

RICHTER

CANADA
Province of Ontario
District of Ontario
Division No. 12-Ottawa
Court No. 33-1884683
Estate No. 33-1884683

ONTARIO SUPERIOR COURT
OF JUSTICE
In Bankruptcy and Insolvency

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

**In the Matter of the Proposal of
K. F. S. Limited, 2726556 Canada Inc. and Nathar Limited ("Consolidated Files")
Of the City of Cornwall
In the Province of Ontario**

Take notice that K. F. S. Limited, 2726556 Canada Inc. and Nathar Limited ("Consolidated Files") of the City of Cornwall in the Province of Ontario 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 Ramada Cornwall, 805 Brookdale Avenue, Cornwall ON K6J 4P3, on November 21, 2014 at 10:30 A.M.

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

Take notice that, if the proposal is accepted by the creditors at a meeting held on November 21, 2014 at 10:30 A.M., an application will be made to the Ontario Superior Court of Justice – Ottawa, 161 Elgin Street, Ottawa ON K2P 1K2, on December 8, 2014 at 10:15 A.M. to approve the proposal of K. F. S. Limited, 2726556 Canada Inc. and Nathar Limited ("Consolidated Files").

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 Québec, November 3, 2014.

Richter Advisory Group Inc.
Trustee acting *in re* the proposal of
K. F. S. Limited, 2726556 Canada Inc. and Nathar Limited ("Consolidated Files")

Stéphane De Broux, CPA, CA, CIRP pour:

Stéphane De Broux, CPA, CA, CIRP

T. 514.934.3400
F. 514.934.8603
claims@richter.ca

Richter Advisory Group Inc.
1981 McGill College
Montréal, QC H3A 0G6
www.richter.ca

Montréal, Toronto

(français – recto)



CANADA
PROVINCE OF ONTARIO
DISTRICT OF ONTARIO
COURT NOS.: 33-1884683
33-1884684
33-1884686
ESTATE NOS.: 33-1884683
33-1884684
33-1884686

SUPERIOR COURT OF JUSTICE
Commercial Division
"In Matters of Bankruptcy and Insolvency"

IN THE MATTER OF THE PROPOSAL OF K. F. S. LIMITED, 2726556 CANADA INC. and NATHAR LIMITED insolvent corporations duly incorporated according to law, having their head offices and principal places of business at 27 First Street, in the City of Cornwall, Province of Ontario, K6H 5V4.

PROPOSAL

We, K. F. S. LIMITED, 2726556 CANADA INC. and NATHAR LIMITED (collectively, the "Debtor") hereby submit the following proposal under the *Bankruptcy and Insolvency Act*:

1. **Definitions:** For all purposes relating to the present proposal, the following terms shall have the following meanings:
 - 1.1 **"Act":** The *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
 - 1.2 **"Cash Consideration":** means a total amount of \$425,000.00 to be paid to the Trustee by the Debtor at the latest on February 24, 2015;
 - 1.3 **"Creditors' Committee":** A committee of up to five individuals to be named by the creditors at the general meeting of creditors called to consider the Proposal;
 - 1.4 **"Crown Claims":** For all purposes herein, Crown Claims shall be limited to the claims of Her Majesty in right of Canada or a province described in subsection 60(1.1) of the Act that were outstanding on the Date of the Proposal;
 - 1.5 **"Date of the Proposal":** For all purposes herein, the Date of the Proposal shall be deemed to be the date of the Notice of Intention, namely June 24, 2014;
 - 1.6 **"Employee Claims":** All amounts that employees or former employees would be qualified to receive under paragraph 136(1)(d) of the Act if the Debtor became bankrupt on the Date of the Proposal;
 - 1.7 **"Landlords":** All persons of whom the Debtor was a commercial tenant under a lease of real property, as acknowledged by the Debtor;
 - 1.8 **"Landlord Claims":** The Ordinary Unsecured Claims of the Landlords for the actual losses resulting from the disclaimers of leases in accordance with section 65.2(4)b) of the Act, which claims shall be treated as Ordinary Unsecured Claims in accordance with section 65.2(5) of the Act;

- 1.9 **"Ordinary Unsecured Claims"**: The claims other than Secured Claims, Employee Claims, Crown Claims and Preferred Claims. For greater certainty, but without limiting the generality of the foregoing, the Ordinary Unsecured Claims shall include claims of any kind whatsoever, whether due or not for payment as at the Date of the Proposal, including contingent and unliquidated claims (once quantified) arising out of any transaction entered into by the Debtor prior to the Date of the Proposal as well as any Restructuring Claim. Furthermore, the Ordinary Unsecured Claims shall include claims for a breach of an obligation contracted before the Date of the Proposal, regardless of the date of the breach, to the extent that such breach occurred prior to the Date of the Proposal;
- 1.10 **"Ordinary Unsecured Creditors"**: All persons having an Ordinary Unsecured Claim;
- 1.11 **"Preferred Claims"**: The claims described in paragraphs 136(1)(a) to 136(1)(j) of the Act, being such claims directed by the Act to be paid in priority to all other claims in the distribution of the property of a bankrupt, excluding Employee Claims;
- 1.12 **"Preferred Creditor"**: A person having a Preferred Claim;
- 1.13 **"Professional Fees"**: The proper fees, expenses, liabilities and obligations of the Trustee and all legal fees, accounting fees and consulting fees pertaining to the Debtor incurred since the filing of the Notice of Intention;
- 1.14 **"Proposal"**: This proposal or any amendment thereto, which amendments may be made at any time prior to a vote by the creditors on the Proposal, or by the Court at the time of approval of the Proposal;
- 1.15 **"Proven Claim"**: Any claim for which a proof of claim is filed with the Trustee in accordance with section 124 of the Act and that is proven in accordance with section 135 of the Act;
- 1.16 **"Restructuring Claim"**: Any right of any person against the Debtor in connection with any indebtedness, liability or obligation of any kind owed to such person arising out of the restructuring, the disclaimer or the termination of any contract, lease, employment agreement, collective agreement or any other agreement, whether written or oral, after the Date of the Proposal, including any right of any person who receives a notice of repudiation or termination from the Debtor. Without limiting the generality of the foregoing, a Restructuring Claim shall include the claim of a landlord whose lease has been disclaimed or terminated, the claim of an employee whose employment has been terminated after the Date of the Proposal and the claim of any tax authority related directly or indirectly to the acceptance or the approval of the Proposal."
- 1.17 **"Secured Claims"**: The claims of the Secured Creditors;
- 1.18 **"Secured Creditors"**: As defined in section 2 of the Act;
- 1.19 **"Trustee"**: Richter Advisory Group Inc., a licensed trustee, having a place of business at 1981, McGill College Avenue, 11th floor, in the City of Montréal, Province of Québec, H3A 0G6;
- 1.20 **"Unaffected Creditors"**: Lang Investment Corporation, Jaymore Stores Limited, Magshar Holdings Inc. and 3528626 Canada Inc



2. **Employee Claims:** Employee Claims, if any, will be paid in full, immediately after the approval by the Court of the Proposal.
3. **Crown Claims:** Crown Claims shall be paid in full, within six months of approval of the Proposal by the Court, or as may otherwise be arranged with the Crown.
4. **Professional Fees:** Professional Fees shall be paid in full by the Debtor in the normal course of business.
5. **Secured Claims:** Secured Creditors shall be paid in accordance with existing contracts, or as may otherwise be arranged with the Secured Creditors. For greater certainty, the Proposal is not addressed to the Secured Creditors and they shall not be bound by the Proposal in respect of their Secured Claim.
6. **Subsequent Claims:** The claims arising in respect of goods supplied, services rendered or other consideration given to the Debtor subsequent to the Date of the Proposal, if any, shall be paid in full by the Debtor in the normal course of business, and on regular trade terms.
7. **Preferred Claims:** Preferred Claims shall be paid, without interest or penalty, in full, in priority to all claims of Ordinary Unsecured Creditors upon approval of the Proposal by the Court or as may be otherwise arranged with the Preferred Creditors or in accordance with clause 2 hereof if such Preferred Claim is also an Employee Claim.
8. **Ordinary Unsecured Creditors:** The Cash Consideration received by the Trustee shall be distributed as follows:
 - 8.1 In payment of the amounts provided in paragraphs 2, 3 and 7 above, if any;
 - 8.2 The excess in payment of:
 - i. Each of the Ordinary Unsecured Creditors having a Proven Claim of less than \$500 will be paid the full amount of its Ordinary Unsecured Claim without interest or penalty, within 30 days after the payment by the Debtor of the Cash Consideration;
 - ii. Each of the Ordinary Unsecured Creditors having a Proven Claim of at least \$500 shall receive a minimum payment of \$500. For the balance of its Proven Claim, after the distribution mentioned in paragraph 8.1, 8.2i) herein and within 30 days after the payment by the Debtor of the Cash Consideration, each of the Ordinary Unsecured Creditors shall also receive, in full and final payment of its Ordinary Unsecured Claim, without interest or penalty, its *pro rata* share of any amount remaining from the Cash Consideration.
9. **Unaffected Creditors:** the Proposal is not addressed to the Unaffected Creditors and they shall not be bound by its terms and conditions.
10. **Release:** Upon the payment described in section 8 herein and the payment of the Professional Fees, the Debtor shall be released of any and all claims from the Ordinary Unsecured Creditors.




11. **Claims against directors:** In accordance with section 50(13) of the Act, the acceptance of the Proposal by the creditors shall definitively, without further payment release the directors in office as at the Date of the Proposal from any and all liability or obligation for which they may be liable by law in their capacity as directors, respecting any claim that arose before the Date of the Proposal as provided for by section 50(13) of the Act or otherwise. It is understood however, that nothing herein shall be interpreted as an acknowledgement of any liability or obligation whatsoever on the part of the directors in office as at the Date of the Proposal, any such liability or obligation being specifically denied.
12. **Creditors' Committee:** The powers of the Creditors' Committee contemplated herein, shall be limited to the following:
 - 11.1 To advise the Trustee in connection with the actions under the Proposal, as the Trustee may from time to time request;
 - 11.2 To advise the Trustee concerning any dispute which may arise as to the validity of claims under the Proposal; and
 - 11.3 To authorize the deferment of any payment under the terms of paragraphs 7 and 8 herein, either in whole or in part, and entirely at its discretion, providing that any such deferment is deemed by the Creditors' Committee to be in the interest of the Ordinary Unsecured Creditors and the Debtor.
13. **Reviewable Transactions, Preferential Payments, etc.:** The provisions of section 95 to 101 of the Act and any provision of provincial legislation having a similar objective shall not apply to the Proposal.
14. **Headings:** The headings or titles herein are provided solely for the convenience of the reader. They do not form part of the Proposal and have no authoritative meaning in interpreting the Proposal.

DATED AT MONTRÉAL, this 31st day of October 2014

K. F. S. LIMITED


Per : Glenn Langburt

2726556 CANADA INC.


Per : Glenn Langburt





Mtl# 2163425

NATHAR LIMITED


Per : Glenn Langburt



Julien Bélisle
WITNESS

District of: Ontario
 Division No. 12 - Ottawa
 Court No. 33-1884683
 Estate No. 33-1884683

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
 K. F. S. Limited, 2726556 Canada Inc. and Nathar Limited ("Consolidated Files")
 Of the City of Cornwall
 In the Province of Ontario


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 31st day of October 2014. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)		ASSETS (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	7,141,333.42	1. Inventory	3,306,000.00
Balance of secured claims as per list "B"	0.00	2. Trade fixtures, etc.	15,000.00
Total unsecured creditors	7,141,333.42	3. Accounts receivable and other receivables, as per list "E"	
2. Secured creditors as per list "B"	1,730,000.00	Good	100,000.00
3. Preferred creditors as per list "C"	0.00	Doubtful	37,000.00
4. Contingent, trust claims or other liabilities as per list "D"		Bad	0.00
estimated to be reclaimable for	0.00	Estimated to produce	70,000.00
Total liabilities	8,871,333.42	4. Bills of exchange, promissory note, etc., as per list "F" ...	0.00
Surplus	NIL	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 immovable as per list "G"	0.00
		10. Furniture	5,000.00
		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	140.00
		Amount paid on capital	140.00
		Balance subscribed and unpaid	0.00
		Estimated to produce	0.00
		Total assets	3,396,000.00
		Deficiency	5,475,333.42

I, Glenn Langhuit, of the City of Montréal in the Province of Quebec, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 31st day of October 2014 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
 before me at the City of Montréal in the Province of Quebec, on this 31st day of October 2014.



