

CANADA  
Province of Québec  
District of: Québec  
Division No.: 01 - Montréal  
Court No.: 500-11-032894-087  
Estate No.: 41-341490

SUPERIOR COURT  
In Bankruptcy and Insolvency  
(Commercial Division)

**Notice of Final Dividend and Application for Discharge of Trustee**  
(Paragraph 152(5)(c), Rule 61)

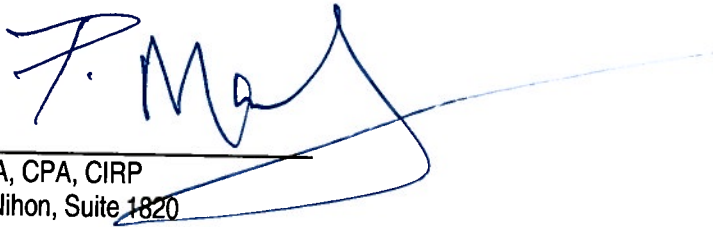
In the Matter of the Bankruptcy of  
**CapCity Clothing Inc./Vêtements CapCity Inc.**  
Of the City of Saint Laurent  
In the Province of Quebec

Take notice that:

1. There is enclosed with this form a copy of our final statement of receipts and disbursements as taxed.
2. The final dividend has already been paid.
3. Notice of objection of the final statement must be filed with the registrar, at the Montreal Court House, 1 Notre-Dame Street East, Montréal, Quebec before December 23, 2010, and a copy of the notice served on the undersigned. The notice must state the reasons for the objection.
4. We will apply to the court on January 24, 2011, at the hour of 9:00 A.M., or so soon thereafter as the motion can be heard, for an order of discharge with respect to the above-mentioned estate and for a release of the security provided by us pursuant to subsection 16(1) of the Act.
5. Notice of objection to the discharge, setting out the reasons for opposition, must be filed with the registrar, at the Montréal Court House at least five days before the date of the hearing, and a copy of the notice must be served on us within those five days.

Dated at Montréal in the Province of Quebec, December 7, 2010.

RSM Richter Inc. - Trustee  
Per:



Philip Manel, CA, CPA, CIRP  
2 Place Alexis Nihon, Suite 1820  
Montréal QC H3Z 3C2  
Phone: (514) 934-3497 Fax: (514) 934-3504

CANADA  
 PROVINCE OF QUÉBEC  
 DISTRICT OF QUÉBEC  
 DIVISION NO.: 01-MONTREAL  
 COURT NO.: 500-11-032894-087  
 ESTATE NO.: 41-341490

**SUPERIOR COURT**  
 (Commercial Division)

IN THE MATTER OF THE BANKRUPTCY OF CAPCITY CLOTHING INC., a body politic and corporate, duly incorporated according to law and having its head office and principal place of business at 4026 Bois-Franc, Saint-Laurent, Quebec H4S 1A7

**FINAL TRUSTEE'S STATEMENT OF RECEIPTS AND DISBURSEMENTS (Note 1)**

**Bankrupt**

**RECEIPTS**

1. Funds transferred from Interim Receiver account		\$	42,693.00
2. Sale of Assets en bloc			17,557.50
3. Sale of Inventory (IDS USA Inc)			16,105.50
4. Commission on sale - Northern Apparels/Amerella			28,994.46
5. Account receivable - Rosenthal & Rosenthal (Note 2)			323,307.20
7. Miscellaneous refunds			3,557.81
8. Interest			2,178.68
9. Taxes			
a) GST received	2,446.88		
b) QST received	3,853.83		
c) Reimbursement of GST	906.20		
d) Reimbursement of QST	12,603.31		
10. Advance from secured creditors for payment of Trustee fees (Note 3)			19,810.22
			<u>75,677.72</u>
<b>TOTAL RECEIPTS</b>		<b>\$</b>	<b><u>529,882.09</u></b>

**DISBURSEMENTS**

11. Fees paid:			
a) To Official Receiver	150.00		
b) To Court	<u>150.00</u>		300.00
12. Notice of Bankruptcy			
a) To 78 creditors	126.00		
b) Postage	109.42		
c) Local Paper	<u>2,230.06</u>		2,465.48
13. Inspector's fees (\$40 per meeting)			
a) Mr Frank DiCeglie	<u>160.00</u>		160.00
14. Notice of Trustee's Application for Discharge			
a) To 30 creditors	37.50		
b) Postage	<u>75.00</u>		112.50
15. Disbursements Re: Occupancy			
a) Gas & Oil & Electricity	353.46		
b) Storage	<u>800.00</u>		1,153.46
16. Miscellaneous			
a) Long distance calls	321.67		
b) Photocopies	665.00		
c) Telecopier	291.80		
d) Courier	821.27		
e) Postage	16.08		
f) Bank charges	56.63		
g) Security, Inventory taking, change locks, alarm	2,594.72		
h) Storage	2,761.68		
i) Miscellaneous	<u>4,351.00</u>		11,879.85
17. Reimbursement of advance to secured creditors			71,220.08

