

4358 Boul. St. Laurent  
Montreal (Quebec)  
H2W 1Z5



Tel.: (514) 845-4231  
Fax: (514) 845-2825  
www.schreter.com  
info@schreter.com

**LETTER TO VALUED SUPPLIERS  
FEBRUARY 19, 2008**

J. Schreter Inc. ("Schreters") has been an icon on the Montreal retail scene for almost 80 years. Over the years, the Schreter Family has developed strong business relationships with countless suppliers. In fact, many of those relationships have developed into long standing friendships.

Business has changed dramatically over the past number of years. Increased competition from the "big box" stores, virtual elimination of the wholesale side of the business, and the need to adjust to changing consumer demands, have contributed significantly to the challenges we have faced, and continue to face.

Our business has incurred significant losses over the past number of years. Our family has re-invested important sums of money back into the business in an attempt to turn it around. Just about three years ago, we decided to open a second location, in the West Island. The decision to open a second location was based on our view that the only way to survive was to expand our operation and bring the Schreter name to lucrative communities around the city. The store in the West Island we hoped was a start.

Unfortunately, the West Island store has not worked out and this combined with inventory problems, a major reduction of business in our St. Laurent Street store caused by the lengthy construction that made the street impossible to attract customers, and other factors did not allow our plan to ever come to fruition.

We do believe in our ability to turn our business around, but unfortunately the time has come that we need your help to do so. Our plan is to return to the basics. We plan to close the store in the West Island and concentrate all of our efforts on the St. Laurent street store. We truly believe that with the improvements we have made in areas such as inventory management, and with the construction issue behind us, we can build this store into what it once was.

In order to be given the opportunity to make this plan work, we have no choice but to ask our suppliers, and friends, with whom we have worked for so many years, to support our effort by agreeing to a debt reduction. The amount and manner of the reduction is still being developed and shall shortly be communicated to you.

In the interim, we have filed a Notice of Intention to file a Proposal under the *Bankruptcy and Insolvency Act* with RSM Richter Inc. (Philip Manel, C.A.). It is our intention to present a restructuring plan that will give us the best opportunity to succeed and to continue our business relationship with you. The plan will not only include a request of some forgiveness of debt from our suppliers but will entail additional financial investment on our part.

Your co-operation in supporting us with our restructuring plan will be greatly appreciated. We look forward to receiving your endorsement to allow Schreters to continue for many years to come.

Yours truly,

THE SCHRETER FAMILY

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF QUÉBEC  
DIVISION NO.: 01-MONTREAL  
COURT NO.: 500-11-032527-083  
ESTATE NO.: 41-1039022

SUPERIOR COURT  
(Commercial Division)

IN THE MATTER OF THE PROPOSAL OF:

J. Schreter Inc.

a body politic and corporate, duly incorporated  
according to law and having its head office and its  
principal place of business at:  
4358 Saint-Laurent Boulevard  
Montreal QC H2W 1Z5

Debtor

**Notice to Creditors of Intention to Make a Proposal**  
(Subsection 50.4(6))

NOTICE is hereby given that on February 13, 2008, the above-mentioned Debtor filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, as per a copy attached hereto.

NOTICE is further given that in accordance with Section 69 of the *Bankruptcy and Insolvency Act*, all proceedings against the Debtor are hereby stayed. Accordingly, no creditor has any remedy against the Debtor or its assets, nor shall it commence or continue any action, execution, or other proceedings for the recovery of a claim.

A list of the creditors with claims amounting to \$250 or more and the amounts of their claims as known or shown by the Debtor's books is annexed hereto. The enclosure thereof does not necessarily constitute the acceptance of any claim or claims.

We also enclose herewith the Proof of Claim form and the Proxy form for you to complete and return to us together with supporting documentation.