 Vicky Coupal, Commissioner of Oaths
 For the Province of Quebec
 Expires September 14, 2016



 Glenn Langhuit



District of: Ontario
 Division No. 12 - Ottawa
 Court No. 33-1884683
 Estate No. 33-1884683

FORM 78 - Continued

List "A"
 Unsecured Creditors

K. F. S. Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	2023011 ONTARIO LTD-SUNNYSIDE MALL	ATT: MANAGER, LEASE ADMIN. A100 - 500 REXDALE BLVD TORONTO ON M9W 6K5	0.00	0.00	0.00
2	2023011 ONTARIO LTD-SUNNYSIDE MALL	ADMINISTRATION OFFICE 1595 BEDFORD HIGHWAY Bedford ON B4A 3Y4	0.00	0.00	0.00
3	4264134 CANADA INC.	225 A DE LIEGE OUEST MONTREAL QC H2P 1H4	22,084.01	0.00	22,084.01
4	6834505 CANADA INC/JP DOUMAK TEXT.	855 MCCAFFREY VILLE SAINT LAURENT QC H4T 1N3	0.00	0.00	0.00
5	753704 ONTARIO LTD.	GLEN DAY 532 SIXTH ST COLLINGWOOD ON L9Y 3Y9	101.90	0.00	101.90
6	7761198 CANADA INC	3900 PLACE DE JAVA, SUITE 109 BROSSARD QC J4Y 0C4	0.00	0.00	0.00
7	A S SEWING MACHINE	OR TOUCH OF STYLE EMBR. 155 KNOXDALE RD. OTTAWA ON K2G 1B1	139.44	0.00	139.44
8	ACES WASTE MANAG.	MUSKOKA LTD. 1244 ROSEWARNE DRIVE BRACEBRIDGE ON P1L 0A1	459.45	0.00	459.45
9	ADIDAS CANADA LTD.	8100 HIGHWAY 27 WOODBIDGE ON L4H 3N2	3,546.17	0.00	3,546.17
10	ADORABLE JUNIOR GARMENT	5290 THIMENS BLVD. VILLE ST-LAURENT QC H4R 2B2	13,374.76	0.00	13,374.76
11	ADT SECURITY SERV.CDA	615-18TH STREET S.E. CALGARY AB T2E 6J5	113.00	0.00	113.00
12	AINSWORTH COMPANIES	264 HERRING COVE ROAD HALIFAX NS B3P 1M1	176.81	0.00	176.81
13	ALFRED ANGELO INC.	4-205 CHAMPAGNE DR. TORONTO ON M3J 2C6	26,577.99	0.00	26,577.99
14	ALIANTE TELEPHONE	STN CENTRAL RPO P.O. BOX 2226 HALIFAX NS B3J 3C7	3,641.00	0.00	3,641.00
15	ALMA MATER SOCIETY OF QUEEN'S	JDUC QUEEN'S UNIVERSITY KINGSTON ON K7L 3N6	549.18	0.00	549.18
16	ALPHI APPAREL GR.INC.	4334 RUE GARAND VILLE ST-LAURENT QC H4R 2A3	7,267.94	0.00	7,267.94
17	ALQUON VENTURES INCORPORATED	C/O PORTAGE STORE PO BOX 1009 ALGONQUIN PARK ON P1H 2H4	0.00	0.00	0.00
18	AMEX BANK OF CANADA	CORPORATE SERVICE CENTRE PO BOX 2000 WEST HILL ON M1E 5H4	85,603.33	0.00	85,603.33
19	AMOENA CANADA INC	404 - 2121 ARGENTIA RD MISSISSAUGA ON L5N 2X4	508.84	0.00	508.84
20	ANGO MODE IMPORT	10301 COLBERT ST MONTREAL QC H1J 2G5	15,551.79	0.00	15,551.79
21	ANUSCHKA	2227 U.S. HIGHWAY ONE # 162 NORTH BRUNSWICK NJ 08902 USA	7,425.11	0.00	7,425.11

31-Oct-2014

Date


 Glenn Langhert

District of: Ontario
 Division No. 12 - Ottawa
 Court No. 33-1884683
 Estate No. 33-1884683

FORM 78 - Continued

List "A"
 Unsecured Creditors

K. F. S. Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
22	ASH CITY	35 ORLANDO AVENUE RICHMOND HILL ON L4B 0B4	101.72	0.00	101.72
23	ASICS CANADA CORP	201 - 101 RUE DES ABENAQUIS SHERBROOKE QC J1H 1H1	248.60	0.00	248.60
24	AVALON RECYC.SERV.	P.O. BOX 39107 ST-JOHN NL A1E 5Y7	67.80	0.00	67.80
25	B & M MARKETING (CDA) INC.	880 CRANBERRY COURT OAKVILLE ON L6L 6J7	1,762.80	0.00	1,762.80
26	BALLIN	2825 BRABANT-MARINEAU MONTREAL QC H4S 1R8	9,885.12	0.00	9,885.12
27	BASLER NA WHOLESALE INC.	15TH FLOOR 499 SEVENTH AVE., NEW YORK NY 10018 USA	26,577.93	0.00	26,577.93
28	BELL ALIANT	71 BELVEDERE AVENUE P O BOX 820, STN CENTRAL CHARLOTTETOWN PE C1A 7M1	0.00	0.00	0.00
29	BELL CANADA	AILE E-3 1, CARREFOUR ALEXANDRE-GRAHAM-BELL VERDUN QC H3E 3B3	0.00	0.00	0.00
30	BELL CANADA	STN DON MILLS P.O.BOX 9000 NORTH YORK ON M3C 2X7	3,930.88	0.00	3,930.88
31	BELL CANADA (WATTS)	STN DON MILLS P.O. BOX 1550 NORTH YORK ON M3C 3N5	353.00	0.00	353.00
32	BENCH CRAFT LEATHER INC.	1572 VICTORIA ST. N. KITCHENER ON N2B 3E5	9,542.70	0.00	9,542.70
33	BENISTI IMPORT INC	1650 CHABANEL W MONTREAL QC H4N 3M8	29,302.72	0.00	29,302.72
34	BETA'S CHOICE	1539586 ONTARIO INC. 45 MURAL ST. RICHMOND HILL ON L4B 1J4	7,180.30	0.00	7,180.30
35	BILLABONG	5825 KIERAN ST. VILLE ST-LAURENT QC H4S 0A3	11,120.63	0.00	11,120.63
36	BLUE RIVER TRADING	16-240 VICEROY RD CONCORD ON L4K 3N9	1,267.86	0.00	1,267.86
37	BOS.& CO./602667 ONT. LTD.	UNIT A4 / A5 3375 NORTH SERVICE RD., BURLINGTON ON L7N 3G2	7,202.62	0.00	7,202.62
38	BREVILLE CANADA L.P.	3595 BOUL. COTE-VERTU SAINT LAURENT QC H4R 1R2	3,961.89	0.00	3,961.89
39	BROWNE & CO LTD	100 ESNA PARK AVE MARKHAM ON L3R 1E3	6,848.93	0.00	6,848.93
40	BUFFALO INT'L INC.	100 - 400, RUE SAUVE O. MONTREAL QC H3L 1Z8	17,911.05	0.00	17,911.05
41	BUGATTI THE EUROPEAN BRAND (BRINK.)	81 ST. REGIS CRESCENT S. TORONTO ON M3J 1Y6	8,316.80	0.00	8,316.80
42	BURLINGTON HYDRO INC.	1340 BRANT STREET BURLINGTON ON L7R 3Z7	1,933.44	0.00	1,933.44

31-Oct-2014

Date


 Glenn Langburn

District of: Ontario
 Division No. 12 - Ottawa
 Court No. 33-1884683
 Estate No. 33-1884683

FORM 78 - Continued

List "A"
 Unsecured Creditors

K. F. S. Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
43	BURLINGTON POST	PO BOX 300 44 FRID ST. HAMILTON ON L8N 3G3	1,130.00	0.00	1,130.00
44	BYLYSE	DIV. OF HAMMAX NORTH AMER.INC. 393, BOUL ROLAND DURAND ROSEMERE QC J7A 4K1	15,348.14	0.00	15,348.14
45	C & J CLARKE CANADA LTD.	P O BOX 3709 COMM. CRT POSTAL STATION TORONTO ON M5L 1K1	2,139.53	0.00	2,139.53
46	CABRELLI INC.	9200 RUE MEILLEUR ST MONTREAL QC H2N 2A9	650.62	0.00	650.62
47	CAIN SAFETY FIRE PROTECTION	P.O. BOX 385 TIMMINS ON P4N 7E3	140.12	0.00	140.12
48	CANADA CLEAN GLASS	1199 TOPSAIL RD MOUNT PEARL NL A1N 5G2	220.35	0.00	220.35
49	CANADA GOOSE	250 BOWIE AVENUE TORONTO ON M6E 4X6	21,645.45	0.00	21,645.45
50	CANADAY'S APPAREL LTD.	P.O. BOX 580 MOOSE JAW SK S6H 4P3	311.48	0.00	311.48
51	CANADIAN LINEN & UNIF. SERV.	BOX 51050 RPO TYNDALL WINNIPEG MB R2X 3C6	37.45	0.00	37.45
52	CANADIAN SPRINGS	PO BOX 4514 STN A TORONTO ON M5W 4L7	336.62	0.00	336.62
53	CANFLOYD DIV. OF CANDYM	95 CLEGG ROAD MARKHAM ON L6G 1B9	17,975.13	0.00	17,975.13
54	CAPE BRETON KIWANIS FESTIVAL	OF MUSIC SPEECH & DRAMA P O BOX 471 SYDNEY NS B1P 6H4	60.00	0.00	60.00
55	CAPE BRETON REG. MUN.	320 ESPLANDE SYDNEY NS B1P 7B9	133.49	0.00	133.49
56	CAPITAL HOME HARDWARE	736 BANK STREET OTTAWA ON K1S 3V4	276.66	0.00	276.66
57	CARMICHAEL ENGINEERING LTD	10 MORRIS DRIVE DARTMOUTH NS B3B 1K8	316.40	0.00	316.40
58	CARTISE SPORT INC.	6161 CYPHOT VILLE ST-LAURENT QC H4S 1R3	714.52	0.00	714.52
59	CENTURY MECHANICAL SERV.	120-15 CAPELLA COURT NEPEAN ON K2E 7X1	6,650.46	0.00	6,650.46
60	CFBK-FM	VISTA RADIO LTD. 50-2 BALLS DR. BRACEBRIDGE ON P1L 1T1	711.90	0.00	711.90
61	CHAMBERS & SONS AGENTS LTD.	86 SCOLLARD ST. TORONTO ON M5R 1G2	30,670.80	0.00	30,670.80
62	CHANTALE BEAUDET COLL.INC.	404 - 80 BERLIOZ VERDUN QC H3E 1N9	201.71	0.00	201.71
63	CHER FM MAX CLASSICE HITS	318 CHARLOTTE ST. SYDNEY NS B1P 1C8	46.00	0.00	46.00
64	CHOICE DISTRIBUTION	425 - D FOURTH ST. W. CORNWALL ON K6J 2S7	256.96	0.00	256.96

31-Oct-2014

Date


 Glenn Langhert

District of: Ontario
 Division No. 12 - Ottawa
 Court No. 33-1884683
 Estate No. 33-1884683

