Name of creditor | Address | Unsecured claim | Balance of claim unsecured | Total claim |
|-----|----------------------------------|--|-----------------|-------------------------------|-------------|
| 43 | POWER BATTERY IBERVILLE | 770 THOMAS St Jean sur Richelieu QC | 552,289.00 | 0.00 | 552,289.00 |
| 44 | POWER CANADA CABLES LTD. | 770 THOMAS St Jean sur Richelieu QC | 20,384.00 | 0.00 | 20,384.00 |
| 45 | PR VENTION INCENDIE | 2805 , BOUL LOSCH ST-HUBERT QC J3Y 3V6 | 338.63 | 0.00 | 338.63 |
| 46 | RESSORT IDEAL LTEE | 8950 PASCAL-GAGNON ST-LEONARD QC H1P 1Z3 | 1,588.15 | 0.00 | 1,588.15 |
| 47 | ROSSPAR LIMITED | 17-1755 PLUMMER ST PIUKERING ON L1W 3S1 | 1,000.00 | 0.00 | 1,000.00 |
| 48 | ROVER & ROVER INTERNATIONALE INC | 52 RUE D'AUVERGNE GATINEAU QC J8T 1H3 | 16,620.00 | 0.00 | 16,620.00 |
| 49 | ROY FOSS MOTORS LTD | 2345 AUTOROUTE DES LAURENTIDES SUITE 100 LAVAL QC H7S 1Z7 | 2,174.00 | 0.00 | 2,174.00 |
| 50 | ROZON BATTERIE INC. | 228 JEAN TALON ST-JEAN SUR LE RICHELIEU QC J2W 1J2 | 27.00 | 0.00 | 27.00 |
| 51 | SELECTCOM TELECOM | 5320 JEAN TALON EST MONTREAL QC H1S 1L3 | 1,375.00 | 0.00 | 1,375.00 |
| 52 | SK RESEAUTIQUE | 2500 AVE. DE LA VOLIERE LAVAL QC H7L 4B6 | 243.81 | 0.00 | 243.81 |
| 53 | STATICON | 390 TAPSCOTT RD UNIT 5 SCARBOROUGH ON M1B 2Y9 | 5,289.00 | 0.00 | 5,289.00 |
| 54 | SURETTE BATTERY COMPANY LTD | P.O. BOX 2020 SPRINGHILL NS B9M 1X0 | 48,400.97 | 0.00 | 48,400.97 |
| 55 | SYSTEME D'ENERGIE RONAC | 180 AVE DU VOYAGEUR POINTE-CLAIRE QC H9R 6A8 | 395.00 | 0.00 | 395.00 |
| 56 | TELEBEC MOBILITE | P.O. BOX 1274 201 , RUE ST-ANTOINE OUEST MONTREAL QC H2Y 3K5 | 355.86 | 0.00 | 355.86 |
| 57 | TELUS MOBILITE | P.O. BOX 11049, STATION CENTRE-VILLE MONTREAL QC H3C 4Y5 | 506.00 | 0.00 | 506.00 |
| 58 | TRANSPORT BOURASSA | 800 RUE DIJON ST-JEAN-SUR-RICHELIEU QC J3B 8G3 | 460.67 | 0.00 | 460.67 |
| 59 | TRANSPORT THIBODEAU SAGUEL | 128 2IEME AVENUE PORTNEUF QC G0A 2Y0 | 176.00 | 0.00 | 176.00 |
| 60 | USINAGE LEBRO MACHINING | 6330 BOUL GRANDES PRAIRIES ST-LEONARD QC H1P 1A2 | 316.05 | 0.00 | 316.05 |
| 61 | VULCAN ELECTRIC CO. INC. | 40 TELSON ROAD MARKHAM ON L3R 1E5 | 333.51 | 0.00 | 333.51 |
| 62 | WURTH CANADA LTEE | 6330 TOMKEN ROAD MISSISSAUGA ON L5T 1N2 | 329.40 | 0.00 | 329.40 |
| 63 | ZUS EXCHANGE 1.0434 | - | 12,914.46 | 0.00 | 12,914.46 |

02-Dec-2010

Date


Régis J. Rehel

District of Quebec
Division No. 01 - Montréal
Court No. 500-11039459-108
Estate No. 41-1393389