**IN THE MATTER OF THE BANKRUPTCY OF CAPCITY CLOTHING INC.  
FINAL TRUSTEE'S STATEMENT OF RECEIPTS AND DISBURSEMENTS (Note 1)**

18. Property Claim		
a) Ministre du Revenu du Quebec	18,735.69	
b) Receiver General of Canada	11,494.81	30,230.50

<b>AMOUNT AVAILABLE FOR DISTRIBUTION</b>		<b>117,521.87</b>
<b>REMUNERATION AND LEGAL FEES AND COSTS</b>		

19. Taxes		
a) GST paid	8,002.15	
b) QST paid	12,603.31	
c) GST remittance	2,446.88	
d) QST remittance	3,853.83	26,906.17

20. Trustee's remuneration (Note 4)		145,874.40
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21. Legal fees and costs		
a) Ian R. Rudnikoff		975.00

<b>TOTAL DISBURSEMENTS</b>		<b>291,277.44</b>
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<b>AMOUNT AVAILABLE FOR DISTRIBUTION</b>		<b>\$ 238,604.65</b>
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**22. DISTRIBUTION**

23. Superintendent Levy		11,930.23
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24. Redemption of security		
a) Payment to secured lender	\$ 238,604.65	
b) Superintendent Levy	(11,930.23)	226,674.42

		<b>\$ 238,604.65</b>
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**REALIZATION OF ASSETS**

	<b>STATEMENT OF AFFAIRS</b>	<b>TRUSTEE'S REALIZATION</b>
1 Inventory	100,000.00	16,105.50
2 Accounts receivable	1,300,000.00	323,307.20
3 Furniture	15,000.00	17,557.50
4 Interest and other	NIL	5,736.49
5 Commission on sale - Northern Apparels/Amerella	NIL	28,994.46
6 Funds transferred from Interim Receiver account	NIL	42,693.00
7 Taxes	NIL	19,810.22
8 Advance from GMAC	NIL	75,677.72
	<b>\$ 1,415,000.00</b>	<b>\$ 529,882.09</b>

**IN THE MATTER OF THE BANKRUPTCY OF CAPCITY CLOTHING INC.  
FINAL TRUSTEE'S STATEMENT OF RECEIPTS AND DISBURSEMENTS (Note 1)**

**NOTES**

- Note 1: The Interim Receiver, RSM Richter Inc., was appointed by the Court on March 25, 2008 with the power to control and secure the assets and the books and records of the debtor. Subsequently, RSM Richter Inc was appointed as Trustee to the bankruptcy of the company on April 14, 2008.
- Note 2: Relates to amount from a factor (Rosenthal & Rosenthal) which collected account receivables of the bankrupt.
- Note 3: The Trustee had received advances from GMACC. As a result of the Trustee collecting a receivable from Rosenthal & Rosenthal, the foregoing advance from GMACC has been treated as a reimbursement to GMAC; with the balance of funds having been treated as redemption of security loan reduction.
- Note 4: All the assets were secured in favor of GMACC which has suffered a substantial shortfall. The time charges of the Trustee exceed the amount charged herein. In view of there being insufficient funds to fully pay the Trustee, any further recovery of assets shall firstly be applied thereto.

**RSM Richter Inc.**  
Trustee

May 17, 2010

Date

(signed) Philip Manel

Per: Philip Manel, CA, CPA  
Administrator of the Estate

Approved by:

(signed) Frank DiCeglie

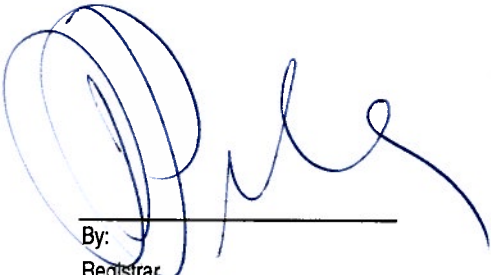
Frank DiCeglie - Inspector

**Capacity Clothing Inc.**

**COURT NO.: 500-11-032894-087**

Taxed at the sum of \$ 145,403.04 for the disbursements and at the sum of \$ 145,874.14

for the trustee's remuneration, this 29 day of November, 2010.

By:   
Registrar  
Taxing Officer