FORM 78 -- Continued

List "A"
 Unsecured Creditors

K. F. S. Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
65	CITADIN	9217, BOUL. LANGELIER MONTREAL QC H1P 3K9	6,011.60	0.00	6,011.60
66	CITY OF OTTAWA	P.O. BOX 3438, STATION D OTTAWA ON K1P 6M9	125.43	0.00	125.43
67	CITY OF TIMMINS	220 ALGONQUIN BLVD., E. TIMMINS ON P4N 1B3	1,529.77	0.00	1,529.77
68	CJCB AM 1270	318 CHARLOTTE ST. SYDNEY NS B1P 1C8	23.00	0.00	23.00
69	CJQQ-FM 92.1	CASH MAN. DEPT 333 BLOOR ST. E. TORONTO ON M4W 1G9	994.40	0.00	994.40
70	CKGB	CASH MAN. DEPT 333 BLOOR ST. E. TORONTO ON M4W 1G9	1,130.00	0.00	1,130.00
71	CKPE FM THE CAPE	318 CHARLOTTE ST. SYDNEY NS B1P 1C8	46.00	0.00	46.00
72	CLARK PROP. MAINTENANCE	R.R.#2 12730 SIMCOE ST PORT PERRY ON L9L 1B3	606.64	0.00	606.64
73	COAST TO COAST TRADING LTD.	2 - 91 TYCOS DRIVE TORONTO ON M6B 1W3	5,560.56	0.00	5,560.56
74	CODAV & FORSET	904 - 433, RUE CHABANEL MONTREAL QC H2N 2J8	4,186.76	0.00	4,186.76
75	CODET INC.	143, RUE POMERLEAU MAGOG QC J1X 5P7	1,732.86	0.00	1,732.86
76	COGECO CABLE INC.	COGECO PAYMENT CENTRE P.O. BOX 5314 LCD 1 BURLINGTON ON L7R 4V6	36.71	0.00	36.71
77	COLLECTIONS ANDRADE INC.	800 SHERBROOKE ST., E. MONTREAL QC H2L 1K3	12,046.83	0.00	12,046.83
78	COLLINS FORMAL WEAR	297B ADELAIDE ST.S. LONDON ON N5Z 3K7	4,009.73	0.00	4,009.73
79	COLLUS POWER CORP.	P.O. BOX 189, 43 STEWART RD. COLLINGWOOD ON L9Y 3Z5	756.95	0.00	756.95
80	COLUMBIA SPORTSWEAR	1425 MAX BROSE DR. LONDON ON N6N 0A2	13,856.20	0.00	13,856.20
81	CONAIR CONSUMER PRODUCTS INC	P.O. BOX 57520, STATION A TORONTO ON M5W 5M5	998.92	0.00	998.92
82	CONNORS BASICS OFF. PROD.	P.O. BOX 443 350 CHARLOTTE ST. SYDNEY NS B1P 6H2	135.75	0.00	135.75
83	CONRAD C. COLLECTION	200 - 9320, RUE ST. LAURENT MONTREAL QC H2N 1N7	54,220.01	0.00	54,220.01
84	CONVERSE CANADA INC.	90 DONEGANI AVE. POINTE-CLAIRE QC H9R 2V4	152.27	0.00	152.27
85	CONWAY GREETINGS	134 HARBOURVIEW DR. SAINT JOHN NB E2P 1B6	28.05	0.00	28.05
86	COPPLEY CORP.	56 YORK BLVD. HAMILTON ON L8R 0A2	1,328.88	0.00	1,328.88

31-Oct-2014

Date



Glenn Langford

District of: Ontario
 Division No. 12 - Ottawa
 Court No. 33-1884683
 Estate No. 33-1884683

FORM 78 - Continued

List "A"
 Unsecured Creditors

K. F. S. Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
87	CORLITE INC.	4953 COTE-VERTU BLVD ST-LAURENT QC H4S 1E1	174.02	0.00	174.02
88	CORNWALL ELECTRIC	1001 SYDNEY ST. CORNWALL ON K6H 3K1	4,753.08	0.00	4,753.08
89	COUGAR SHOES INC.	830 HARRINGTON CRT BURLINGTON ON L7N 3N4	316.40	0.00	316.40
90	COUNSELTRON LTD.	18 - 100 TEMPO AVE., W. TORONTO ON M2H 3S5	6,185.52	0.00	6,185.52
91	COUNTERFORCE	2A - 2740 MATHESON BLVD., E. MISSISSAUGA ON L4W 4X3	237.30	0.00	237.30
92	CRAWFORD PACKAGING INC.	3036 PAGE ST LONDON ON N5V 4P2	384.19	0.00	384.19
93	CRISTILL ROCK COFFEE AND WATER	1140 BROOKDALE AVENUE CORNWALL ON K6J 4P4	30.00	0.00	30.00
94	CROWN PACKAGING	660 AVE. MELOCHE DORVAL QC H9P 2P4	4,357.37	0.00	4,357.37
95	CUISINOX	525 FERNAND POITRAS TERREBONNE QC J6Y 1Y5	2,961.14	0.00	2,961.14
96	CULLIGAN OF KINGSTON	7-614 NORRIS COURT KINGSTON ON K7P 2R9	54.51	0.00	54.51
97	CUSHE	DIV. OF WOLVERINE WORLD. 5800 KIERAN MONTREAL QC H4S 2B5	12,930.36	0.00	12,930.36
98	D L P ENTERPRISES LTD.	47 JORDAN PLACE ST. JOHN'S NL A0A 1J0	113.00	0.00	113.00
99	D.B. CLEANING & MAINTENANCE	399 RAILWAY ST. TIMMINS ON P4N 2P5	350.30	0.00	350.30
100	DAKINE - CANADA DIVISION	C/O 410380 P O BOX 2200 VANCOUVER BC V6B 3W2	2,338.83	0.00	2,338.83
101	DANESCO INC.	18111 TRANS CANADA KIRKLAND QC H9J 3K1	13,508.24	0.00	13,508.24
102	DANICA	1915 STAINSBURY AVE. VANCOUVER BC V5N 2M6	2,219.44	0.00	2,219.44
103	DAVID SHAW TABLEWARE	85 MARTIN ROSS AVE. DOWNSVIEW ON M3J 2L5	7,183.53	0.00	7,183.53
104	DBA APPAREL GROUP	200 - 9600 MEILLEUR MONTREAL QC H2N 2E3	17,995.58	0.00	17,995.58
105	DEN PACKAGING CORP.	6077 BOULTHIMENS ST-LAURENT QC H4S 1V8	166.80	0.00	166.80
106	DEREK ALEXANDER GROUP INC.	210 60TH AVE. S.W. CALGARY AB T2H 0A9	1,977.39	0.00	1,977.39
107	DEVANLAY CANADA INC.	901 - 4200, BOUL SAINT LAURENT MONTREAL QC H2W 2R2	49,903.10	0.00	49,903.10
108	DEX BROTHERS LTD.	800 - 390 RUE DES LAURIERS SAINT LAURENT QC H4N 1V8	26,809.08	0.00	26,809.08
109	DISTRIBUTION CUIR-ATOUT ENR.	924, BOUL. L'ANGE GARDIEN N L'ASSOMPTION QC J5W 1P1	444.77	0.00	444.77

31-Oct-2014

Date


 Glenn Langbut

District of: Ontario
 Division No. 12 - Ottawa
 Court No. 33-1884683
 Estate No. 33-1884683

FORM 78 - Continued

List "A"
 Unsecured Creditors

K. F. S. Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
110	DIVERSE GROUP	730 ALEXANDER ST VANCOUVER BC V6A 1E3	4,210.83	0.00	4,210.83
111	DIXIE ACTIVEWEAR INC.	8484 ESPLANADE MONTREAL QC H2P 2R7	3,095.40	0.00	3,095.40
112	DON BRENTONS	FIRE EQUIP. SALES & SERV. 2 LAKESIDE PARK DR. LAKESIDE NS B3T 1L7	51.75	0.00	51.75
113	DORIS INC.	3701 JARRY EST MONTREAL QC H1Z 2G1	540.13	0.00	540.13
114	DOUBLE J. FASHIONS	5620 FERRIER ST MONTREAL QC H4P 1M7	421.77	0.00	421.77
115	DOVE TALE COLLECTIONS	2008 HOLLYBROOK CRES. GLOUCESTER ON K1J 7Y6	411.89	0.00	411.89
116	DR. MARTENS AIRWAIR USA LLC	10 NORTHWEST 10TH AVE. PORTLAND OR 97209 USA	918.85	0.00	918.85
117	E. S. SPORT (4113993CANADA)	707 - 555 CHABANEL WEST MONTREAL QC H2N 2H8	24,228.01	0.00	24,228.01
118	ED BATTAH & CO.	1405 - 555, RUE CHABANEL MONTREAL QC H2N 2H8	12,830.29	0.00	12,830.29
119	ELEMENT	5825 KIERAN ST-LAURENT QC H4S 0A3	3,126.16	0.00	3,126.16
120	ELIE TAHARI LTD	P.O. BOX 200767 PITTSBURGH PA 15251-0767 USA	5,522.34	0.00	5,522.34
121	EMPLOYEE TERMINATION AND SEVERANCE PAY (ESTIMATED)	VARIOUS --	400,000.00	0.00	400,000.00
122	ENBRIDGE CONSUMERS GAS	P.O. BOX 644 SCARBOROUGH ON M1K 5H1	2,660.04	0.00	2,660.04
123	ENBRIDGE GAS NEW BRUNSWICK	201 - 440 WILSEY ROAD FREDERICTON NB E2B 7G5	651.12	0.00	651.12
124	ENERGY MIZERS	3 BIRCH ST., NORTH TIMMINS ON P4N 6C8	255.14	0.00	255.14
125	EROS CLOTHING INC.	41 VIA CRISTINA WAY WOODBIDGE ON L4H 1R9	10,333.32	0.00	10,333.32
126	EUROMAX	408 - 460 ST. CATHERINE O. MONTREAL QC H3B 1A7	16,114.93	0.00	16,114.93
127	EVCANA CLOTHING INC.	413 - 9200 PARC MONTREAL QC H2N 1Z4	20,728.91	0.00	20,728.91
128	FABIAN COUTURE GROUP INT.	ACCT.# CA1000 7182, RUE URBAN ST. S. MONTREAL QC H2S 3H5	1,471.84	0.00	1,471.84
129	FAEMA	201 - 672 DUPONT ST. TORONTO ON M6G 1Z6	447.07	0.00	447.07
130	FANCY LINENS & DOMESTICS LTD.	8500 DARNLEY RD. MONTREAL QC H4T 1M5	4,905.34	0.00	4,905.34
131	FEMSTYLE INC	SUITE 03-105 3981, BOUL ST-LAURENT MONTREAL QC H2W 1Y5	29,130.18	0.00	29,130.18

31-Oct-2014

Date


 Glenn Langhert

District of: Ontario
 Division No. 12 - Ottawa
 Court No. 33-1884683
 Estate No. 33-1884683

