

CANADA
Province of Quebec
District of Quebec
Division No.: 01-Beauharnois
Court No.: 760-11-005445-123
Estate No.: 41-1698291

SUPERIOR COURT
In Bankruptcy and Insolvency
(Commercial Division)

Minutes of the First Meeting of Creditors

In the matter of the Proposal of Les Aliments Newland North America Inc.	
Place of Meeting	Chairman of the Meeting Philip Manel, CPA, CA, CIRP Richter Advisory Group Inc. (formerly RSM Richter Inc.)
<input checked="" type="checkbox"/> 5 Place Ville-Marie, 8 th Floor Montréal QC H3B 2G2	Date and Time of the Meeting February 7, 2013 at 2:00 P.M.

I. PRESENT

As per the attached attendance list.

II. QUORUM

The Chairman called the meeting to order and declared that there was quorum; therefore, the meeting was duly constituted.

III. REPORT OF THE TRUSTEE AND RECOMMENDATION

The Chair confirmed that the Trustee has mailed to all known creditors of the Debtor a "Notice of Proposal to Creditors". The said package included the Proposal, the Trustee's Report on the State of affairs and Finances of the Debtor and on the Proposal, a Proof of Claim and Proxy form, and a Voting Letter.

The meeting reviewed the Trustee's Report on the State of Affairs and Finances of the Debtor and the Proposal and the second Trustee's Report on the State of Affairs and Finances of the Debtor and the Proposal, the latter which was given to the creditors at the present meeting.

IV. SUMMARY OF THE REPORT OF THE TRUSTEE VERBALLY ADDRESSED BY THE TRUSTEE

The following elements of the second Report of the Trustee were reiterated by the Trustee:

On November 29, 2012, Newland granted a \$3MM security charge on its assets in the form of a Universal Hypothec on all of its moveable property registered on the RDPRM on December 4, 2012 to a creditor named P.J. Impex Inc. ("P.J. Impex"). The existence of this security was not disclosed by the Debtor in its Statement of Affairs which it executed concurrently with the filing of its Proposal. The Trustee mentioned that additional work has to be done in order to assess the validity of this security. The Trustee also mentioned that, even though he had had numerous discussions with the legal advisor of P.J. Impex, it was not in a position to discuss or agree to a settlement or recognition of the validity of this security.

As mentioned in its January 23, 2013 Report, the Trustee had not at that time performed a review of the reviewable transactions. Per a preliminary analysis performed by the Trustee after the

issuance of the initial Report, it appears that the amounts owing to certain suppliers have decreased significantly prior to the filing of the NOI whilst others did not receive the same treatment. However, the Trustee is still to finalize its analysis utilizing the cut-off date of "exactly" three and twelve months from the NOI filing on December 18, 2012.

Finally, the Trustee advised that a number of suppliers have asserted secured first ranking USA - PACA claims on some of Newland's accounts receivable and inventory in the USA. Should the PACA claims be valid, there will be less availability for purposes of a dividend to the other creditors of the Debtor, thereby rendering a material difference from the initially contemplated distribution to the unsecured creditors.

The Trustee also mentioned that the Debtor agrees to the appointment of an Interim Receiver and that such appointment should increase the comfort level of the creditors.

For these reasons, and to perform a more detailed analysis of the financial situation of the Debtor so that they can be properly informed prior to vote, the Trustee recommended that the First Meeting of Creditors, which had been called for the purpose to consider the Proposal, now be deferred to a date convenient to the Creditors.

V. PERIOD OF QUESTIONS

The creditors considered the Trustee's initial and second Reports and proceeded on with a period of questions.

Me Neil Stein, on behalf of 17 European creditors, asked Mr. Jonathan Morgan why the P.J. Impex security had not been disclosed to the Trustee. Mr. Morgan answered that this was a question of timing and that it had been granted as security for future credit and financing to be provided by P.J. Impex in respect of its supplies.

Me Stein asked Mr. Morgan if additional financing or supplies had in effect been provided to the Company. Mr. Morgan answered no.

Me Yoine Goldstein asked Mr. Morgan if the granting of a security had been discussed in May 2012. Mr. Morgan answered that it was the case.

Me Stein asked when the Bank had called its loan and was aware that Richter had acted as consultant to the Bank. Me Stein inquired as to the date when Richter was first involved with the Debtor. Mr. Philip Manel responded by advising that he was not personally involved at that time on the file, he was unsure if the Bank had actually called its loan/or the exact dates; however, he committed to research this matter and provide this information to Neil Stein after the meeting.

Various creditors discussed with the Trustee the possibility of having the cash of the Debtor on hand transferred to a Trust account with a proper Trust agreement. They also discussed the possibility of an Interim Receivership to guarantee that the cash on hand and other assets would not deteriorate or disappear during the additional delay requested if the meeting was to be deferred.