Upon the filing of the contemplated Proposal, a **further** notice shall be mailed to you providing you with the following:

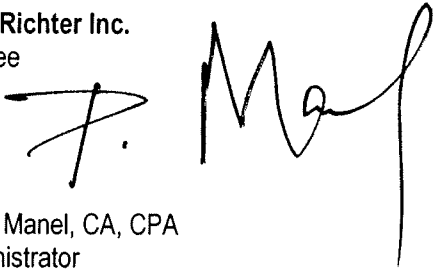
- a) A copy of the Proposal;
- b) The date, time and place of a Meeting of Creditors to be held to consider the Proposal;
- c) A condensed statement of the assets and liabilities of the Debtor;
- d) The Voting Letter on the Proposal.

Should the Debtor fail to file a Proposal within the prescribed delays, an automatic bankruptcy will ensue and the Trustee will forthwith convene a Meeting of Creditors.

Should you have any questions, you may call Cécile Bérubé, CIRP, (514.934.8620) or the undersigned.

Dated at Montreal, Quebec, this 19<sup>th</sup> day of February, 2008.

**RSM Richter Inc.**  
Trustee

A handwritten signature in black ink, appearing to read 'Manel', written over a horizontal line.

Philip Manel, CA, CPA  
Administrator

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF QUÉBEC  
DIVISION NO.: 01-MONTREAL  
COURT NO.:  
ESTATE NO.:

SUPERIOR COURT  
(Commercial Division)

IN THE MATTER OF THE PROPOSAL OF:

J. Schreter Inc.

a body politic and corporate, duly incorporated according to  
law and having its head office and its principal place of  
business at:  
4358 Saint-Laurent Boulevard  
Montreal QC H2W 1Z5

Debtor

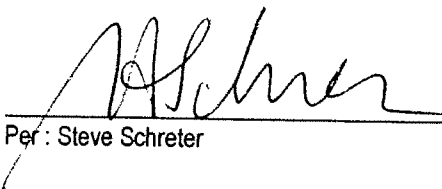
**Notice of Intention to Make a Proposal  
(Subsection 50.4(1) of the Act)**

Take notice that:

1. We, J. Schreter Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that we intend to make a proposal to our creditors.
2. RSM Richter Inc., a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against us are stayed as of the date of filing of this notice with the official receiver in our locality.

Dated at Montreal, Quebec, this 13<sup>th</sup> day of February, 2008.

J. Schreter Inc.

  
Per: Steve Schreter

To be completed by Official Receiver

Filing Date: \_\_\_\_\_

Official Receiver: \_\_\_\_\_

(Français – au recto)



Office of the Superintendent  
of Bankruptcy Canada

An Agency of  
Industry Canada

Bureau du surintendant  
des faillites Canada

Un organisme  
d'Industrie Canada

District of Québec  
Division No. 01 - Montreal  
Court No. 500-11-032527-083  
Estate No. 41-1039022

In the Matter of the Notice of Intention to make a  
proposal of:

**J. Schreter Inc.**  
Insolvent Person

**RSM RICHTER INC.**  
Trustee

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Date of the Notice of Intention: February 13, 2008

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CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

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Date: February 13, 2008, 16:18

E-File/Dépôt Electronique

Official Receiver

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

**Canada**

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF QUÉBEC  
DIVISION NO.: 01-MONTREAL  
COURT NO.:  
ESTATE NO.:

SUPERIOR COURT  
(Commercial Division)

IN THE MATTER OF THE PROPOSAL OF:

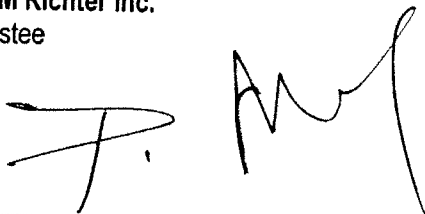
J. Schreter Inc.

a body politic and corporate, duly incorporated  
according to law and having its head office and its  
principal place of business at:  
4358 Saint-Laurent Boulevard  
Montreal QC H2W 1Z5

Debtor

We hereby agree to act as the Trustee to the Proposal to be filed by the above-named Debtor, this 13<sup>th</sup> day of February, 2008.