FORM 78 – Continued

List "A"
 Unsecured Creditors

K. F. S. Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
132	FIG CLOTHING	ZAM URBAN DYNAMICS INC. 4613, RUE LOUIS B. MAYER LAVAL QC H7P 6G5	4,415.27	0.00	4,415.27
133	FINE LINE IMPORTS	206 - 160 TYCOS DR TORONTO ON M6B 1W8	47,311.70	0.00	47,311.70
134	FIONA HANDBAGS	120 - 160 TYCOS DR. TORONTO ON M6B 1W8	2,820.48	0.00	2,820.48
135	FLAWLESS DRYCLEANING INC.	9 - 14500 SIMCOE ST. PORT PERRY ON L9L 1V4	103.96	0.00	103.96
136	FOX CONSTRUCTION	PO BOX 1010 9127 MONTROSE RD NIAGARA FALLS ON L2E 7J9	219.27	0.00	219.27
137	FOX RUN CRAFTSMEN	POSTAL STATION A P.O. BOX 57652 TORONTO ON M5W 5M5	0.00	0.00	0.00
138	FOXHEAD	33 - 58 AERO DRIVE CALGARY AB T2E 8Z9	11,476.27	0.00	11,476.27
139	FRANK LYMAN DESIGNS	2500 BOUL. DES SOURCES POINT CLAIRE QC H9R 0B3	86,875.59	0.00	86,875.59
140	FREEDOM VENDING	369 ALGONQUIN BLVD., W. TIMMINS ON P4N 2S3	393,654.26	0.00	393,654.26
141	FREEMAN FORMALWEAR	111 BARMANDSEY RD TORONTO ON M4A 2T7	17,876.56	0.00	17,876.56
142	FREEMARK APPAREL BRANDS INC.	5640 PARE MONTREAL QC H4P 2M1	32,235.18	0.00	32,235.18
143	FROG POND HOLDINGS	126 GLENCOE DRIVE MT. PEARL NL A1N 4S9	5,567.50	0.00	5,567.50
144	FULLUM & HOLT	5700 FULLUM MONTREAL QC H2G 2H7	1,429.45	0.00	1,429.45
145	FUTURE OFFICE PRODUCTS	34 EIGHT STREET W. CORNWALL ON K6J 2Z2	718.75	0.00	718.75
146	GARY MACINTOSH MARKETING LTD.	302 KEEWATIN AVE. KITCHENER ON N2B 3W3	0.00	0.00	0.00
147	GE CLEANING SERVICES	P.O. BOX 361 KINGSTON ON K7L 4W2	90.40	0.00	90.40
148	GENTRY (1978) INC.	300 - 8920 PIE 1X BLVD. MONTREAL QC H1Z 4H9	22,398.45	0.00	22,398.45
149	GEOX CANADA INC.	100 - 2110 MATHESON BLVD. E MISSISSAUGA ON L4W 5E1	2,675.28	0.00	2,675.28
150	GIFTCRAFT LTD.	8550 AIRPORT RD BRAMPTON ON L6T 5A3	2,912.48	0.00	2,912.48
151	G-III APPAREL CANADA INC ULC	P.O. BOX 15379, STATION A TORONTO ON M5W 1C1	17,163.90	0.00	17,163.90
152	GLOBAL SHOE CONNECTION INC	12391 NO. 5 ROAD RICHMOND BC V7A 4E9	4,655.60	0.00	4,655.60
153	GOURMET DU VILLAGE	539 VILLAGE MORIN HEIGHTS QC J0R 1H0	21,908.61	0.00	21,908.61

31-Oct-2014

Date



Glenn Langbert

District of: Ontario
 Division No. 12 - Ottawa
 Court No. 33-1884683
 Estate No. 33-1884683

FORM 78 - Continued

List "A"
 Unsecured Creditors

K. F. S. Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
154	GROUP YNA 7908741 CDA INC.	200 - 9600 MEILLEUR MONTREAL QC H2N 2E3	22,478.83	0.00	22,478.83
155	GROUPE CORWICK	200 - 225,RUE CHABANEL O. MONTREAL QC H2N 2C9	22,647.20	0.00	22,647.20
156	GSUS CANADA LTD.	P O BOX 202 543 RICHMOND ST., W. TORONTO ON M5V 1Y6	9,623.01	0.00	9,623.01
157	GUESS ? CANADA CORP	C/O 911140 P.O. BOX 4090 STN A TORONTO ON M5W 0E9	3,491.60	0.00	3,491.60
158	GUNTHER MELE LIMITED	30 CRAIG ST BRANTFORD ON N3R 7J1	1,011.36	0.00	1,011.36
159	HAZY JEAN INC.	41 CREWE AVE. TORONTO ON M4C 2J2	581.71	0.00	581.71
160	HEDEX FASHION GR. INT'L LTD	329 - 1350 RUE MAZURETTE MONTREAL QC H4N 1G8	3,770.81	0.00	3,770.81
161	HERITAGE GAS	ACCT # 3002072-1 P.O. BOX 1020 DARTMOUTH NS B2Y 4W3	127.33	0.00	127.33
162	HIGH FASHION HANDBAGS	3 - 30 LESMILL ROAD TORONTO ON M3B 2T6	1,264.13	0.00	1,264.13
163	HOLLY RANKIN	13 GOULDING CRESC. KANATA ON K2K 2N9	51.75	0.00	51.75
164	HUGO BOSS CANADA INC.	C/O T9946 P.O. BOX 9946, STN A TORONTO ON M5W 2J2	14,937.46	0.00	14,937.46
165	HUNTER BOOT CANADA INC.	C/O TH1241 P O BOX 4290 POSTAL STN A TORONTO ON M5W 0E1	5,070.88	0.00	5,070.88
166	HURLEY INTERNATIONAL, LLC	C/O 911920 P.O. BOX 4090 TORONTO ON M4W 0E9	2,897.60	0.00	2,897.60
167	HUSH PUPPIES COMPANY	DIV. OF WOLVERINE WORLD. 5800 KIERAN MONTREAL QC H4S 2B5	9,501.56	0.00	9,501.56
168	HYDRO ONE NETWORKS INC.	BOX 4102, STATION A TORONTO ON M5W 3L3	20,380.79	0.00	20,380.79
169	ICEBREAKER MERINO CLOTHING INC.	502 - 21 WATER ST. VANCOUVER BC V6B 1A1	428.27	0.00	428.27
170	IMP. LIL PAOLO INC.	383 DEMERS LAVAL QC H7L 3C3	4,341.75	0.00	4,341.75
171	INDEKA IMPORTS	2120 BRISTOL CIRCLE OAKVILLE ON L6H 5R3	6,698.33	0.00	6,698.33
172	INTS IT'S NOT THE SAME CDA LTD	4000-1 PLACE VILLE-MARIE MONTREAL QC H3B 4M4	40,145.41	0.00	40,145.41
173	ION-RAY COMPANY LTD.	2 - 10 BRODIE DRIVE RICHMOND HILL ON L4B 3K8	642.94	0.00	642.94
174	JACK VICTOR LIMITED	1250 SAINT ALEXANDRE ST. MONTREAL QC H3B 3H6	44,363.58	0.00	44,363.58

31-Oct-2014

Date


 Glenn Langbut

District of: Ontario
 Division No. 12 - Ottawa
 Court No. 33-1884683
 Estate No. 33-1884683

FORM 78 - Continued

List "A"
 Unsecured Creditors

K. F. S. Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
175	JAK'S	2680-D, BOULWILFRED-HAMEL QUEBEC QC G1P 2J1	636.76	0.00	636.76
176	JANOR IMPORTS INC.	500 - 416, BOULDE MAISONNEUVE O. MONTREAL QC H3A 1L2	8,364.07	0.00	8,364.07
177	JAYMAT DESIGN WORX	247 BRIDGELAND AVE. TORONTO ON V6B 1A1	329.96	0.00	329.96
178	JAYMORE, LANG INVESTMENTS, MAGSHAR AND 3528626 CANADA INC.	27 FIRST STREET EAST CORNWALL ON K6H 1K5	1,539,000.00	0.00	1,539,000.00
179	JAYTEX OF CANADA LTD.	29 GURNEY CRES. TORONTO ON M6B 1S9	6,804.32	0.00	6,804.32
180	JEANIOLOGIE	8603880 CANADA INC. 4951, BOUL COTE-VERTU ST-LAURENT QC H4S 1E1	8,851.09	0.00	8,851.09
181	JIMLAR CORPORATION	350 5TH AVE., 9TH FLOOR NEW YORK NY 10118 USA	1,276.00	0.00	1,276.00
182	JOGI'S IMPORT AND DESIGN, INC.	P O BOX 10088 1735 KIPLING AVE. ETOBICOKE ON M9R 4E2	676.87	0.00	676.87
183	JONES APPAREL GR. CDA LP	388 APPLEWOOD CRESC. VAUGHAN ON L4K 4B4	13,128.98	0.00	13,128.98
184	JOSEF SEIBEL	1A - 15050 - 54A AVE SURREY BC V3S 5X7	2,670.80	0.00	2,670.80
185	JOSEPH RIBKOFF INC.	2375 DE L'AVIATION DORVAL QC H9P 2X6	6,882.27	0.00	6,882.27
186	JUSTIN VLEMING	PO BOX 213 7 DUNCAN DRIVE MOONSTONE ON L0K 1N0	1,836.25	0.00	1,836.25
187	KAREN DEARING	41 STANFIELD ST SYDNEY NS B1P 3X4	521.50	0.00	521.50
188	KINGSTON TERMINAL PROPERTIES LTD.	105 PRINCESS STREET PO BOX 1534 KINGSTON ON K7L 5C7	62.70	0.00	62.70
189	LAKELAND POWER DIST.LTD	5-45 CAIRNS CRES HUNTSVILLE ON P1H 2M2	4,521.47	0.00	4,521.47
190	LAMPE BERGER	330 - 3100, BOUL LE CARREFOUR LAVAL QC H7T 2K7	24,859.19	0.00	24,859.19
191	LANA LEE FASHIONS	301- 9400, BOUL ST. LAURENT MONTREAL QC H2N 1P3	33,453.92	0.00	33,453.92
192	LANDLORD DAMAGES (ESTIMATED)	VARIOUS --	1,600,000.00	0.00	1,600,000.00
193	LANG INVESTMENTS	27 FIRST STREET E. CORNWALL ON K6H 1K5	11,534.73	0.00	11,534.73
194	LASANIA	709 - 555 CHANBANEL W MONTREAL QC H2N 2H8	4,369.56	0.00	4,369.56
195	LES CHEMISES I. MILLER SHIRTS INC.	150 MONTEE DE LIESSE VILLE ST- LAURENT QC H4T 1N6	282.38	0.00	282.38
196	LES IMPORT. BOLIDE LTEE	309 - 555 CHABANEL O. MONTREAL QC H2N 2H8	23,862.45	0.00	23,862.45

31-Oct-2014

Date


 Glenn Langburt

District of: Ontario
 Division No. 12 - Ottawa
 Court No. 33-1884683
 Estate No. 33-1884683

FORM 78 - Continued

List "A"
 Unsecured Creditors

K. F. S. Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
197	LES IMPORT. JEREMY D LTEE	200 - 9333, BOUL ST. LAURENT MONTREAL QC H2N 1P6	32,660.61	0.00	32,660.61
198	LES IMPORTATIONS JEREMY D LTEE	200 - 9333 BOUL ST. LAURENT MONTREAL QC H2N 1P6	5,918.43	0.00	5,918.43
199	LES MODES ASM FASHIONS INC.	400 - 9250 PARK AVE MONTREAL QC H2N 1Z2	22,716.97	0.00	22,716.97
200	LEVI STRAUSS CO. CANADA LTD.	C/O T27525 PO BOX 4275 TORONTO ON M5W 5V8	538.13	0.00	538.13
201	LEVY CDA FASHION CO.	200 - 225 CHABANEL ST., W. MONTREAL QC H2N 2C9	8,477.22	0.00	8,477.22
202	LILY MOSS	1517 - 555, RUE CHABANEL O. MONTREAL QC H2N 2J2	5,485.56	0.00	5,485.56
203	LINE RONDEAU	106 HUDSON CRESC. TIMMINS ON P4N 7R2	265.00	0.00	265.00
204	LINEA DOMANI	1106 - 555 CHABANEL ST. W. MONTREAL QC H2N 2H8	36,058.41	0.00	36,058.41
205	LINWOOD FASHIONS INC.	155 BEAUBIEN W MONTREAL QC H2V 1C5	3,621.08	0.00	3,621.08
206	LONDRY ALARMS	147 JOSEPH ST KINGSTON ON K7L 2H8	90.40	0.00	90.40
207	LUXOTTICA CANADA INC.	947 VERBENA RD. MISSISSAUGA ON L5T 1T5	1,497.25	0.00	1,497.25
208	MAGILL HAT MANUFACTURING INC.	503 - 9600 BOUL. ST-LAURENT MONTREAL QC H2N 1R2	108.56	0.00	108.56
209	MAKOUJY SPORTSWEAR CDA LTD.	120 - 1980 SHERBROOKE ST. MONTREAL QC H3H 1E6	4,693.95	0.00	4,693.95
210	MARGARET M.	805 - 225 CHABANEL ST. W. MONTREAL QC H2N 2C9	3,456.67	0.00	3,456.67
211	MARITECT SOLUTIONS	225 CHARLOTTE STREET SYDNEY NS B1P 1C4	379.50	0.00	379.50
212	MARK-VILLE DISPOSAL	50 TAYLOR BLVD. PORT PERRY ON L9L 1B2	147.10	0.00	147.10
213	MARLO PACKAGING	6923 SPEEDVALE AVE., W. BRESLAU ON N0B 1M0	96.05	0.00	96.05
214	MAVI JEANS	580 INDUSTRIAL AVE VANCOUVER BC V6A 2P3	20,055.49	0.00	20,055.49
215	MCGREGOR INDUSTRIES	70 THE EAST MALL ETOBICOKE ON M8Z 5W2	4,484.60	0.00	4,484.60
216	MCINTOSH TRADING	6 - 240 ENTREPRISE VARS ON K0A 3H0	3,977.60	0.00	3,977.60
217	MCNEILL MAINTENANCE	RR # 5 117 CEDAR CREST PERTH ON K7H 3C7	113.00	0.00	113.00
218	MCNIVEN RANCH SUPPLY LTD.(MRSL)	BOX 867 BROOKS AB T1R 1B7	2,194.42	0.00	2,194.42
219	MERCANTILE TRADING CORP.	603 - 9500, RUE MEILLEUR MONTREAL QC H2N 2B7	4,588.05	0.00	4,588.05

