

RSM Richter Inc.

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Montréal (Québec) H3Z 3C2  
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CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF QUEBEC  
DIVISION NO.: 01-BEAUHARNOIS  
COURT NO.: 760-11-003113-046  
ESTATE NO.: 41-324876

**SUPERIOR COURT**  
(In Bankruptcy and Insolvency)

**IN THE MATTER OF THE BANKRUPTCY OF:**

**Huntingdon Mills (Canada) Ltd.**

a body politic and corporate, duly incorporated according  
to law and having its head office and its principal place of  
business at:  
72 Dalhousie Street  
Huntingdon QC J0S 1H0

**Bankrupt**

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**Notice of Bankruptcy and First Meeting of Creditors**  
(Subsection 102(1) of the Act)

**Take notice that:**

1. The above-mentioned Bankrupt filed a Notice of Intention to Make a Proposal on the 10<sup>th</sup> of December, 2004, which was not followed by the filing of a projected cash-flow statement by the prescribed deadline. The Company is deemed to have made an assignment of its assets, pursuant to the provisions of the Bankruptcy and Insolvency Act, on the 21<sup>st</sup> day of December, 2004. RSM Richter Inc. was appointed as Trustee of the Estate of the Bankrupt by the Official Receiver, subject to the affirmation by the creditors of the Trustee's appointment or the substitution of another Trustee by the creditors.
2. The first meeting of creditors of the Bankrupt will be held  
  
on: **the 13<sup>th</sup> day of January, 2005**  
at: **1:30 p.m.**  
at: **the Office of the Official Receiver**  
**5 Place Ville-Marie**  
**8<sup>th</sup> Floor**  
**Montréal, Quebec**
3. To be entitled to vote at the meeting, a creditor must lodge with the Trustee, before the meeting, a proof of claim and, where necessary, a proxy.
4. Enclosed with this notice is a form of proof of claim, a form of proxy and a list of creditors with claims amounting to twenty-five dollars or more, showing the amounts of their claims.
5. Creditors must prove their claims against the Estate of the Bankrupt in order to share in any distribution of the proceeds realized from the Estate.

DATED AT MONTRÉAL, Province of Quebec, this 23<sup>rd</sup> day of December, 2004.

**RSM Richter Inc.**  
Trustee

  
Raymond Massi, CA  
Administrator of the Estate

*(français – au verso)*

Huntingdon Mills (Canada) Ltd.

Condensed Statement of Affairs

(As declared and estimated by the Bankrupt Company)

LIABILITIES

Secured Creditors	\$51,522,000.00
Preferred Creditors	100,000.00
Unsecured Creditors	<u>4,330,046.51</u>
	<u>\$55,952,046.51</u>

ASSETS  
(Encumbered)

Machinery, equipment and plant	\$ 2,000,000.00
Accounts receivable	2,500,000.00
Inventory	1,800,000.00
	<u>\$6,300,000.00</u>
DEFICIENCY	<u>\$49,652,046.51</u>

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I, Russell J. David, President of Huntingdon Mills (Canada) Ltd., do swear that this statement is to the best of my knowledge a full, true and complete statement of its affairs on December 13, 2004 and fully disclose all its property of every description that is in its possession and or that may devolve on me in accordance with Section 67 of the Act.

(Signed) Russell J. David

SWORN before me at the City of  
Montréal, in the Province of Québec,  
this 13<sup>th</sup> day of December, 2004.

(Signed) Isabelle Léveillé

**DANS L'AFFAIRE DE LA FAILLITE DE LES USINES HUNTINGDON (CANADA) LTÉE**, personne morale légalement constituée et dûment incorporée, ayant son siège social et son principal établissement commercial au 72 rue Dalhousie, en la ville de Huntingdon, province de Québec, J0S 1H0.

**IN THE MATTER OF THE BANKRUPTCY OF HUNTINGDON MILLS (CANADA) LTD.**, a body politic and corporate, duly incorporated according to law and having its head office and its principal place of business at 72 Dalhousie Street, in the City of Huntingdon, Province of Quebec, J0S 1H0.

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

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

**CRÉANCIERS GARANTIS**

Voir liste ci-jointe  
See list attached

**SECURED CREDITORS**

\$51,522,000.00

**CRÉANCIERS PRIVILÉGIÉS**

Voir liste ci-jointe  
See list attached

**PREFERRED CREDITORS**

\$100,000.00

**CRÉANCIERS ORDINAIRES**

Voir liste ci-jointe  
See list attached

**UNSECURED CREDITORS**

\$4,330,046.51

**LISTE SUPPLÉMENTAIRE**

**SUPPLEMENTARY LIST**

1. M. Gilles-N. Lavallée (séquestre officiel)
2. Ministère du Revenu du Québec (TPS)
3. Ministère du Revenu du Québec (TVQ)
4. Ministère du Revenu du Québec (DAS)
5. Ministère du Revenu du Québec (Immeuble)
6. Agence du revenu du Canada
7. Commission de la santé et de la sécurité du travail
8. Commission des normes du travail
9. Dun & Bradstreet du Canada ltée
10. Equifax Canada Inc., Montreal
11. Equifax Canada Inc., Toronto
12. EULER-ACI, M. Tony Sullo, vice-président régional
13. Me Sandra Abitan, Osler, Hoskin & Harcourt, s.r.l.
14. Me Avram Fishman, Goldstein, Flanz & Fishman
15. M. Russell David

**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(1), subsections 65.2(4), 81.2(1), 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:

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

In the matter of the bankruptcy of **Huntingdon Mills (Canada) Ltd.**, of Huntingdon, Quebec, and the claim of:

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

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

1. That I am a creditor of the above-named debtor (or that I am \_\_\_\_\_ 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 bankruptcy, namely the **21<sup>st</sup> day of December, 2004**, 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 DIRECTORS \$ \_\_\_\_\_**  
 (To be completed when a proposal provides for the compromise of claims against directors.)  
 That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:  
 (Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act.

6. That the following are the payments that I have received from, and the credits that I have allowed to, the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments and credits.)

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_ 2004.

\_\_\_\_\_  
 Witness

\_\_\_\_\_  
 Signature of individual completing this certificate

**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 *Bankruptcy and Insolvency 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 20(1) of the *Bankruptcy and Insolvency Act* provides severe penalties for making any false claim, proof, declaration or statement of account.

### PROXY

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

IN THE MATTER OF THE BANKRUPTCY OF HUNTINGDON MILLS (CANADA) LTD:

I (or We), the undersigned, creditor(s), do hereby appoint \_\_\_\_\_ of \_\_\_\_\_ to be my (or our) proxy in the above matter, except as to the receipt of dividends, with (or without) power to appoint another proxy in his/her place.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_ 2004.

\_\_\_\_\_  
 Witness

\_\_\_\_\_  
 Signature and name of Creditor (If signed by a firm or company, the official signing should indicate his/her name and title)