RSM Richter Inc.  
Trustee



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Per: Philip Manel, CA, CPA, Administrator

RSM Richter Inc., Syndic/Trustee  
Liste des créanciers/Creditors List

Dans l'affaire de l'avis d'intention de faire une proposition de / In the Matter of the notice of intention to make a proposal of  
J. SCHRETER INC.

Nom / Name	Adresse / Address	Montant / Amount
<b>Créanciers garantis / Secured Creditors</b>		
BANK OF MONTREAL RICHARD ROUSSE	105 ST-JACQUES STREET WEST 5TH FLOOR MONTREAL QC H2Y 1L7	467,881.32
<b>Créanciers garantis / Secured Creditors</b>		<b>467,881.32</b>
<b>Créanciers privilégiés / Preferred Creditors</b>		
COMPLEXE POINTE-CLAIRE INC.	755 BOUL. ST-JEAN SUITE 501 POINTE-CLAIRE QC H9R 5M9	15,167.52
S & J SCHRETER PROPERTIES	4358 BOUL. ST-LAURENT MONTREAL QC H2W 1Z5	9,030.00
<b>Créanciers privilégiés / Preferred Creditors</b>		<b>24,197.52</b>
<b>Créanciers chirographaires / Ordinary Creditors</b>		
113311 CANADA INC.	4358, BOULEVARD ST-LAURENT MONTREAL QC H2W 1Z5	503,520.00
3019969 CANADA INC., (LOIS JEANS)	400 RUE MORSE PARC JEAN-TALON NORD, STE. FOY QC G1N 4L4	1,880.18
3944557 CANADA INC.	76 BRUNSWICK BLVD. D.D.O. QC H9B 2C5	601.66
ALPHI APPAREL GROUP INC.	4334 GARAND STREET VILLE ST. LAURENT QC H4R 2A3	1,868.79
BALLIN INC.	2825 BRABANT MARINEAU ST. LAURENT QC H4S 1R8	4,719.81
BUFFALO (DIV OF BUFFALO INC.)	400 SAUVE WEST - RM. 100 MONTREAL QC H3L 1Z8	14,410.36
CAPITAL GARMENT	1200, BOUL. JULES-POITRAS SUITE 200 SAINT-LAURENT QC H4N 1X7	1,236.26
CHAUSSURES VIRUS FOOTWEAR	3524, RUE GRIFFITH VILLE ST-LAURENT QC H4T 1A7	1,195.33
COLUMBIA SPORTSWEAR CANADA	456 ALBERT STREET STRATHROY ON N7G 3J2	18,101.84
CONVERSE ALL STAR CANADA INC.	B9636 P.O. BOX 9100 POSTAL STATION F TORONTO ON M4Y 3A5	3,183.31
CORUS METROMEDIA	800 DE LA GAUCHETIERE OUEST SUITE 1100 MONTREAL QC H5A1M1	1,367.40
DO-GREE FASHIONS LTD.	3205 BEDFORD ROAD MONTREAL QC H3S 1G3	5,095.64
ECCO SHOES CANADA INC.	10 WHITEHALL DRIVE MARKHAM ON L3R 5Z7	2,943.86
EROS CLOTHING	41 VIA CRISTINA WAY WOODBRIDGE ON L4H 1R9	4,058.21
ESPRIT CANADA	135 LIBERTY STREET SUITE 300 TORONTO ON M6K 1A7	2,170.24
FAMOUS NECKWEAR MFG. INC.	9494 BOUL. ST. LAURENT #901 MONTREAL QC H2N 1P4	2,609.90
FOAM CREATIONS	1500 DES TANNEURS QUEBEC QC G1N 4S8	1,841.52
FRUIT OF THE LOOM CANADA, INC.	B 9274 P.O. BOX 9100 POSTAL STATION F TORONTO ON M4Y 3A5	2,886.78
HOLIDAY GROUP INC	4875, DES GRANDES PRAIRIES ST. LEONARD QC H1R 1X4	560.63
I. MILLER SHIRTS INC.	150 MONTEE DE LIESSE ST. LAURENT QC H4T 1N6	3,135.24
J. A. BESNER & SONS LTD.	9200 PARK AVE, - SUITE 201 MONTREAL QC H2N 1Z4	10,266.05
JACK SPRATT	9880 AVE. DE L'ESPLANADE MONTREAL QC H3L 2X5	1,068.28
JASPERCOM GRAPHIC DESIGN	1 RUE LESAGE D.D.O. QC H9A 1Z5	5,715.73
JOCKEY INTERNATIONAL INC.	P. O. BOX 2454 - STATION A TORONTO ON M5W 2K6	2,656.11
JOEY SCHRETER	181 ETON CR. HAMPSTEAD QC H3X 3K4	280,358.83
JULIE ACCESSORIES INC.	9500 MEILLEUR, SUITE 505 MONTREAL QC H2N 2B7	1,435.77
KOMBI SPORTS INC.	5711 FERRIER MONTREAL QC H4P 1N3	19,973.30
LA PRESSE	CASE POSTALE 6041 SUCC CENTRE-VILLE MONTREAL QC H3C 3E3	3,366.88
MAC MOR OF CANADA LTD.	21 BENTON ROAD TORONTO ON M6M 3G2	2,114.02
McGREGOR SOCKS	63 POLSON STREET TORONTO ON M5A 1A4	8,477.24
MIL-IDEA ACCESSOIRES MODE LTEE	9250 AVE. DU PARC - SUITE 518 MONTREAL QC H2N 2A1	1,820.92
MONTREAL FAMILIES	5764 MONKLAND AVE. #118 MONTREAL QC H4A 1E9	1,965.63
MULTIPRINT TEX MFG LTD	5555 CYPHOT VILLE SAINT LAURENT QC H4S 1R3	2,436.65
NORTH SAFETY PRODUCTS LTD	10550 PARKWAY BLVD. VILLE D'ANJOU QC H1J 2K4	2,193.32
PAJAR	4509 COLONIAL MONTREAL QC H2T 1V8	10,071.62