31-Oct-2014

Date


 Glenn Langburn

District of: Ontario
 Division No. 12 - Ottawa
 Court No. 33-1884683
 Estate No. 33-1884683

FORM 78 – Continued

List "A"
 Unsecured Creditors

K. F. S. Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
220	MERRELL FOOTWEAR	DIV. OF WOLVERINE WORLD. CDA ULC 733 CHEMIN JEAN-ADAM SAINT-SAUVEUR QC J0R 1R3	8,350.42	0.00	8,350.42
221	MEXX CANADA INC.	905 HODGE ST VILLE ST-LAURENT QC H4N 2B3	65,117.38	0.00	65,117.38
222	MICHAEL KORS CANADA	3424 SIMPSON ST. MONTREAL QC H3G 2J3	14,451.78	0.00	14,451.78
223	MICHAEL PHILLIPS LTEE	TOUR NORD 501 - 433, RUE CHABANEL O. MONTREAL QC H2N 2J5	35,669.70	0.00	35,669.70
224	MICHEL GERMAIN PARFUMS LTD.	303 - 3335 YONGE ST. TORONTO ON M4N 2M1	715.29	0.00	715.29
225	MICROPLANE	GRACE MFG INC 614 SR 247 RUSSELVILLE AR 72812-0 USA	2,357.68	0.00	2,357.68
226	MITCHELL ACCESSORIES LTD.	#29 - 1550 BAYLY ST PICKERING ON L1W 3W1	1,287.07	0.00	1,287.07
227	MODEXTILL	5525, RUE PARE MONTREAL QC H4P 1P7	3,171.91	0.00	3,171.91
228	MODINNO ENTERPRISES	206 - 4288 LOZELLS AVE. BURNABY BC V5A 0C7	7,525.80	0.00	7,525.80
229	MR. SQUEEGEE WINDOW CLEANING	SUITE 304 13-3120 RUTHERFORD ROAD VAUGHN ON L4K 0B2	67.80	0.00	67.80
230	MULTI TACT	3360 SARTELON ST-LAURENT QC H4R 1E3	2,744.77	0.00	2,744.77
231	MUSKOKA SPRINGS INC.	(BROWN'S BEVERAGES) 220-1 BAY ST. GRAVENHURST ON P1P 1H1	10.20	0.00	10.20
232	MUSKOKA WATER & SEWER	C/O DIS. MUN. OF MUSKOKA 70 PINE ST BRACEBRIDGE ON P1L 1N3	96.01	0.00	96.01
233	MWG APPAREL CORP.	1147 NOTRE DAME AVE. WINNIPEG MB R3E 3G1	369.51	0.00	369.51
234	NATSUN AMERICA CO., LTD.	UNIT B 4070 E. GREYSTONE DR., ONTARIO CA 91761	11,675.47	0.00	11,675.47
235	NEOPOST DPOC	ACCOUNT# 205722 150 STEELCASE ROAD WEST MARKHAM ON L3R 3J9	159.33	0.00	159.33
236	NEW BALANCE CANADA INC.	AMY CERULLI 20 GUEST STREET BOSTON MA 02135 USA	89.74	0.00	89.74
237	NEW BALANCE CDA INC.	C/O TH0068 P O BOX 4283 TORONTO ON M5W 5W6	4,123.09	0.00	4,123.09
238	NEWFOUNDLAND POWER INC.	PO BOX 8910 ST-JOHN NL A1B 3P6	687.59	0.00	687.59
239	NICOLE MILLER	525 SEVENTH AVE. NEW YORK NY 10018	8,244.75	0.00	8,244.75

31-Oct-2014

Date



Glenn Langburn

District of: Ontario
 Division No. 12 - Ottawa
 Court No. 33-1884683
 Estate No. 33-1884683

FORM 78 - Continued

List "A"
 Unsecured Creditors

K. F. S. Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
240	NIKE SHOES CANADA LTD.	P.O. BOX 2692, POSTAL STATION A TORONTO ON M5W 2N7	1,270.40	0.00	1,270.40
241	NINGBO MONDILAND FASHIONS CO., LTD	105-107, XIWU SOUTH RD. INDUSTRY ZONE FENGHUA, NINGBO - CHINA	1,215.00	0.00	1,215.00
242	NIXON AGENCIES ALBERTA	251 CEDARPARK DR. SW CALGARY AB T2W 2J5	431.21	0.00	431.21
243	NORTH AMERICAN	27 KELFIELD ST TORONTO ON M9W 5A1	15,046.15	0.00	15,046.15
244	NORTHERN ONTARIO WIRES	ACC # 301570-00 BOX 640 COCHRANE ON P0L 1C0	2,543.75	0.00	2,543.75
245	NORTHERN TELEPHONE LIMITED	P.O. BOX 4000 NEW LISKEARD ON P0J 1P0	1,717.30	0.00	1,717.30
246	NOVA SCOTIA POWER INC.	P O BOX 848 HALIFAX NS B3J 2V7	8,977.58	0.00	8,977.58
247	NSI RETAIL	14 - 1675 SISIMET RD MISSISSAUGA ON L4W 4K8	2,426.34	0.00	2,426.34
248	OAKLEY CANADA	2660 DIAB VILLE ST-LAURENT QC H4S 1E8	21,914.36	0.00	21,914.36
249	ORKIN CANADA	5840 FALBOURNE ST MISSISSAUGA ON L5R 4B5	403.42	0.00	403.42
250	ORLY CUISINE	6665 JEANNE MANCE MONTREAL QC H2V 4L1	2,926.88	0.00	2,926.88
251	OTTAWA CITIZEN	C/O POSTMEDIA PAYM. CTRE 1450 DON MILLS ROAD TORONTO ON M3B 2X7	4,098.51	0.00	4,098.51
252	OTTAWA HYDRO	PO BOX 8700 3025 ALBION RD. NORTH OTTAWA ON K1G 3S4	10,699.73	0.00	10,699.73
253	PAN GROUP PROPERTIES	185 QUEEN STREET PORT PERRY ON L9L 1B8	0.00	0.00	0.00
254	PAPILLON INT'L INC.	5595 PAPINEAU MONTREAL QC H2H 1W3	2,827.26	0.00	2,827.26
255	PARAGON CLOTHING LTD.	220 - 9600, BOUL. ST. LAURENT MONTREAL QC H2N 1R2	1,499.28	0.00	1,499.28
256	PARKHURST	20 RESEARCH RD., TORONTO ON M4G 2G6	30,708.98	0.00	30,708.98
257	PAZAZZ	5584 COTE DE LIESSE MONTREAL QC H4P 1A9	730.55	0.00	730.55
258	PB ARISTO INC.	C - 4070 E. GREYSTONE DR. ONTARIO VA 91761 USA	213.57	0.00	213.57
259	PEERLESS CLOTHING INC	8888, BOUL. PIE IX MONTREAL QC H1Z 4J5	294.26	0.00	294.26
260	PEOPLE FOR PEACE	128 DESLAURIERS SAINT-LAURENT QC H4N 1V8	1,474.65	0.00	1,474.65
261	PIERCE'S MECHANICAL	121 - 70-C MOUNTJOY ST.N. TIMMINS ON P4N 4V7	546.92	0.00	546.92

31-Oct-2014

Date



Glenn Langburt

District of: Ontario
 Division No. 12 - Ottawa
 Court No. 33-1884683
 Estate No. 33-1884683

FORM 78 – Continued

List "A"
 Unsecured Creditors

K. F. S. Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
262	PLATINUM FASHIONS 2000 INC.	300 - 8920, BOUL PIE IX MONTREAL QC H1Z 4H9	2,141.39	0.00	2,141.39
263	POINT ZERO GIRLS CLUB	1650 CHABANEL WEST MONTREAL QC H4N 3M8	59,123.63	0.00	59,123.63
264	PONY RIDE	405 - 225 CHABANEL W MONTREAL QC H2N 2C9	17,761.50	0.00	17,761.50
265	PORT PERRY HOME HARD.	175 QUEEN ST. PORT PERRY ON L9L 1B8	265.99	0.00	265.99
266	PORT-STYLE ENTERP.INC.	2 - 1405 DENISON ST MARKHAM ON L3R 5V2	9,838.97	0.00	9,838.97
267	PRODUCT SPECIALTIES INC	6 - 10 CARLOW COURT WHITBY ON L1N 9T7	0.00	0.00	0.00
268	PUMA CANADA (A.T.A.INC.)	2315 COHEN ST. VILLE ST-LAURENT QC H4R 2N7	4,131.09	0.00	4,131.09
269	PUROLATOR FREIGHT	ATT: CATHY PILEGGE ACCOUNTS RECEIVABLE REXDALE ON M9W 4W7	746.97	0.00	746.97
270	PYA IMPORTER LTD.	15 APEX RD. NORTH YORK ON M6A 2V6	16,124.41	0.00	16,124.41
271	QUIKSILVER CDA CORP.	120 - 890 HARBOURSIDE DR. NORTH VANCOUVER BC V7P 3T7	12,989.64	0.00	12,989.64
272	RAILTOWN APPAREL GR LTD.	730 ALEXANDER ST. VANCOUVER BC V6A 1E3	28,569.31	0.00	28,569.31
273	RALPH LAUREN CDA LP	801 - 2 QUEEN ST. E. TORONTO ON M5C 3G7	118,090.34	0.00	118,090.34
274	RAYMARK XPERT BUS. SYST.	5460, COTE DE LIESSE ROYALMOUNT QC H4P 1A5	5,723.20	0.00	5,723.20
275	RAYMOND SHANKS	33 D'ARCY ST. PERTH ON K7H 2V3	144.64	0.00	144.64
276	RD INTERNATIONAL	200 - 5275 FERRIER MONTREAL QC H4P 1L7	7,595.72	0.00	7,595.72
277	REBEL JEANS CO. LTD.	801 - 1625 CHABANEL ST W. MONTREAL QC H4N 2S7	30,762.13	0.00	30,762.13
278	REEF	VF OUTDOOR (CANADA) INC T6106 TORONTO ON M4Y 2Z2	5,376.99	0.00	5,376.99
279	RELAXUS PRODUCTS LTD.	1590 POWELL ST. VANCOUVER BC V5L 1H3	6,098.22	0.00	6,098.22
280	RELIANCE HOME COMFORT	PAYMENT PROC.CENTRE BOX 99 STN COMMERCE CRT TORONTO ON M5L 1L6	57.98	0.00	57.98
281	RENTOKIL PEST CONTROL CANADA LTD.	11 - 30 ROYAL CREST CRT MARKHAM ON L3R 9W8	82.67	0.00	82.67
282	RIEKER SHOE CDA LTD.	UNIT 3-4 190 MILLWAY AVE CONCORD ON L4K 3W4	6,517.96	0.00	6,517.96
283	RIOTRIN PROPERTIES (BARRHAVEN) INC.	C/O TRINITY DEVELOPMENT CORP INC 610 - 150 ISABELLA STREET OTTAWA ON K1S 1V7	0.00	0.00	0.00

