

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NFC ACQUISITION GP INC., NFC ACQUISITION CORP. AND
NFC LAND HOLDINGS CORP.**

**MOTION RECORD
(RETURNABLE APRIL 9, 2013)**

March 22, 2013

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TAB 1

Court File No. CV12-9554-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NFC ACQUISITION GP INC., NFC ACQUISITION CORP. AND
NFC LAND HOLDINGS CORP.**

**NOTICE OF MOTION
(Returnable APRIL 9, 2013)**

FTI CONSULTING CANADA INC. ("FTI"), in its capacity as court-appointed monitor (the "**Monitor**") of NFC Acquisition GP Inc., NFC Acquisition L.P., NFC Acquisition Corp., New Food Classics and NFC Land Holdings Corp., (collectively, "**NFC**") will make a motion to a judge presiding over the Commercial List on Wednesday, the 9th day of April, 2013, at 10:00 a.m. or as soon after that time as the motion can be heard, at the Courthouse, 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order, substantially in the form attached hereto as Schedule "A":
 - (a) approving a procedure for the submission, evaluation and adjudication of claims against the current and former directors and officers of NFC (the "**D&O Charge Claims Procedure**"); and

2. An Order, substantially in the form attached hereto as Schedule "B":
 - (a) approving the activities of the Monitor as set out in this Fourth Report as well as the First Report of the Monitor, the Second Report of the Monitor and the Third Report of the Monitor each filed in the within proceedings;
 - (b) approving the fees and disbursements of the Monitor and of Fasken Martineau DuMoulin LLP as counsel to the Monitor;
 - (c) terminating the CCAA Proceedings relating to NFC;
 - (d) discharging FTI in its capacity as Monitor of NFC in the CCAA Proceedings; and
3. Such further and other relief as counsel may advise and to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE:

4. The grounds set out in the Fourth Report of the Monitor and the appendices thereto.
5. Rules 1.04, 1.05, 37 and 39 of the Rules of Civil Procedure.
6. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

7. The Fourth Report of the Monitor and the appendices thereto.

8. Such further and other material as counsel may advise and this Honourable Court may permit.

March 22, 2013

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SCHEDULE “A”

Court File No.: CV12-9554-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) TUESDAY, THE 9TH DAY
JUSTICE) OF APRIL 2013

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NFC ACQUISITION GP INC., NFC ACQUISITION CORP. AND
NFC LAND HOLDINGS CORP.

ORDER
(CLAIMS PROCEDURE-DIRECTORS' CHARGE)

THIS MOTION, made by FTI Consulting Canada Inc. in its capacity as CCAA Monitor in respect of NFC Acquisition GP Inc., NFC Acquisition Corp. and NFC Land Holdings Corp. (collectively, the "**Applicants**" and together with NFC Acquisition L.P., and New Food Classics, the "**NFC Entities**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, (the "**CCAA**") for, orders *inter alia*, approving a procedure for the solicitation, determination and resolution of certain claims filed against the Directors and Officers of the NFC Entities and authorizing and directing FTI Consulting Canada Inc., in its capacity as court

appointed Receiver of the property, assets and undertakings of the NFC Entities, to administer the Claims Procedure (as defined herein) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Monitor's Fourth Report, and on hearing the submissions of counsel to the Directors and Officers, the Monitor, and BMO [no one appearing for any other person on the service list], although properly served as appears from the affidavit of service of <█> sworn <█>, 2013, and filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record in respect of this Motion is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that for purposes of this Order the following terms shall have the following meanings:
 - (a) **"Bank Counsel"** means Gowling's LLP;
 - (b) **"Business Day"** means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;
 - (c) **"Claimant"** means a Person asserting a Directors' Charge Claim in the Claims Procedure;
 - (d) **"Claims Bar Date"** means 7:00 p.m. (Eastern Standard Time) on May 31, 2013, or any later date ordered by the Court;
 - (e) **"Claims Procedure"** means the procedures outlined in this Order, including the Schedules attached hereto;
 - (f) **"Court"** means the Ontario Superior Court of Justice (Commercial List);
 - (g) **"Creditor"** means any Person that may have a Directors' Charge Claim;