RSM Richter Inc.,Syndic/Trustee  
 Liste des créanciers/Creditors List

Dans l'affaire de l'avis d'intention de faire une proposition de / In the Matter of the notice of intention to make a proposal of  
 J. SCHRETER INC.

Nom / Name	Adresse / Address	Montant / Amount
<b>Créanciers chirographaires / Ordinary Creditors</b>		
PARIS GLOVE OF CANADA LTD.	255 MONTEE DE LIESSE ST. LAURENT QC H4T 1P5	1,134.52
QUARTZ NATURE	2127 DE LA PROVINCE LOUGUEUIL QC J4G 1Y6	7,193.38
R. NICHOLLS DISTRIBUTORS INC.	2475 DE LA PROVINCE LONGUEUIL QC J4G 1G3	641.92
REEBOK CANADA	3400 RAYMOND-LASNIER ST-LAURENT QC H4R 3L3	1,075.57
REGENCE INC.	655 DE L'ARGON CHARLESBOURG QC G2N 2G7	2,104.71
S. COHEN INC.	153 GRAVELINE VILLE ST. LAURENT QC H4T 1R4	13,066.63
SOS TECHNOLOGIES ACTION URGENCE	136 MERIZZI ST. LAURENT QC H4T 1S4	369.20
STAGE 4	2600 MAJOR MACKENZIE DRIVE CITY OF VAUGHAN ON L6A 1R8	1,596.26
STANFIELD'S LTD.	P. O. BOX 190, TRURO NS B2N 5C2	1,137.13
STEVE SCHRETER	122 RYAN DOLLARD-DES-ORMEAUX QC H9A 3C4	280,358.84
STRIDE RITE CANADA LIMITED	1700 BISHOP STREET CAMBRIDGE ON N1T 1T2	1,916.09
THE GAZETTE	P.O. BOX 11063-Succ Centreville MONTREAL QC H3C 5A1	3,701.96
THE GREAT CANADIAN SOX CO.	P. O. BOX 40 - SUCC B MONTREAL QC H3B 3J5	1,207.30
THE NORTH FACE (CANADA) INC.	P. O. BOX 6100 STN F TORONTO ON. M4Y 2Z2	127,794.43
TRANSCO PLASTIC INDUSTRIES	9405 ESPLANADE MONTREAL QC H2N 1V8	2,706.31
UTEX CORP.	845 PLYMOUTH ROAD VILLE MONT-ROYAL QC H4P 1B2	15,837.05
VETEMENTS PEERLESS	8888 BOUL. PIE IX MONTREAL QC H1Z 4J5	13,087.20
WIGWAM MILLS INC.,	POSTAL STATION ""A"" P. O. BOX 19097 TORONTO ON M5W 2W8	6,172.99
WORLD FAMOUS SALES OF CDN INC.	333 CONFEDERATION PARKWAY CONCORD ON L4K 4S1	7,143.54
<b>Créanciers chirographaires / Ordinary Creditors</b>		<b>1,419,552.34</b>
<b>Grand Total</b>		<b>1,911,631.18</b>



