

CANADA  
Province of Quebec  
District of Quebec  
Division No.: 01-Montréal  
Court No.: 500-11-044144-136  
Estate No.: 41-1698291

SUPERIOR COURT  
(Commercial Division)  
*Bankruptcy and Insolvency Act*

**Minutes of the Postponed Meeting of Creditors to April 2, 2013**

In the matter of the Proposal of <b>Les Aliments Newland North America Inc.</b>	
Place of Meeting <input checked="" type="checkbox"/> 1981 McGill College Avenue Room 2, 11 <sup>th</sup> Floor Montréal QC H3A 0G6	Chairman of the Meeting Philip Manel, CPA, CA, CIRP Richter Advisory Group Inc. (formerly RSM Richter Inc.)
	Date and Time of the Meeting April 2, 2013 at 12:00 noon

**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 JOINT INTERIM RECEIVERS**

The Trustee advised the creditors that the present meeting was a continuation of the previous adjournments of the First Meeting of Creditors held on February 7, 2013. Furthermore the trustee advised that ongoing negotiations have taken place with Mr. Jonathan Morgan and his representatives regarding the filing of an Amended Proposal with the assistance of various legal counsel, the other Interim Receiver, and Ad Hoc Committee members.

In this regard, Mr. Manel mentioned that, in addition to various discussions which had been held with the Trustee, as well as with Mr. Pierre Martin and Me Neil Stein, two meetings had been held with the Ad Hoc Committee of Creditors ("Committee"), Me Yoine Goldstein, the Debtor and its representatives. The creditors were advised that the Committee had reached an understanding with Mr. Morgan whereby, the Committee is prepared to recommend acceptance of a Sale Transaction and an Amended Proposal, once the Company accumulates proceeds of \$2 million ("Threshold Amount"), but such receipt happening not later than May 3, 2013 ("Threshold Date"), for purposes of funding a Basket Proposal to the creditors. The Sale Transaction would contemplate that the remaining assets of the Company would be sold to a new company ("Newco") formed by Mr. Jonathan Morgan for a price to be determined and adjusted between the actual funds held by the Interim Receiver and the Threshold Amount. It was made clear that the \$2 million Threshold Amount would have various reductions for certain ongoing operating expenses and professional fees, so that the net amount would be distributed pro rata to the creditors.

Mr. Manel mentioned that the terms of the above "understanding" with respect to the sale of assets to Mr. Morgan have been detailed in a preliminary memo ("MOU"), which had been circulated amongst the members of the Committee prior to this Meeting of Creditors and that such MOU will have to be updated with the results of the present meeting and recirculated for finalization. It was made explicitly clear, however, that the execution of the MOU would be subject to the final approval of Me Neil Stein and the Committee. Additionally, the wording of an Amended Proposal which addresses the Sale Transaction

contemplated by the MOU would have to be finalized between the attorney for the Debtor (Mike Hanlon) and the attorneys representing various groups of creditors, namely Neil Stein, Mike Nelson and Yoine Goldstein.

Me Nelson expressed his desire to have the Amended Proposal drafted as soon as possible such that a vote on said Proposal be submitted to the creditors during the week of April 15, 2013.

Mr. Druker asked that the Threshold Date be postponed to May 15, 2013. His request was refused by the creditors. Mr. Manel suggested that the Amended Proposal would contain a clause formalizing the role of the Committee. The role will include the power to postpone any default on the Amended Proposal, including extending the Threshold Date. Mr. Manel also suggested that a right of veto in respect of the voting rights of the Committee be given to Me Nelson in view of the large constituent of creditors whom he represents, and the likelihood that his nominee would be a Committee member.

Mr. Druker then asked that it be confirmed that the MOU indicate that any amount collected over \$2 million be remitted to Newco. Although the creditors did not vote on this issue, none objected to the foregoing. It was however clarified and reiterated that in addition to the MOU requiring final approval of the Committee, (upon its presentation to them once drafted in final form, subject to Me Neil Stein's input), the finalization of a Sale Transaction with Newco will nonetheless be subject to the creditors accepting the Amended Proposal, and that the Trustee would need to apply for Court approval of the Amended Proposal and also seeking concurrent approval of the Sale Transaction with respect to the sale of the remaining assets to Newco. It was also made clear that the Trustee would not make any application to the Court for ratification of the Amended Proposal unless and until the Threshold Amount was received into the Interim Receiver's trust account. The creditors instructed that the role of the Interim Receivers remain pending ratification by the Court of the Amended Proposal.

The creditors were made aware of substantial professional fees owing to the Trustee and Interim Receivers, and legal counsel. Mr. Manel mentioned that, pursuant to discussions with Me Neil Stein as legal counsel for the Committee and with Me Yoine Goldstein [representing Impex], it was agreed that both Richter and Martin would reduce their professional fees, conditionally on there being no contestation of said fees by any party. Furthermore the creditors were advised that Richter, Martin, and Stein would forthwith be paid their professional accounts from the funds held by the Interim Receiver. A conversation ensued between Mr. Druker, Mr. Manel, Mr. Martin and Me Goldstein with regard to the payment of the further Interim Receivers' professional fees incurred during the period from April 2 to the Meeting of Creditors to consider the Amended Proposal. It was discussed that the Debtor's monthly operating charges, estimated at \$19,000 combined with the Interim Receivers' fees [\$31,000] would cumulatively not exceed an estimated \$50K. The balance of professional fees, [Trustee to the Proposal, Debtor's lawyer, Committee's lawyer -- Neil Stein] would be deducted from the proceeds otherwise distributable to the creditors in the basket proposal.

Me Michael Hanlon was designated as the person responsible for drafting the Amended Proposal and for the draft's circulation/review to Me Neil Stein, Yoine Goldstein, the Trustee and Interim Receivers.

Mr. Manel suggested that the Meeting of Creditors be postponed to the week of April 15, 2013, so as to allow for the filing of an Amended Proposal with the exact date to be determined once the Amended Proposal has been filed. The creditors voted unanimously to postpone the present Meeting in anticipation of the Amended Proposal.

**Accordingly, the Meeting was adjourned until the week of April 15, 2013 to be held at the office of Richter Advisory Group Inc. (unless otherwise advised to creditors), with the exact date to be determined.**

Appendices:             Attendance list

  
Chairman

**Registre des présences au report d'une assemblée des créanciers / Attendance register at the Postponed Meeting of Creditors  
en date du 2 avril 2013 / dated April 2, 2013**

Dans l'affaire de la proposition de / In the matter of the proposal of  
**Les Aliments Newland North America Inc. / 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
HUGO LAROY MARCANO	DANES WARD PHILIP VINEY	ZHESIANG ZHONG DA NEWLAND	514-841-6536	
CHAD COLQUHOUN	P. S. J. JORDAN			
NICHOLAS RUBIN	Agri Trade Int'l	THE FROZEN FOODS	514-731-2299	
<del>THOMAS</del>	den & thi		514-866-8806 #214	
J. W. NELSON	NELSON CHAMPAGNE	ARDO et al.	514-843-4855	
PIERRE MARTIN	Blumer Lefort	✓ ✓	514-395-0570	
MARIO PETIT	Blumer Lefort	✓ ✓	514 395-0570	
MARIE-JOSEE TRUDEAU	RDM International	RDM International	514 393 4180	
MAX DRUCKER	Debtor		514-935 8501	
M. HANLON	Heuron	Debtor	514-846-2376	
S. LAFRANCE	Nelson champagne	ARDO et al.	514-843-4855	