- (h) “**Director**” means any Person who served as a director of any one or more of the NFC Entities at any time from and after the date that is sixty (60) days prior to the Initial Order;
- (i) “**Directors’ Charge**” has the meaning ascribed thereto in paragraph 21 of the Initial Order;
- (j) “**Directors’ Charge Claim**” means any existing or future right or claim of any Person against one or more of the Directors or Officers which arose or arises on or after the date of the Initial Order as a result of such Director’s or Officer’s position, supervision, management or involvement as a Director or Officer (save and except any claim that arose as a result of such Director’s or Officer’s gross negligence or wilful misconduct) including, without limitation, claims in connection with wages and source deductions, vacation pay, PST, GST, HST, and liability of any kind under Saskatchewan legislation for pay in lieu of notice, if any, and without limiting the generality of the foregoing, against all claims, costs and expenses relating to the failure of the NFC Entities after the date of the Initial Order to make payments in connection with:
- (i) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees’ wages including, without limitation, amounts in respect of employment insurance, the Canada Pension Plan, Quebec Pension Plan and income taxes;
- (ii) all goods and services or other applicable sales taxes (collectively, “**Sales Taxes**”) required to be remitted by the NFC Entities in connection with the sale of goods and services by the NFC Entities, but only where such Sales Taxes are accrued or collected after the date of the Initial Order, or where such Sales Taxes are accrued or collected prior to the date of Initial Order but were not required to be remitted until on or after the date thereof; and

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- (iii) any amounts payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any kind or nature which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect to the carrying on of the business by the NFC Entities;
- (k) **“Directors’ Counsel”** means Lenczner Slaght Royce Smith Griffin LLP in its capacity as counsel to the independent Directors and Officers of the NFC Entities and Goodmans LLP in its capacity as counsel to the Directors and Officers of the NFC Entities appointed by EdgeStone Capital Partners Inc.;
- (l) **“Dispute Package”** means with respect to any Directors’ Charge Claim, a copy of the related Proof of Claim, Notice of Revision or Disallowance and Notice of Dispute;
- (m) **“D&O Charge Amount”** means the indemnity in the maximum amount of \$3,000,000 given by the NFC Entities in favour of the Directors and Officers and secured by the Directors’ Charge pursuant to and in accordance with the Initial Order;
- (n) **“D&O Insurance Policies”** means any applicable directors’ and officers’ insurance policy issued to the Directors and Officers in respect of their past or present position as a director or officer of any one or more of the NFC Entities;
- (o) **“Initial Order”** means the Initial Order of the Honourable Mr. Justice Morawetz dated January 17, 2012;
- (p) **“Proven Claims Insured Reserve”** means a reserve established by the Receiver for the purpose of paying Un-Insured Proven Claims, such reserve to be in the aggregate face value amount of all Proven Claims, provided that, at any given time, the Proven Claims Insured Reserve shall not exceed \$3,000,000 less the amounts, if any, paid by the Receiver on account of any Un-Insured Proven Claims;

- (q) “**Insurer**” means the insurer under an applicable D&O Insurance Policy;
- (r) “**Insurer Paid Amount**” means the amount of any Proven Claim or portion thereof that is satisfied and paid by an Insurer;
- (s) “**Known Creditor**” means a Person who the Directors and Officers, the Monitor or the Receiver have notice or knowledge may have a Directors’ Charge Claim;
- (t) “**Monitor**” means FTI Consulting Canada Inc., in its capacity as the Court-appointed Monitor of the NFC Entities;
- (u) “**Notice to Creditors**” means the form of notice substantially in the form attached hereto as Schedule “1”;
- (v) “**Notice of Dispute**” means a notice delivered to the Receiver by a Claimant disputing a Notice of Revision or Disallowance, which notice shall be substantially in the form attached hereto as Schedule “5” and shall set out the reasons for the dispute;
- (w) “**Notice of Revision or Disallowance**” means a notice informing a Claimant that the Receiver has revised or disallowed such Claimant’s Directors’ Charge Claim, which notice shall be substantially in the form attached hereto as Schedule “3” and shall set out the reasons for revision or disallowance;
- (x) “**Officer**” means any Person who served as an officer of any one or more of the NFC Entities;
- (y) “**Person**” means any individual, partnership, firm, joint venture, trust, entity, corporation, unincorporated organization, union, pension plan administrator, pension plan regulator, governmental authority, ministry or agency, regulatory body, labour board, employee, legal personal representative or litigation guardian, or other association, or similar entity, howsoever designated or constituted;
- (z) “**Proof of Claim**” means a completed proof of Directors’ Charge Claim filed by a Claimant, substantially in the form attached as Schedule “2”;