The creditors asked for a reconciliation of the cash on hand as per the initial Report and the cash on hand at the date of the First Meeting of Creditors. The Trustee committed to provide this information after the meeting.

Me Stein asked Mr. Morgan if it was his intention to maintain Newland's operations after the Proposal. Mr. Morgan answered yes, if possible.

Numerous questions were then asked by various creditors on the status of the assets of the Company and their potential realization of same and the Newland name as well as the ongoing operations of the Company. The Debtor and the Trustee answered to the best of their knowledge.

The meeting was then suspended for 45 minutes.

After the meeting resumed, Me Stein, legal counsellor for a Group of 17 creditors representing approximately \$2.1MM in value, put the following motion forward:

- *“That the meeting be postponed for approximately 3 weeks and that, in the interim, a Joint Interim Receiver consisting of Richter and Blumer, Lapointe Tull & Ass. be appointed to control receipts and disbursements and take possession of all assets of the Debtor that the Joint Interim Receiver deemed desirable or necessary, the work of the Joint Interim Receiver to be divided between the two firms without duplication;*
- *That during this period, the Debtor should undertake not to file an assignment for Bankruptcy;*
- *That the Joint Interim Receivers would report back to the meeting on their review of:*
 - *The value of the Debtor’s assets, including the accounts receivable and the asserted PACA claims;*
 - *The potential sale of the name of the Company;*
 - *The result of its meeting with P.J. Impex’s lawyer regarding the issue of its security;*
 - *Its recommendation on the Proposal;*
- *That all significant decisions which the Joint Interim Receivers wished to implement should if the Interim Receivers felt necessary be done in consultation with an Ad Hoc Committee of creditors to be named.”*

The creditors appointed the following individuals on the Ad Hoc Committee: Pierre Martin (representing the Group of 17 creditors), Chad Coleman (P.J. Impex Inc.), Richard Rubin (Thai Frozed Foods Ltd.) and Yuning Wang (UCPharm Ltd.).

The creditors then proceeded to vote on the motion presented.

The result of the vote were as follows:

- ✓ P.J. Impex (represented by Y. Goldstein) – unsecured claim of \$381,253: Yes;
- ✓ The Group of 17 creditors (represented by N. Stein) unsecured claim of \$2,078,164: Yes;
- ✓ Thai Frozen Foods Ltd. (represented by R. Rubin) unsecured claim of \$124,751: Yes;
- ✓ UCPHarm Ltd. (represented by G. Michaud) unsecured claim of \$574,157: No.


Having counted the vote, the Trustee announced that the resolution was carried.

Me Goldstein then proposed that the firm of Stein & Stein Inc. (Neil H. Stein) be granted the mandate of preparing the Motion to Appoint the Joint Interim Receiver, which Neil Stein undertook to do and circulate a draft of the proposed Motion to the Joint Interim Receivers, Me Goldstein, Heenan Blaikie counsel to the Debtor, for their comments and consent.

The Trustee announced that the meeting would be postponed to February 20, 2013, at 16 h 00 at the Office of the Superintendent of Bankruptcy, unless otherwise communicated by the Trustee.

There being no further items to discuss, the meeting was ended at 16 h 30.

- Appendices:
- Proof of calling for meeting
 - Attendance list
 - Preliminary Reports (2)



 Chairman

undisclosed.

Registre des présences à la première assemblée des créanciers / Attendance register at the First Meeting of Creditors

Dans l'affaire de la proposition de / In the matter of the proposal of
 Les Aliments Newland North America Inc. / Newland North America Foods Inc.

Nom de l'individu Individual's Name	Nom de la compagnie Company's Name	Nom du créancier représenté Name of Creditor represented	Numéro de téléphone Telephone Number	Signature
NEIL STEIN	STEIN-SIZEL INC	ARDO + OTHERS (16)	514-866-8806	
J. M. NELSON	NELSON Champagne	us 16	514-843-4855	
YOUNG GOLDSTEIN	J.M.P.G.	P.S. IMPAK.	514-963-5027	
GARY RIVARO	HEENAU BLAQUE	ORSEVOK	514-846-2383	
Yves P. Marcheteau	Gauling Halkau Henderen	pas autorisé	514-372-9429	
Guillaume F. Michard	Faster Martineau	UCPharm Co Ltd + Chen Wei	514-397-5264	
Yuning WANG	N/A	ucpharm co. Ltd. & chen wei	514-974-7788	
RICHARD RUIJN	AgriTrade FOR-THAI FROZEN FOODS	THAI FROZEN FOODS	514-731-2299	
Gerald Nudleman	Nudleman Import/Export Flanders Best NV	Flanders Best NV	514-866-6674	
Pierre Martin	Martin & Assoc	Ardo's Other	514-395-0570	
Solange Chapuis	Blanes Lapointe Tull	Ardo's, others		
Simon Lafrance	Nelson Champagne	Ardo's & others	514-843-4855	