-- FORM 78 -- Continued --

List "B"
Secured Creditors

Batterie Universelle Ltée

| 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 |
|--------|----------------------------|---|-----------------|---|------------|---|---------------------------------|----------------------------|
| 1 | BANQUE NATIONALE DU CANADA | 600 DE LA GAUCHETIERE O. MONTREAL QC H3B 4L2 | 15,956,000.00 | Business Assets - Trade Fixtures - Office and Fixture equipment Debts Due - Business - Accounts receivable Business Assets - Stock In Trade - Inventory | | 50,000.00 150,000.00 150,000.00 | | 15,606,000.00 |
| Total: | | | 15,956,000.00 | | | 350,000.00 | 0.00 | 15,606,000.00 |

02-Dec-2010

Date


Régis J. Rehel

**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.
- ☐ Un créancier ayant une réclamation contre les administrateurs, lorsqu'une proposition le prévoit, doit compléter le sous-paragraphe F et y joindre tous les détails et les calculs.
- ☐ Un client d'un courtier en valeurs mobilières failli doit compléter le sous-paragraphe G.

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.

(English - over)

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 **Batterie Universelle Ltée** de la ville Saint-Léonard, 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 du dépôt de l'avis de l'intention de faire une proposition, soit le 12 août 2010, 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 annexe 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.)

RSM Richter Inc.

RSM Richter Inc.
2, Place Alexis Nihon, Suite 1820
Montréal (Québec) H3Z 3C2
Telephone : 514 934.3497
Facsimile : 514 934.8603
E-mail: claims@rsmrichter.com

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 **Batterie Universelle Ltée** of the City of St-Léonard, 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 filing of the Notice of Intention to make a Proposal, namely August 12, 2010, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A," after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)
4. Check and complete appropriate category

A. UNSECURED CLAIM OF \$ _____

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

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

(Check appropriate description)

Regarding the amount of \$ _____, I do not claim a right to a priority.
(Ordinary Creditor)

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

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

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

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

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

C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____

(Attach a copy of sales agreement and delivery receipts).

CANADA

Province de Québec

District de: Québec

No division : 01-Montréal

No cour : 500-11-039459-108

No dossier : 41-1393389

COUR SUPÉRIEURE

En matière de faillite et d'insolvabilité

(Chambre commerciale)

FORMULE DE VOTATION
(alinéas 51(1)(f) et 66.15(3)(c) de la Loi)

Dans l'affaire de la proposition de
Batterie Universelle Ltée

Je, _____,
(nom du créancier)

de _____,
(nom de la ville)

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

_____, de _____),
(précisez le poste ou la fonction) (nom du créancier)

créancier dans l'affaire susmentionnée à l'égard de la somme de _____ \$, demande au syndic
agissant relativement à la proposition de **Batterie Universelle Ltée**, de consigner mon vote _____
(en faveur de ou contre) l'acceptation de la proposition faite le 1^{er} décembre 2010

et choisis l'option : A ☐ Le moindre de la réclamation prouvée ou deux cents dollars (200 \$);

- ou -

B ☐ Une quote-part au pro rata et *pari passu* du solde de la distribution de vingt mille
dollars (20 000 \$) sans intérêt ni pénalité.

Fait à _____ ce ____^e jour de _____ 20____.

Témoin

Signature du créancier à titre particulier

- OU -

Nom du créancier qui est une personne morale

Témoin

Par : _____
Signature du signataire autorisé

Nom et titre du signataire autorisé

(English - over)

CANADA
Province de Québec
District de : Québec
No division : 01 - Montréal
No cour : 500-11-039459-108
No dossier : 41-1393389

COUR SUPÉRIEURE
En matière de faillite et d'insolvabilité
(Chambre commerciale)


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

Dans l'affaire de la proposition de
Batterie Universelle Ltée, débitrice

AVIS vous est donné par les présentes qu'en cas d'acceptation de la proposition de la débitrice par une majorité statutaire des créanciers lors de l'assemblée qui sera tenue le 17^e jour de décembre 2010, une demande sera faite au Registraire ou à l'un des honorables juges de la Cour Supérieure siégeant en matière de faillite et d'insolvabilité (Chambre commerciale) pour le district de Montréal, au Palais de Justice de Montréal, 1, rue Notre-Dame est, salle 16.10, Montréal, Québec, H2Y 1B6, le 21^e jour de décembre 2010 à 9 heures, pour que soit approuvée ladite proposition de la débitrice.