- (aa) “**Proven Claim**” means the amount and classification of a Creditor’s Directors’ Charge Claim as finally determined in accordance with this Claims Procedure;
 - (bb) “**Receiver**” means FTI Consulting Canada Inc., in its capacity as the Court-appointed Receiver of the property, assets and undertakings of the NFC Entities;
 - (cc) “**Receiver’s Charge**” means the Receiver’s Charge as that term is defined in the order of Justice Brown appointing FTI Consulting Canada Inc. as Receiver of the property, assets and undertakings of the NFC Entities;
 - (dd) “**Receiver’s Website**” means <http://cfcanda.fticonsulting.com/nfc/>;
 - (ee) “**Unasserted Directors’ Charge Claim**” means a Directors’ Charge Claim for which a Proof of Claim was not delivered to the Receiver by the Claims Bar Date; and
 - (ff) “**Un-Insured Proven Claim**” means the amount of a Proven Claim of a Creditor or portion thereof that has been denied coverage by an Insurer and in the opinion of the Receiver acting reasonably, the Directors and Officers have duly pursued all reasonable recourses to cause the applicable Insurer to provide coverage under the applicable Insurance Policy;
3. **THIS COURT ORDERS** that effective upon discharge of the Monitor, the Claims Procedure shall be administered by the Receiver.

SOLICITATION OF DIRECTORS’ CHARGE CLAIMS

Notice to Creditors

4. **THIS COURT ORDERS** that the Notice to Creditors is approved.
5. **THIS COURT ORDERS** that the Receiver shall endeavour to cause the Notice to Creditors to be published once in each of the Globe and Mail (National Edition), the Saskatoon Star Phoenix, and the St. Catharines Standard as soon as practicable after the date of this Order;

6. **THIS COURT ORDERS** that the Receiver shall cause the Notice to Creditors to be posted on the Receiver's Website as soon as practicable after the date of this Order until the Claims Bar Date.
7. **THIS COURT ORDERS** that the Receiver shall as soon as practicable after the date of this Order send the Notice to Creditors and a copy of this Order to each Known Creditor by regular prepaid mail or electronic mail to the last known address of such Known Creditor and to any Person who requests these documents.

Deadline for Filing a Directors' Charge Claim Proof of Claim

8. **THIS COURT ORDERS** that any Person that wishes to assert a Directors' Charge Claim must deliver a Proof of Claim in accordance with paragraphs 25 & 26 herein, together with all relevant supporting documentation in respect of such Directors' Charge Claim, so that such Proof of Claim is received by the Receiver by no later than the Claims Bar Date.
9. **THIS COURT ORDERS** that any Person who does not deliver a Proof of Claim in accordance with this Order to the Receiver by the Claims Bar Date shall be forever barred from asserting or enforcing such Unasserted Directors' Charge Claim against any of the Directors and Officers and/or against the Property (as defined in the Initial Order), and the Directors and Officers shall not have any liability whatsoever in respect of, and shall be released and discharged from, any and all Unasserted Directors' Charge Claims, and all Unasserted Directors' Charge Claims shall be forever extinguished, barred, and discharged as against the Property and the Directors and Officers without any further act or notification.

DETERMINATION OF DIRECTORS' CHARGE CLAIMS

10. **THIS COURT ORDERS** that the Receiver, in consultation with Directors' Counsel and Bank Counsel and shall review each Proof of Claim that is received by the Claims Bar Date. The Receiver may accept, revise or disallow all or any part of the Directors' Charge Claim. At any time the Receiver may request additional information from the Claimant with respect to any Directors' Charge Claim. The failure by the Receiver to send a

Notice of Revision or Disallowance shall not result in any Director's Charge Claim being accepted or being deemed to be accepted.