31-Oct-2014

Date


 Glenn Langburn

District of: Ontario
 Division No. 12 - Ottawa
 Court No. 33-1884683
 Estate No. 33-1884683

FORM 78 – Continued

List "A"
 Unsecured Creditors

K. F. S. Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
284	RITEWAY WINDOW CLEANERS LTD	32 SUNNYCREST DR OTTAWA ON K2E 5Y2	56.50	0.00	56.50
285	RODD & GUNN NEW ZEALAND LTD	LEVEL 1 326 NEW N. RD AUCKLAND, 1020, NEW ZEALAND -	11,311.00	0.00	11,311.00
286	S. COHEN INC.	153 GRAVELINE MONTREAL QC H4T 1R4	2,690.19	0.00	2,690.19
287	S. OLIVER CANADA	500 - 416, BOUL DE MAISONNEUVE O MONTREAL QC H3A 1L2	10,796.82	0.00	10,796.82
288	SAINT JAMES USA CORP.	16TH FLOOR 247 W 35TH ST NEW YORK NY 10001 USA	15,995.09	0.00	15,995.09
289	SAINT JOHN ENERGY	P.O. BOX 850 SAINT JOHN NB E2L 4C7	2,274.74	0.00	2,274.74
290	SANDSTYLE CDA GRP INC.	900 - 433 CHABANEL O MONTREAL QC H2N 2J8	85,843.80	0.00	85,843.80
291	SANI-SOL INC	149 IBER RD OTTAWA ON K2S 1E7	121.59	0.00	121.59
292	SAVRON CLOTHES LTD	201 - 160, RUE SAINT VIATEUR E MONTREAL QC H2T 1A8	8,264.51	0.00	8,264.51
293	SAXX UNDERWEAR CO., LTD.	68 WEST 5TH AVE VANCOUVER BC V5Y 1H6	3,730.14	0.00	3,730.14
294	SBO DISTRIBUTORS LTD.	2195 SHAFTON PLACE WEST VANCOUVER BC V7V 3B2	3,000.00	0.00	3,000.00
295	SCANIA INT'L INC.	505 - 225 RUE CHABANEL ST. W MONTREAL QC H2N 2C9	6,192.40	0.00	6,192.40
296	SCHWARTZ IMPORT & DESIGN CO., LTD.	P.O. BOX 38155 DARTMOUTH NS B3B 1X2	2,120.26	0.00	2,120.26
297	SE CE APPAREL CO. LTD.	6445 COTE-DE-LIESSE VILLE ST. LAURENT QC H4T 1E5	8,496.35	0.00	8,496.35
298	SEAWAY NEWS	100 - 1885, RUE SAINT-LOUIS GATINEAU QC J8T 6G4	453.13	0.00	453.13
299	SECOND CLOTHING	115 - 1625 CHABANEL W MONTREAL QC H4N 2S7	11,874.40	0.00	11,874.40
300	SERUM INT'L INC.	4400 AUTOROUTE CHOMEDEY LAVAL QC H7R 6E9	2,544.06	0.00	2,544.06
301	SHAW'S OF PERTH	16 GORE STREET WEST PERTH ON K7H 2L6	0.00	0.00	0.00
302	SHERSON GROUP	100 - 1446 DON MILLS RD TORONTO ON M3B 3N6	1,494.18	0.00	1,494.18
303	SHOWTIME APPAREL CA	425C - 4TH ST., WEST CORNWALL ON K6J 2S7	288.15	0.00	288.15
304	SIGA INTERNATIONAL	81 ST. REGIS CRESCENT S., TORONTO ON M3J 1Y6	120,755.53	0.00	120,755.53
305	SIGNATURE CENTRE LTD.	C/O TAGGART REALTY MANAGEMENT 708 - 225 METCALFE STREET OTTAWA ON K2P 1P9	0.00	0.00	0.00
306	SILVER FOREST OF VERMONT INC.	40 INDUSTRIAL DR. BELLOWS FALLS VT 04101 USA	971.33	0.00	971.33

31-Oct-2014

Date


 Glenn Langburn

District of: Ontario
 Division No. 12 - Ottawa
 Court No. 33-1884683
 Estate No. 33-1884683

FORM 78 -- Continued

List "A"
 Unsecured Creditors

K. F. S. Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
307	SKECHERS CANADA INC.	C/O TH1024 P.O. BOX 4283 POSTAL STN A TORONTO ON M5W 5W6	9,983.75	0.00	9,983.75
308	SKY REACH PROPERTY SERVICES	51- 10 AKERLEY BLVD. DARTMOUTH NS B3B 1J4	406.98	0.00	406.98
309	SPANNER LIMITED	334A MANITOU DR. KITCHENER ON N2C 1L3	45,051.08	0.00	45,051.08
310	SPERRY TOP SIDER	DIV. OF WOLVERINE WORLD. CDA ULC POSTAL STATION A TORONTO ON M5W 1C1	7,764.75	0.00	7,764.75
311	SPORTABLES FINE CLOTHING	2 - 75 SHIELDS COURT MARKHAM ON L3R 9T4	2,247.27	0.00	2,247.27
312	SPORTS ART COLLECTION	UNIT 1A - 2 35 EAST BEAVER CREEK RD. RICHMOND HILL ON L4B 1B3	4,000.00	0.00	4,000.00
313	STANFIELD'S LIMITED	P.O. BOX 190 TRURO NS B2N 5C2	302.17	0.00	302.17
314	STAPLES 4530 9412 8741 5000	DESJARDINS CARD SERV. CP SUCC CENTRE VILLE MONTREAL QC H3C 3V2	1,288.73	0.00	1,288.73
315	STEVE MADDEN CANADA	2328 RUE COHEN ST ST LAURENT QC H4R 2N8	1,765.51	0.00	1,765.51
316	STUDIO MODE	400 - 416, BOUL. DE MAISONNEUVE O MONTREAL QC H3A 1L2	21,849.32	0.00	21,849.32
317	SUN LIFE ASSUR. CO OF CANADA	2304-150 KING ST W TORONTO ON M5H 1J9	0.00	0.00	0.00
318	SUPREME 75 INC.	400 - 433 CHABANEL O MONTREAL QC H2N 2J4	4,121.11	0.00	4,121.11
319	SUZANNE AZOULAY INC.	1203 - 555 CHABANEL MONTREAL QC H2N 2H8	21,207.43	0.00	21,207.43
320	SUZANNE ROUSSEL	2 - 9 MONTCALM KAPUSKASING ON P5N 2N9	164.00	0.00	164.00
321	SWISSMAR IMPORTS	6 -35 E. BEAVER CREEK RD RICHMOND HILL ON L4B 1B3	2,125.54	0.00	2,125.54
322	T.LIPSON & SONS LTD	190 NORSEMAN ST TORONTO ON M8Z 2R4	11,124.53	0.00	11,124.53
323	TANGO MANGO	7761198 CANADA INC. 109 - 3900 PLACE DE JAVA BROSSARD QC J4Y 0C4	25,602.85	0.00	25,602.85
324	TAPIS WAVES CARPETS INC.	4625 DU PARC MONTREAL QC H2V 4E4	2,565.95	0.00	2,565.95
325	TEBBY AIR CONDITIONING	3 N., BLDG. B. 496 MUSKOKA RD. HUNTSVILLE ON P1H 1T4	398.71	0.00	398.71
326	TFORCE INTEGR. SOLUTION	96 DISCO RD TORONTO ON M9W 0A3	56.50	0.00	56.50
327	THE ENDORPHIN GRP INC.	200 - 2045 FRANCIS ST-HUBERT QC J4T 0A6	762.75	0.00	762.75
328	THE JOHN FORSYTH SHIRT CO.LTD	6789 AIRPORT RD MISSISSAUGA ON L4V 1N2	37.15	0.00	37.15

31-Oct-2014

Date


 Glenn Langbut

District of: Ontario
 Division No. 12 - Ottawa
 Court No. 33-1884683
 Estate No. 33-1884683

FORM 78 – Continued

List "A"
 Unsecured Creditors

K. F. S. Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
329	THE METROPOLITAN TEA CO. LTD	41A BUTTERICK RD. TORONTO ON M8W 4W4	11,491.13	0.00	11,491.13
330	THE NORTH FACE-CANADA	POSTAL STATION F T6106, PO BOX 6100 TORONTO ON M4Y 2Z2	56,376.47	0.00	56,376.47
331	THEORY	155 BEAUBIEN ST., W. MONTREAL QC H2V 1C5	1,614.00	0.00	1,614.00
332	THROAT THREADS APPAREL INC.	1134 PLAINS RD E BURLINGTON ON L7S 1W6	27,227.34	0.00	27,227.34
333	TILLEY ENDURABLES INC.	60 GERVAIS DRIVE TORONTO ON M3C 1Z3	16,969.25	0.00	16,969.25
334	TIMBERLAND CANADA CO.	C/O 911610 P O BOX 4090 STN A TORONTO ON M5W 0E9	2,824.09	0.00	2,824.09
335	TIME BOMB TRADING	8067 NORTH FRASER WAY BURNABY BC V5J 5M8	4,045.11	0.00	4,045.11
336	TIMMINSTODAY.COM	260 THIRD AVENUE TIMMINS ON P4N1E3	200.00	0.00	200.00
337	TIN SHACK LTD.	31 STEWART RD. COLLINGWOOD ON L9Y 4M7	238.44	0.00	238.44
338	TOMLINSON ENVIRONM.SERV. LTD.	970 MOODIE DR. OTTAWA ON K2R 1H3	605.80	0.00	605.80
339	TOMMY BAHAMA CANADA	388 - 428 WESTLAKE AVE.N. SEATTLE WA 98109 USA	73,598.39	0.00	73,598.39
340	TOMMY BAHAMA CANADA	29 GURNEY CRESCENT TORONTO ON M6B 1S9	17,520.45	0.00	17,520.45
341	TOMMY BAHAMA CANADA	ACCORD FINANCIAL 1803 - 77 BLOOR ST W TORONTO ON M6S 1M2	3,599.00	0.00	3,599.00
342	TOWN OF PERTH	80 GORE STREET EAST PERTH ON K7H 1H9	72.80	0.00	72.80
343	TRANS UNION OF CDA INC.	COMMERCE CRT POST. STAT. PO BOX 3227 TORONTO ON M5L 1K1	56.50	0.00	56.50
344	TREND MARKETING	1379823 ONTARIO LTD. 1500 LODESTAR ROAD TORONTO ON M3J 3C1	11,067.22	0.00	11,067.22
345	TRIBAL SPORTSWEAR INC.	300 - 7445, CH. COTE -DE-LIESSE ST LAURENT QC H4T 1G2	46,480.51	0.00	46,480.51
346	TRILUXE FASHION DIST. INC.	120 - 63 WINGOLD AVE. TORONTO ON M6B 1P8	98.31	0.00	98.31
347	TRINITY DEVELOPMENT GROUP INC.	RE RIOTRIN PROPERTIES (BARRHAVEN) INC. 610-150 ISABELLA ST. Ottawa ON K1S 1V7	0.00	0.00	0.00
348	TRIPLE 5	805 - 555, RUE CHABANEL O MONTREAL QC H2N 2H8	4,184.39	0.00	4,184.39
349	TT BLUES CANADA INC.,	140 FINCHAM AVE. MARKHAM ON L3P 4A9	10,540.22	0.00	10,540.22
350	UNDER ARMOUR CANADA ULC	1 - 215 SHIELDS COURT MARKHAM ON L3R 8V2	87,598.81	0.00	87,598.81

31-Oct-2014

Date



Glenn Langhurf

District of: Ontario
 Division No. 12 - Ottawa
 Court No. 33-1884683
 Estate No. 33-1884683