Daté le 3 décembre 2010 à Montréal, province de Québec.

RSM Richter Inc. – Syndic
Par :



Benoit Gingras, CA, CIRP
2, Place Alexis Nihon, bureau 1820
Montréal (Québec) H3Z 3C2
Téléphone : 514.934.3497

Télécopieur : 514.934.3504

(English – over)

RSM Richter Inc.

RSM Richter Inc.

2. Place Alexis Nihon
Montréal (Québec) H3Z 3C2
Téléphone / Telephone : (514) 934-3497
Télécopieur / Facsimile : (514) 934-3504
www.rsmrichter.com

CANADA
Province of Quebec
District of: Quebec
Division No.: 01-Montréal
Court No.: 500-11-039459-108
Estate No.: 41-1393389

SUPERIOR COURT In Bankruptcy and Insolvency (Commercial Division)

In the matter of the Proposal of:

BATTERIE UNIVERSELLE LTÉE,
a corporation duly incorporated having its
head office at 6290 des Grandes Prairies,
St-Leonard, Quebec H1P 1A2

Debtor

- and -

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*)

Please refer to our website www.rsmrichter.com for a French version of this report

The purpose of the Meeting of Creditors is to consider the Proposal filed on December 3, 2010 (hereinafter referred to as "the Proposal") by Batterie Universelle Ltée (the "Debtor" or the "Company").

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 August 12, 2010, the Debtor filed a Notice of Intention to Make a Proposal ("NOI") in accordance with the *Bankruptcy and Insolvency Act*, to its creditors and RSM Richter Inc. ("Richter") was appointed as Trustee under the NOI ("Trustee").

IV. CAUSES OF INSOLVENCY AND RESTRUCTURING MEASURES

The Company has incurred operating losses in the past two fiscal years (ending March 31, 2009 and 2010) due to a combination of extraordinary factors such as absentee management due to illness and a downturn in the global economy. All of the Company's assets are pledged as security to PBI's principal secured creditor, the National Bank of Canada ("NBC") who is owed in excess of \$15MM and is estimated to suffer a shortfall on its advances.

Richter has been actively involved with the Group's management in analyzing its financial situation and performance and their restructuring alternatives. In August 2010, PBI hired a new President and Chief Executive Officer ("CEO"). His mandate is to implement restructuring measures to return the Company to profitability.

To date, several restructuring measures to rationalize PBI's operations and improve its financial situation have been implemented. Aside from the proceedings undertaken under the BIA, the reorganization measures implemented include the following:

- Replacing senior management with an interim management team ("Management");
- Centralize all battery manufacturing operations to Iberville and shut-down the battery manufacturing operations in Paterson, NJ;
- Re-engineering of the production process in Iberville;
- Reassignment of the work force and headcount reductions;
- Filling of certain previously vacant positions;
- Analysis of product line profitability;
- Optimization of salespersons' compensation programs;
- Renegotiation of the collective bargaining agreement; and
- Planning the transfer of cabinet assembly: at this time, cabinet assembly remains in Paterson on a temporary basis until the Company secures the necessary infrastructure to assemble all cabinets.

The only manner by which the Group can complete its restructuring, finance its on-going operations and survive financially is to receive a capital injection. It was determined that the best way to maximize value for the creditors was to seek potential purchasers that would either buy the assets of the Group on a going-concern basis or invest in the Group as part of a financial restructuring. On August 12, 2010, the Group has retained the services of Richter to assist in the implementation of a formal process to sell the business units whether by a sale of assets or by way of an investment in the Group ("Sale Process").

V. PLAN OF ACTION

a) Sale Process

As part of its mandate, Richter has assisted the Company in preparing a virtual data room ("Data Room") to assist interested parties in making an investment decision. The Data Room included the following information:

- Corporate background and history;
- Organizational chart;
- Historical financial information;
- Financial projections for the next two fiscal years and a summary of Management's assumptions;
- A description and listing of the assets at the various locations; and
- Key contractual agreements.

The following documents related to the search for potential investors or purchasers (collectively "Potential Purchasers") for each of the business segments have been prepared by Richter ("Information Package"):

- Letter of solicitation;
- Summary information ("Teaser"); and
- Confidentiality Agreement ("CA").