11. **THIS COURT ORDERS** that the Receiver will provide a copy of any delivered Proof of Claim, Notice of Revision or Disallowance and Notice of Dispute to Directors' Counsel and Bank Counsel, and will allow Directors' Counsel and Bank Counsel to review and provide comments in respect of any Notice of Revision or Disallowance that the Receiver intends to deliver to a Claimant and prior to the delivery thereof.
12. **THIS COURT ORDERS** that the Receiver may attempt to consensually resolve the classification or amount of any asserted Directors' Charge Claim with the Claimant prior to accepting, revising or disallowing such Directors' Charge Claim.
13. **THIS COURT ORDERS** that if the Receiver determines to revise or disallow a Directors' Charge Claim, the Receiver shall send a Notice of Revision or Disallowance to the Claimant.
14. **THIS COURT ORDERS** that if a Claimant disputes the disallowance or revision of its Directors' Charge Claim as set forth in a Notice of Revision or Disallowance and such Claimant intends to contest the Notice of Revision or Disallowance then such Claimant shall deliver a Notice of Dispute so that such Notice of Dispute is received by the Receiver by no later than 7:00 p.m. Eastern Standard Time on the day which is fourteen days after the date of the Notice of Revision or Disallowance or such later date as the Receiver may agree in writing or the Court may order.
15. **THIS COURT ORDERS** that (i) any Claimant who fails to deliver a Notice of Dispute to the Receiver by the deadline set forth in paragraph 14 shall be deemed to accept the amount of its Directors' Charge Claim as set out in the Notice of Revision or Disallowance and the Directors' Charge Claim as set out in the Notice of Revision or Disallowance shall constitute a Proven Claim (or, if the Directors' Charge Claim is disallowed in full in the Notice of Revision or Disallowance, the applicable Claimant shall be deemed to accept such disallowance and the Directors' Charge Claim shall be deemed to be fully disallowed), and (ii) any Directors' Charge Claim, or any portion thereof, that is disallowed pursuant to a Notice of Revision or Disallowance and in

respect of which no Notice of Dispute is received the Receiver by the deadline set forth in paragraph 14 hereof, shall be forever extinguished, barred, discharged and released as against the Property and as against the Directors and Officers without any further act or notification.

16. **THIS COURT ORDERS** that the Receiver may at any time refer a Directors' Charge Claim to the Court for resolution (and give reasonable advance notice of same to Directors' Counsel and Bank Counsel), where in the Receiver's view such a referral is preferable or necessary for the resolution of the Directors' Charge Claim. The Bank and the Directors and Officers shall have standing in respect of any such matter relating to the Claims Procedure that is brought before the Court, and the Directors and Officers shall be permitted to bring a motion to the Court, on notice to the Receiver and any Claimant affected thereby, with respect to the classification, revision, allowance, disallowance, quantification or determination of any Directors' Charge Claim.
17. **THIS COURT ORDERS** that upon receipt of a Notice of Dispute, the Receiver shall, if unable to consensually resolve the classification and the amount of the Directors' Charge Claim with the Claimant within fourteen (14) days of receipt of a Notice of Dispute, schedule a 9:30 appointment with the Court (and give reasonable advance notice of same to Directors' Counsel and Bank Counsel) for the purpose of scheduling a motion to resolve the Directors' Charge Claim and at such motion the Claimant shall be deemed to be the applicant, the Receiver shall be deemed to be the respondent.

NOTICE OF TRANSFEREES

18. **THIS COURT ORDERS** that if a Claimant, a Creditor, or any subsequent holder of a Directors' Charge Claim, who has been acknowledged by the Receiver as the holder of the Directors' Charge Claim, transfers or assigns that Directors' Charge Claim to another Person the Receiver shall not be obligated to give notice to or to otherwise deal with the transferee or assignee of the Directors' Charge Claim as the holder of such Directors' Charge Claim unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been delivered to the Receiver. Thereafter, such transferee or assignee shall, for all purposes hereof, constitute the holder

of such Directors' Charge Claim and shall be bound by notices given and steps taken in respect of such Directors' Charge Claim in accordance with the provisions of this Order.