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

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

**PARAGRAPH 1 OF THE PROOF OF CLAIM**

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

**PARAGRAPH 3 OF THE PROOF OF CLAIM**

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

**PARAGRAPH 4 OF THE PROOF OF CLAIM**

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

**PARAGRAPH 5 OF THE PROOF OF CLAIM**

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

**PARAGRAPH 6 OF THE PROOF OF CLAIM**

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

## PROOF OF CLAIM

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

(All notices or correspondence regarding this claim must be forwarded to the following address: \_\_\_\_\_)

Telephone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

In the matter of the proposal of **J. SCHRETER INC.** of Montreal, Québec, and the claim of:

\_\_\_\_\_, creditor.

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

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

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

3. That the debtor was, at the date of the notice of intention to make a proposal, namely the **13<sup>th</sup> day of February 2008**, and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. **(The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim. In addition, indicate the creditor's address, fax number, telephone number and E-mail address).**

4. (Check and complete appropriate category)

( ) **A. UNSECURED CLAIM OF \$ \_\_\_\_\_**  
That in respect of this debt, I do not hold any assets of the debtor as security and

(Check appropriate description.)

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

( ) Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under section 136 of the Act ("Preferred Creditor"). (Set out on an attached sheet details to support priority claim.)

( ) **B. CLAIM OF LANDLORD FOR DISCLAIMER OF A LEASE \$ \_\_\_\_\_**  
That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:  
(Give full particulars of the claim, including the calculations upon which the claim is based.)

( ) **C. SECURED CLAIM OF \$ \_\_\_\_\_**  
That in respect of this debt, I hold assets of the debtor valued at \$ \_\_\_\_\_, as security, particulars of which are as follows:  
(Give full particulars of the security, including the date on which the security was given, and the value at which you assess the security, and attach a copy of the security documents.)

( ) **D. CLAIM BY FARMER, FISHERMAN, OR AQUACULTURIST OF \$ \_\_\_\_\_**  
That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_  
(Attach a copy of sales agreement and delivery receipts.)

( ) **E. CLAIM AGAINST DIRECTOR \$ \_\_\_\_\_**  
(To be completed when a proposal provides for the compromise of claims against directors.)  
That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:  
(Give full particulars of the claim, including the calculations upon which the claim is based.)

**PROOF OF CLAIM**

*(continued)*

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act.
6. That the following are the payments that I have received from, and the credits that I have allowed to, the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act, which is February 13, 2008: *(Provide details of payments and credits.)*

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

\_\_\_\_\_  
*Witness*

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

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

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

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

**PROXY**

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

IN THE MATTER OF THE PROPOSAL OF **J. SCHRETER INC.:**

I, \_\_\_\_\_, of \_\_\_\_\_  
*(name of creditor)* *(name of town or city)*

a creditor in the above matter, hereby appoint \_\_\_\_\_ of \_\_\_\_\_

to be my proxyholder in the above matter, except as to the receipt of dividends, with (or without) power to appoint another proxyholder in his or her place.

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

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

\_\_\_\_\_  
*Signature of witness*

Per :

\_\_\_\_\_  
*Signature*