VI. PROPOSAL

Summary

The Proposal provides for the Debtor to remit to the Trustee no later than 60 days following the Approval an amount of \$20,000 for distribution to Ordinary Creditors in full and final payment of their unsecured claim, without interest or penalty.

The Proposal provides that at any time within (but not after) 15 days following Approval, any Ordinary Creditor may elect to receive the lesser of \$200 or the amount of its Ordinary Claim and that any such Ordinary Claim in excess of \$200 shall be deemed to be irrevocably and unconditionally reduced to \$200 (defined as an Electing Creditor). Electing Creditors will receive a one-time payment to a maximum of \$200 from the funds to be remitted by the Company to the Trustee. Thereafter, Electing Creditors shall not receive any further dividends.

Creditors are advised to read the Proposal for complete details of the terms of the Proposal.

Amounts to be paid as a priority

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

- All Secured Claims shall be paid in accordance with existing agreements or as may be otherwise arranged with each of the Secured Creditors. For greater certainty, the Debtor acknowledges that the Proposal is not addressed to and shall have no effect on the rights of the holders of secured claims;
- All Crown Claims, to the extent not already paid by the Debtor in the ordinary course of the Debtor's business, shall be paid in full, within 6 months after Approval of the Proposal or as may otherwise be arranged with the Crown;
- The Employee Claims relating to employees who are continuing in employment with the Debtor shall be paid in the normal course of business. Amounts owing to employees who are not currently employed by the Debtor and that they would have been entitled to receive under Section 136(1)(d) of the Act if their employer had been declared bankrupt on the date of the Approval of the Proposal, shall be paid in their entirety on the latest of the following dates:
 - 5 days after acceptance of a valid proof of claim from such employee or the Court's definitively determining such proof of claim to be valid;
 - the date of Approval of the Proposal by both the creditors and the Court; or
 - the date of receipt of the relevant certificates required in virtue of Section 46 of the Employment Insurance Act, of Canada;
- The Preferred Claims, without interest or penalty, shall be paid in their entirety in priority to unsecured claims, within thirty (30) days of the Approval of the Proposal;
- The Proposal costs shall be paid in priority to all priority claims and all unsecured claims; and
- Post-filing obligations shall be paid in full in the ordinary course of business and according to usual commercial terms or according to agreements between the Debtor and suppliers.

Other

- The Proposal provides that the statutory terms of Sections 95 to 101 of the Act, and similar Civil Code of Quebec provisions, shall not apply as permitted by Section 101.1 of the Act;
- The Proposal will constitute a compromise of all claims against directors and will operate as a full and complete discharge in favor of such directors with respect to such claims;
- Upon acceptance of the Proposal, the related companies and/or individuals that are creditors agree as follows in respect of funds owing to them (the "Postponed Claims"):

d) **Non-Consolidated Balance Sheet:**

| Batterie Universelle Ltée Balance Sheet | |
|--|------------------------------------|
| (In 000's) | As of August 31, 2010 Unaudited |
| Assets | |
| Cash | \$ 26 |
| Accounts Receivable | 317 |
| Inventory | 310 |
| | <u>653</u> |
| Capital Assets (as net book value) | 131 |
| | <u>\$ 784</u> |
| Liabilities | |
| Accounts Payables | \$ 197 |
| Accrued Liabilities | 39 |
| Payables from Related Parties | 859 |
| | <u>1,096</u> |
| Long Term Debt | 26 |
| Shareholder's Equity | |
| Capital Stock | 40 |
| Retained Earnings | (377) |
| | <u>(337)</u> |
| | <u>\$ 784</u> |

- i. **Accounts receivable** – Accounts receivable are net of a provision of approximately \$15,000 (estimated book value as at the date of this report \$275,000).
- ii. **Inventory** – Inventory is comprised of finished goods and is reflected net of a provision of approximately \$28,000 for slow-moving and obsolete items. Based on the Company's perpetual inventory system as at October 31, 2010, the net book value of inventory amounts to approximately \$330,000.
- iii. **Other Current Assets and Prepaid Expenses** – These are mainly comprised of various prepayments and deposits (insurance, security deposits etc.) related to the Company's operations.
- iv. **Capital Assets** – These are presented at their depreciated cost and do not reflect any write downs to their liquidation value. The balance is comprised of the net book value of the Company's rolling stock and furniture and fixtures. All of the Company's capital assets have been pledged in favor of PBI's secured creditor and it appears that there would be no recovery for the ordinary creditors of the Company.