FORM 78 – Continued

List "A"
 Unsecured Creditors

K. F. S. Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
351	UNION GAS LTD	50 KEIL DR. N. CHATHAM ON N7L 3V9	889.87	0.00	889.87
352	UPPER CANADA SOAP & CANDLE	1510 CATERPILLAR RD MISSISSAUGA ON L4X 2W9	10,716.67	0.00	10,716.67
353	UTILITIES KINGSTON	P.O.BOX 790 KINGSTON ON K7L 4X7	5,538.06	0.00	5,538.06
354	V. FRAAS MFG. INC.	44 SAMOR RD TORONTO ON M6A 1J6	3,661.20	0.00	3,661.20
355	VANS	VF OUTDOOR (CDA) INC. T6106 P. O. BOX 6100 TORONTO ON M4Y 2Z2	7,135.06	0.00	7,135.06
356	VENETO	256, RUE DE MINICA VILLE SAINT LAURENT QC H4S 1E5	861.63	0.00	861.63
357	VERIDIAN	55 TAUNTON RD E. AJAX ON L1T 3V3	3,017.87	0.00	3,017.87
358	VISA	BOX 4016, STATION A TORONTO ON M5W 2E6	0.00	0.00	0.00
359	WATERLOO NORTH HYDRO INC.	P.O. BOX 640 300 NORTHFIELD DR., E. WATERLOO ON N2J 4A3	4,113.40	0.00	4,113.40
360	WESTERN GLOVE WORKS	P.O. BOX 8919, STATION A TORONTO ON M5W 2C5	14,960.66	0.00	14,960.66
361	WEYCO GROUP INC.	100 - 8205, BOUL MTL-TORONTO MONTREAL -WEST QC H4X 1N1	4,297.91	0.00	4,297.91
362	WM. PRAGER LTD	391 ADELAIDE ST.W. TORONTO ON M5V 1S6	406.80	0.00	406.80
363	WOOD WYANT INC.	27 FIELDING AVE DARTMOUTH NS B3B 1C9	296.45	0.00	296.45
364	WOOLRICH	1880 32ND AVE LACHINE QC H8T 3J7	45,179.56	0.00	45,179.56
365	WRANGLER/LEE #T6063	P.O. BOX 6100, STATION F TORONTO ON M4Y 2Z2	47.80	0.00	47.80
366	WYATT IMAGE SOL.INC	BOX 1064 133 THIRD AVE TIMMINS ON P4N 7J2	142.67	0.00	142.67
367	ZWILLIG J.A. HENCKELS	435 COCHRANE DRIVE MARKHAM ON L3R 9R5	2,442.73	0.00	2,442.73
Total:			7,141,333.42	0.00	7,141,333.42

31-Oct-2014

Date


 Glenn Langburt

District of: Ontario
 Division No. 12 - Ottawa
 Court No. 33-1884683
 Estate No. 33-1884683

FORM 78 – Continued

List "B"
 Secured Creditors

K. F. S. Limited

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	BANQUE ROYAL DU CANADA	C/O COLIN D. COCHRANE, SPEC.LOAN 20 KING ST.W.,9TH FLOOR TORONTO ON M5H 1C4	1,730,000.00	Business Assets - Stock In Trade - Inventory	22-Oct-2014	1,730,000.00	1,576,000.00	
				Debts Due - Business - Trade receivables	22-Oct-2014	0.00	70,000.00	
				Business Assets - Trade Fixtures - Trade Fixtures	22-Oct-2014	0.00	15,000.00	
				Furniture - computer	22-Oct-2014	0.00	5,000.00	
				Other - Other	22-Oct-2014	0.00		
				Other - Other	22-Oct-2014	0.00		
			Total:			1,730,000.00	1,666,000.00	0.00

31-Oct-2014

Date



Glen Langbart

RICHTER

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

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

PARAGRAPH 1 OF THE PROOF OF CLAIM

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

PARAGRAPH 3 OF THE PROOF OF CLAIM

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

PARAGRAPH 4 OF THE PROOF OF CLAIM

- An unsecured creditor (subparagraph (A)) must check and state whether or not a priority rank is claimed under Section 136 of the Bankruptcy and Insolvency Act.
- A claim of landlord (subparagraph (B)) for disclaimer of lease must be completed with full particulars and calculations.
- A secured creditor must complete subparagraph (C) and attach a copy of the security documents.
- A farmer, fisherman or aquaculturist must complete subparagraph (D).
- A wage earner must complete subparagraph (E), if applicable.
- Section F must be completed with regard to a pension plan.
- A claim against director(s) (subparagraph (G)), in a proposal which compromises a creditor's claim, must contain full particulars and calculations.
- A customer of a bankrupt securities firm must complete subparagraph (H).

PARAGRAPH 5 OF THE PROOF OF CLAIM

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

PARAGRAPH 6 OF THE PROOF OF CLAIM

- The claimant must attach a detailed list of all payments received and/or credits granted, as follows:
 - a) within the **three months** preceding the initial bankruptcy event, in the case where the claimant and the debtor are **not related**;
 - b) within the **twelve months** preceding the initial bankruptcy event, in the case where the claimant and the debtor are **related**.

PROXY

- a) A creditor may vote either in person or by proxy;
- b) A debtor may not be appointed as proxy to vote at any meeting of the creditors;
- c) The Trustee may be appointed as a proxy for any creditor;
- d) In order for a duly authorized person to have a right to vote he must himself be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy.

T. 514.934.3400
F. 514.934.8603
claims@richter.ca

Richter Advisory Group Inc.
Richter Groupe Conseil Inc.
1981 McGill College
Montréal (QC) H3A 0G6

Montréal, Toronto

(français – recto)



RICHTER

PROOF OF CLAIM

(Section 50.1, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 81.5, 81.6, 102(2), 124(2), 128(1), and Paragraphs 51(1)(e) and 66.14(b) of the Act)

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

In the Matter of the Proposal of **K. F. S. Limited, 2726556 Canada Inc. and Nathar Limited** ("Consolidated Files of the City of Cornwall, Province of Ontario, and the claim of

, creditor.

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

1. That I am a creditor of the above-named debtor (or that I am _____ (state position or title) of _____ (name of creditor or representative of the creditor).
2. That I have knowledge of all of the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of the Notice of intention to make a proposal, namely June 24, 2014, 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).

T. 514.934.3400
F. 514.934.8603
claims@richter.ca

Richter Advisory Group Inc.
Richter Groupe Conseil Inc.
1981 McGill College
Montréal (QC) H3A 0G6 Montréal, Toronto





- E. CLAIM BY WAGE EARNER OF \$ _____
 - That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____
 - That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____

- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____
 - That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____
 - That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____

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

- H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____
 That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act,
 particulars of which are as follows:
 (Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act: (provide details of payments, credits and transfers at undervalue)

Dated at _____, this _____ day of _____

 Signature of creditor

 Signature of witness

Telephone number: _____ Fax number: _____

E-mail address: _____

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

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

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

PROXY

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

In the Matter of the Proposal of **K. F. S. Limited, 2726556 Canada Inc. and Nathar Limited** ("Consolidated Files")

I, _____, of _____
 (name of creditor) (name of town or city)

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

Dated at _____, this _____ day of _____

 Signature of creditor

Per: _____
 Name and Title of Signing Officer

 Signature of witness

RICHTER

CANADA
District of Ontario
Division No. 12-Ottawa
Court No. 33-1884683
Estate No. 33-1884683

ONTARIO
SUPERIOR COURT OF JUSTICE
In Bankruptcy and Insolvency

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

**In the Matter of the Proposal of
K. F. S. Limited, 2726556 Canada Inc. and Nathar Limited (“Consolidated Files”)**

I, _____, creditor
(or I, _____, representative of _____, creditor)
of _____ (name of city), a creditor in the above matter for the
sum of \$ _____, hereby request the trustee acting with respect to the
proposal of **K. F. S. Limited, 2726556 Canada Inc. and Nathar Limited (“Consolidated Files”)** to
record my vote _____ (for or against) the acceptance of the proposal as made on
October 31, 2014.

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

Name of Individual Creditor (Please print)

Signature of Witness

Signature of Individual Creditor

- OR -

Name of Corporate Creditor (Please print)

Signature of Corporate Creditor

Signature of Witness

Name and title of signing officer (Please print)

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Mtl (Qc) H3A 0G6
www.richter.ca

Montréal, Toronto



CANADA
PROVINCE OF ONTARIO
DISTRICT OF ONTARIO
DIVISION NO.: 12-OTTAWA
COURT NOS.: 33-1884683
ESTATE NOS.: 33-1884683

ONTARIO
SUPERIOR COURT OF JUSTICE
In Bankruptcy and Insolvency

IN THE MATTER OF THE PROPOSAL OF:

K. F. S. Limited, 2726556 Canada Inc. and Nathar Limited, corporations having their head office and principal place of business at 27 First Street East, in the City of Cornwall, Province of Ontario, K6H 1K5

Debtor

- and -

Richter Advisory Group Inc.

Trustee

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

The purpose of the First Meeting of Creditors is to consider the Proposal filed jointly on October 31, 2014 (hereinafter referred to as the "Proposal") by K. F. S. Limited, 2726556 Canada Inc. and Nathar Limited (hereinafter referred to collectively as the "Debtor").

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

The Trustee cautions the reader that it has neither conducted an audit nor a verification of the books and records of the Debtor. Consequently, the Trustee 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 discussions with the Management of the Debtor.

All the terms that are not otherwise defined herein shall have the meaning ascribed thereto in the Proposal.

INTRODUCTION

On June 24, 2014, K. F. S. Limited, 2726556 Canada Inc. and Nathar Limited, each filed a Notice of Intention to File a Proposal pursuant to the Act (hereinafter referred to as the "NOI"), the whole as appears from the documents filed into the court records.

On July 2, 2014, documents were sent by regular mail to all creditors of the Debtor, as they were identified by it, which included a copy of the Debtor's NOI, the whole as appears from the documents filed into the court records.

On July 22, 2014, the Court granted a first extension of time of 45 days for the filing of a Proposal to September 8, 2014, in order to allow the Debtor to complete its dealings regarding the implementation of its restructuring plan.

On September 8, 2014, the Court granted a second extension of time of 45 days for the filing of a Proposal to October 23, 2014, in order to allow the Debtor to complete its dealings regarding the implementation of its restructuring plan.

On October 23, 2014, the Court granted a third extension of time of 15 days for the filing of a Proposal to November 7, 2014, in order to allow the Debtor to obtain the administrative consolidation of the NOI proceedings and to finalize the terms of a viable proposal that will maximize the dividends to be paid to the Debtor's Ordinary Unsecured Creditors.

On October 27, 2014, the Court ordered that the NOI proceedings of the Debtor be consolidated and that, as a result thereof, only one common Proposal be filed.

On October 31, 2014, the Debtor filed a Proposal to its creditors. We have enclosed herewith the Proposal made by the Debtor to its Creditors, a proof of claim form, a voting form, a proxy and a notice indicating the place and time of the Creditors' meeting to address the Proposal.

This report summarizes the relevant information and key elements that may assist the creditors in evaluating the Debtor's affairs and the Proposal. The report is presented with the following sections:

- I. Overview of the Debtor
- II. Causes of Insolvency
- III. Restructuring Measures
- IV. Financial Information
- V. Proposal
- VI. Estimated Distribution to the Ordinary Unsecured Creditors
- VII. Conclusion and Recommendation

I. OVERVIEW OF THE DEBTOR

The Debtor, in operation since 1955, operated a chain of 21 retail stores in Ontario, Nova Scotia, New Brunswick and Newfoundland, specializing in ladies' and men's fashions, kitchenware, home accessories and gourmet foods. The Debtor operates under various banners including Tweed & Hickory, Kastners Menswear, Flotron's Tweed & Hickory, Bucovetsky's, Dover's Menswear, Buckland's Fine Clothing, Shaw's of Perth, The Village Green, Jacobson's Ladies' Wear, Yazer's Men's Wear, Bellissima and Moe's Menswear.

At the time of the filing of the NOI, the Debtor had over 200 employees working in its stores, warehouse and head office. The Debtor's head office is located in Cornwall, Ontario.

II. CAUSES OF INSOLVENCY

In the past two years, the Debtor has experienced a sharp decline of its sales and reported significant losses. Management attributes this decline in sales to the following:

- Decrease in sales volume;

- Aging inventory;
- Unfavorable economic conditions in the retail industry;
- General economic downturn; and
- Highly competitive market.