a) **Proposal**

We estimate that the distribution to ordinary unsecured creditors identified in the Debtor's Statement of Affairs could correspond to the following:

| Batterie Universelle Ltée Proposal Estimated Distribution As of December 2, 2010 | | | |
|--|---------------------------|--------------|-----|
| (000's) | Amount | | |
| Dividend to be paid | | \$ 20 | |
| | Claim Amount ¹ | Distribution | |
| Secured Claims | \$ 15,956 | N/A | |
| Preferred Claims ² | - | - | |
| Unsecured Claims ³ | 167 | \$ 20 | 12% |
| | | \$ 20 | |
| ¹ Claim amounts are based on the liabilities included in the Statement of Affairs dated December 2, 2010. | | | |
| ² At the time of the preparation of this report, no preferred claims existed as all unpaid salaries and vacation pay were paid by the Debtor in the normal course of business since the filing of the Notice of Intention. Management of Batterie Universelle Ltée. does not know of nor expect any preferred claims. | | | |
| ³ Excluding unsecured claims from related parties totalling \$867,000 who will forego their dividend in the Proposal. | | | |

- **Non-related Third Parties**

Based on our review of the amounts payable to third parties (suppliers) between three months prior to the filing of the NOI and the date of NOI, we do not note any creditor who appears to have received a preferential payment.

- **Related Parties**

Based on our review of payments made to related parties, between twelve months prior to the filing of the NOI and the date of the NOI, we did not note any payments made which appear to have been in the nature of a preference or which would be a reviewable transaction under the Act.

ii. **Ongoing Operations**

Acceptance of the Proposal will avoid a bankruptcy and will be of benefit to the following constituents:

Approximately 9 employees will have continued employment at the Company's facility; and Merchandise suppliers and service providers will have a going concern entity with which to continue doing business.

XI. CONCLUSION

After having estimated the amount that may be available for the creditors in the context of a bankruptcy, we are of the opinion that the present Proposal is more advantageous to the creditors.

It is estimated that the Proposal would provide the creditors with a dividend of approximately \$0.10 on the dollar to the Ordinary Creditors as presented in the Statement of Affairs, compared to an estimated dividend of nil in the event of a bankruptcy.

For these reasons, the Trustee recommends the approval of the Proposal.

Dated at Montréal, this 3rd day of December 2010.

RSM Richter Inc.
Trustee

Benoit Gingues, CA, CIRP
Administrator

District of: Quebec
Division No. 01 - Montréal
Court No. 500-11-039459-108
Estate No. 41-1393389

- FORM 01.1 -

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

In the Matter of the Proposal of
Batterie Universelle Ltée
Of the City of Saint-Leonard
In the province of Quebec

Dated at the Ville of Montréal in the Province of Quebec, this 3rd day of December 2010.

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

Corporate Name: RSM Richter Inc.

Address: 2 Place Alexis Nihon, Suite 1820
Montréal QC H3Z 3C2

Telephone: (514) 934-3497

Fax: (514) 934-3504

E-mail:

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.

**Bureau du surintendant
des faillites Canada**Un organisme
d'Industrie Canada**Office of the Superintendent
of Bankruptcy Canada**An Agency of
Industry Canada**Canada**[English](#)[Contactez-nous](#)[Aide](#)[Recherche](#)[Site du
Canada](#)[Accueil du BSF](#)[Carte du site](#)[Quoi de neuf](#)[Contexte](#)[Inscription](#)[Nouveau
dossier](#)[Mise à jour](#)[Préférences](#)[Manuel](#)[Sortie](#)

Dépôt électronique | mise à jour:

Le numéro de référence de cette transaction est : 5652439.

Déposé par Lucie Leroux.
(2010-12-06 16:24 HNE)

Les dossiers suivants ont été mis à jour :

- **Numéro de dossier :** 41-1393389

Nom du dossier : Batterie Universelle Ltée

Les documents suivants ont été déposés avec succès :

- Trustee's Report on financial situation of debtor and on proposal

Veuillez [cliquer ici](#) si vous souhaitez déposer un autre document pour ce dossier.

Si vous souhaitez déposer un document relatif à un autre dossier, veuillez cliquer sur le bouton « Mise à jour » de la barre de navigation au haut de l'écran.

Mise à jour : 2010-09-17



[Avis importants](#)