Pursuant to the assessment of its financial situation, the Debtor began implementing, in early 2014, certain corrective measures, with the intent of ensuring its long-term profitability. However, the decrease of its sales continued to exceed the Debtor's forecasts and it became evident that such measures would be insufficient to reverse the negative impact of the sales decline, thus necessitating a formal restructuring through NOI proceedings.

III. RESTRUCTURING MEASURES

After the filing of the NOI, the Debtor has been developing and implementing, with the help of its financial and legal advisors, a restructuring plan with a view of maximizing the dividends to be paid to the Ordinary Unsecured Creditors. The key elements of this plan included:

- The identification and closure of underperforming stores. Between the filing of the NOI and September 30th, 2014, three stores were closed and the relevant notices to disclaim leases were sent to the landlords. In addition, Management will be closing additional underperforming stores in the upcoming weeks and has already sent notices to disclaim those leases;
- The negotiation of more favorable leases terms with its landlords;
- The search for potential investors;
- The orderly liquidation of its slow-moving and excess inventory (ongoing); and
- The reduction of operating and overhead expenses.

IV. FINANCIAL INFORMATION

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

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

A) Operating Results

K. F. S. Limited, 2726556 Canada Inc. and Nathar Limited. (Note 1)			
Key financial information			
(in 000'S)	F2015	F2014	F2013
	(7 months)	(12 months)	(12 months)
	Estimated	Preliminary	Reported
Sales	8 869	21 356	25 874
COGS	(6 696)	(12 418)	(15 096)
Gross profit	2 173	8 938	10 778
Gross margin %	25%	42%	42%
Operating expenses	4 139	9 180	10 423
Administrative expenses	924	1 552	1 735
	5 063	10 732	12 158
Other income	-	37	21
	5 063	10 695	12 136
Net loss	(2 890)	(1 757)	(1 358)

(1) Includes the results of K.F.S. Logistics Inc. which had nominal business activities.

The above table shows the poor financial performance of the Debtor for the last two (2) fiscal years and the most recent year-to-date period (the latest internal financial statements available).

B) Assets

The Debtor's statement of affairs reflects the following as at September 30, 2014, based on information provided by Management:

K. F. S. Limited, 2726556 Canada Inc. and Nathar Limited.	
Assets	
As at September 30, 2014	
(in 000'S)	
	<u>Book value</u>
Accounts receivable	137
Inventory	4 808
Capital assets	320
	<u>5 265</u>

Accounts Receivable (\$137,000)

The accounts receivable amount to \$137,000. They relate to customers that have credit terms in the various stores. The accounts receivable are subject to a first ranking hypothec in favour of the Royal Bank of Canada, the Debtor's secured operating lender.

Inventory (\$4,808,000)

K. F. S. Limited, 2726556 Canada Inc. and Nathar Limited.	
Inventory	
As at September 30, 2014	
(in 000'S)	
<u>Season</u>	<u>Book value</u>
Pre-F2011	1 261
F2011	276
F2012	368
F2013	578
Spring 2014	459
Fall 2014	795
"Basics"	899
Prepaid inventory (not yet received)	173
	<u>4 808</u>

The inventory is comprised of finished goods located in the Debtor's warehouse and in the various stores. Of the inventory, over \$2.9M relate to prior seasons. The inventories are subject to a first ranking hypothec in favour of the Royal Bank of Canada, the Debtor's secured operating lender.

Capital Assets (\$320,000)

The Debtor's fixed assets consist mostly of leasehold improvements (\$175,000), furniture and fixtures (\$90,000), as well as computer equipment (\$15,000).

C) Liabilities

The Debtor has provided the Trustee with a list of creditors. Proof of claim forms will be sent to the known creditors. However, at the present date, the Trustee is unable to determine if the Debtor's records are consistent with those of its creditors. Upon reception of the proofs of claim, the Trustee will review them with Management and deal with any discrepancies for purposes of collocation of claims.

K. F. S. Limited, 2726556 Canada Inc. and Nathar Limited.	
Liabilities	
As at September 30, 2014	
(in 000'S)	
Liabilities per the books and records of the Debtor	
Secured debt	1 730
Unsecured creditors (367)	3 602
	<u>5 332</u>
Unsecured creditors - Related parties	1 539
	<u>6 871</u>
Estimated unsecured liabilities resulting from lease cancellations / employees layoff	
Landlord damages (estimated)	1 600
Employees termination and severance pay (estimated)	400
	<u>2 000</u>
	<u>8 871</u>

The secured creditor is the Royal Bank of Canada for the operating lines of credit (secured by all the assets of the Debtor) for a total amount of \$1,730,000.

Based on the information provided by the Debtor, there are no known preferred creditors.

Ordinary Unsecured Creditors (\$3.6M) were identified through the Debtor's books and records, and include trade suppliers, sales taxes and accrued liabilities.

Moreover, related parties to the Debtor (\$1.5M), were identified through the Debtor's books and records and relate mostly to loans from Lang Investments, Jaymore Inc., Magshar Holdings Inc. and 3528626 Canada Inc. The Proposal is not addressed to such related parties and they will not be bound by its terms.

The Trustee calculated the potential amounts that could be claimed as damages following the disclaimer of leases as well as the termination and severance pay following the layoff of the workforce. The Trustee estimates for these potential liabilities total \$2.0M.

The Trustee cautions that these amounts may change as proofs of claims are filed and such changes may be significant.

V. PROPOSAL

A) Summary

The Trustee notes that the following is only a summary of the Terms of the Proposal. Creditors are advised to read the Proposal for complete details of the Terms of the Proposal.

The Terms of the Proposal provide that the Ordinary Unsecured Creditors shall be paid from the remittance of \$425,000 (hereinafter referred to as the "Cash Consideration"), to be paid to the Trustee by the Debtor at the latest on February 24, 2015.

The Cash Consideration shall be payable by the Debtor in the following manner:

- i. Each of the Ordinary Unsecured Creditors having a Proven Claim of less than \$500 will be paid the full amount of its Ordinary Unsecured Claim without interest or penalty, within 30 days after the payment by the Debtor of the Cash Consideration; and
- ii. Each of the Ordinary Unsecured Creditors having a Proven Claim of at least \$500 shall receive a minimum payment of \$500. For the balance of its Proven Claim, after the distribution provided at paragraphs 8.1 and 8.2i) of the Proposal and within 30 days after the payment by the Debtor of the Cash Consideration, each of the Ordinary Unsecured Creditors shall also receive, in full and final payment of its Ordinary Unsecured Claim, without interest or penalty, its *pro rata* share of any amount remaining from the Cash Consideration.

B) Funding

The financing of the Proposal will be contingent on the successful liquidation of the excess and slow-moving inventory by Management, which should be completed by the end of January 2015.

C) Amounts to be Paid as a Priority

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

- Crown Claims, which shall be limited to the claims of Her Majesty in right of Canada or a province described in subsection 60(1.1) of the Act that were outstanding on the Date of the Proposal, shall be paid in full, within six (6) months of the approval of the Proposal by the Court, or as may otherwise be arranged with the Crown;
- Employees Claims (amounts that employees would be qualified to receive under paragraph 136(1)(d) of the Act if the Debtor became bankrupt), if any, will be paid in full, immediately after the approval by the Court of the Proposal. It should be noted that with respect to all of the employees creditors who are currently employed by the Debtor, all of their employees' claims, excluding severances, have been or shall have been paid in full by the Debtor to such employees in the normal course of business;
- Preferred Claims shall be paid, without interest or penalty, in full, in priority to all claims of Ordinary Unsecured Creditors upon approval of the Proposal by the Court or as may be otherwise arranged with the Preferred Creditors or in accordance with clause 2 hereof if such Preferred Claim is also an Employee's Claim;
- Secured Creditors, if any, shall be paid in accordance with existing contracts, or as may otherwise be arranged with the Secured Creditors. For greater certainty, the Proposal is not addressed to the Secured Creditors and they shall not be bound by the Proposal in respect of their Secured Claim;
- The claims arising in respect of goods supplied, services rendered or other consideration given to the Debtor subsequent to the Date of the Proposal, including (without limitation) salaries and other compensation of employees, if any, shall be paid in full by the Debtor in the normal course of business, and on regular trade terms;
- Professional Fees shall be paid in full by the Debtor in the normal course of business.

Management estimates that Crown Claims, Employees Claims and Preferred Claims will have been paid in full prior to the remittance of the Cash Consideration to the Trustee.

D) Other

The Proposal provides that the statutory terms of Sections 91 to 101 of the Act, and similar provincial 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.

The proposal shall be deemed to be accepted by the creditors if, and only if, the Ordinary Unsecured Creditors vote for the acceptance of the Proposal by a majority in number and two thirds in value of the Ordinary Unsecured Creditors present, personally or by proxy, at the meeting and voting on the resolution.

VI. ESTIMATED DISTRIBUTION TO ORDINARY UNSECURED CREDITORS

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

A) Proposal

Based on Management's representations and the aggregate amount of the Ordinary Unsecured Claims, as reflected in the Debtor's statement of affairs, at the present time, the Trustee estimates that the funds of \$425,000 available for distribution to the Ordinary Unsecured Creditors would represent an estimated recovery of 8% of the Ordinary Unsecured Claims, as follows:

K. F. S. Limited, 2726556 Canada Inc. and Nathar Limited. Proposal estimated distribution (in 000\$)	
Dividend paid by the Debtor	425
Unsecured creditors subject to the Dividend	
Unsecured creditors (per books and records)	3 602
Landlord damages (estimated)	1 600
Employees termination and severance pay (estimated)	400
	5 602
Estimated distribution percentage	8%

Management has advised that an orderly wind-down of the Debtor's affairs should generate realization values sufficient to cover the payment of the Cash Consideration.

B) Bankruptcy

In a bankruptcy scenario, based on the value of the assets and liabilities of the Debtor, as reflected in the statement of affairs, the Trustee estimates that the distribution would be as follows:

K. F. S. Limited, 2726556 Canada Inc. and Nathar Limited. Bankruptcy - Estimated distribution (in 000'S)		
	<u>Book value</u>	<u>Estimated realization value (1)</u>
Inventory (by season)		
Pre-F2011	1 261	118
F2011	276	187
F2012	368	248
F2013	578	444
Spring 2014	459	353
Fall 2014	795	993
"Basics"	899	747
Prepaid inventory (not yet received)	173	216
	4 808	3 306
Capital assets	320	20
Accounts receivable	137	69
Estimated Gross realization		3 395
Less: Estimated realization cost		
Direct store expenses		1 000
Overhead costs		210
Liquidators cost		250
Professional fees		225
		<u>1 685</u>
Net realization value		1 709
Secured creditor		(1 730)
Priority claims		TBD
Deficit for secured creditor		<u>(21)</u>
Estimated distribution to unsecured creditors		NIL
Notes		
1. As per the realization values declared in the statement of affairs.		

The above analysis indicates that the estimated realization values of the Debtor's assets would likely be insufficient to reimburse in full the Secured Claims. Therefore, there would be no amount available to distribute to the Ordinary Unsecured Creditors.

C) Other Considerations

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

- Employees in the ongoing stores will have continued employment if the inventory liquidation plan generates sufficient funds; and
- Merchandise suppliers and service providers will have a going concern entity (on a reduced scale) with which to continue doing business.

VII. CONCLUSION AND RECOMMENDATION

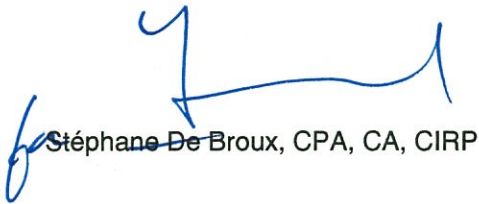
After having estimated the amount that may be available for the Ordinary Unsecured Creditors in the context of a bankruptcy, the Trustee is of the opinion that the present Proposal is more advantageous to them than a bankruptcy scenario.

It is estimated that the Proposal would provide the Ordinary Unsecured Creditors with a dividend of approximately \$0.08 on the dollar, compared to an estimated dividend of NIL in the event of a bankruptcy.

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

Dated at Montréal, Province of Québec, this 3rd day of November 2014.

Richter Advisory Group Inc., Trustee



Stéphane De Broux, CPA, CA, CIRP