19. **THIS COURT ORDERS** that if a Claimant, a Creditor or any subsequent holder of a Directors' Charge Claim, who has been acknowledged by the Receiver as the holder of the Directors' Charge Claim, transfers or assigns the whole of such Directors' Charge Claim to more than one Person or part of such Directors' Charge Claim to another Person, such transfers or assignments shall not create separate Directors' Charge Claims and such Directors' Charge Claims shall continue to constitute and be dealt with as a single Directors' Charge Claim notwithstanding such transfers or assignments. The Receiver shall not, in each case, be required to recognize or acknowledge any such transfers or assignments and shall be entitled to give notices to and to otherwise deal with such Directors' Charge Claim only as a whole and then only to and with the Person last holding such Directors' Charge Claim, provided such Claimant or Creditor may, by notice in writing delivered to the Receiver, direct that subsequent dealings in respect of such Directors' Charge Claim, but only as a whole, shall be dealt with by a specified Person and in such event such Person shall be bound by any notices given or steps taken in respect of such Directors' Charge Claim with such Claimant or Creditor in accordance with the provisions of this Order.

INSURANCE CLAIMS

20. **THIS COURT ORDERS** that, notwithstanding any other provision hereof, with respect to a Directors' Charge Claim for which the Directors and Officers are fully insured, the Receiver, with the consent of the Directors and Officers, may agree with the Insurer that the Directors' Charge Claim shall be adjudicated by way of an alternative process and not adjudicated in accordance with the procedure set out in this Order.
21. **THIS COURT ORDERS** that, the Directors and Officers shall, unless the Receiver agrees otherwise, promptly file a claim in respect of a Proven Claim under the D&O Insurance Policy. The Receiver shall establish a Proven Claims Insured Reserve in respect of each Proven Claim and the Proven Claims Insured Reserve shall be secured by the Directors' Charge and shall be administered as follows:

- (a) Upon payment by the Insurer of the Insurer Paid Amount and provided that either i) the aggregate amount of all Proven Claims and all unresolved Directors' Charge Claims is less than the D&O Charge Amount, or ii) the aggregate amount of all Un-Insured Proven Claims, all Proven Claims for which insurance coverage has not yet been determined and all unresolved Directors' Charge Claims is less than the D&O Charge Amount, the Receiver shall release an amount equal to the Insurer Paid Amount from the Proven Claims Insured Reserve for distribution to NFC creditors in accordance with their priorities.
- (b) The Receiver shall pay from the Proven Claims Insured Reserve any Un-Insured Proven Claims provided that either (i) the aggregate amount of all Proven Claims and all unresolved Directors' Charge Claims is less than the D&O Charge Amount, or (ii) the aggregate amount of all Un-Insured Proven Claims, all Proven Claims for which insurance coverage has not been determined and all unresolved Directors' Charge Claims is less than the D&O Charge Amount. If the aggregate amount of all Un-Insured Proven Claims, are at any time, greater than the D&O Charge Amount, the Receiver shall pay on a pro rata basis to Creditors with Un-Insured Proven Claims the maximum amount of \$3,000,000 less any amounts paid to Directors' Counsel on account of their fees and disbursements provided for in paragraph 22.
22. **THIS COURT ORDERS** that Directors' Counsel shall be entitled to be paid by the Receiver for their professional fees and disbursements incurred at the standard rates and charges of such Directors' Counsel in respect of activities relating to the Claims Procedure to a maximum amount of \$50,000, the payment of which shall be secured by and paid out of, the funds in the Post Receivership Account charged by the Directors' Charge. For greater certainty, the fees and disbursements of Directors' Counsel in respect of any alternative process approved by the Court pursuant to paragraph 20 hereof, shall not be paid by the Receiver or be secured by the Directors' Charge.

GENERAL PROVISIONS

23. **THIS COURT ORDERS** that the Receiver, in carrying out the terms of the Claims Procedure, shall have all of the protections given to it by BIA and the Receivership Order and as officer of this Court in its favour, shall incur no liability or obligation as a result of the carrying out of its obligations under the Claims Procedure, shall be entitled to rely on the book and records of NFC Entities, and any information provided by the Directors and Officers or a Claimant, and shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.
24. **THIS COURT ORDERS** that for the purposes of the Claims Procedure, all Directors' Charge Claims which are denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada noon spot rate of exchange for exchanging the currency to Canadian dollars on January 17, 2012.
25. **THIS COURT ORDERS** that any notice or communication required to be delivered pursuant to the terms of this Order shall be in writing and may be delivered by facsimile, email or electronic transmission, personal delivery, courier or, as necessary, by prepaid mail addressed to the respective party.
26. **THIS COURT ORDERS** that any document, notification or notice required to be delivered to the Receiver under this Claims Procedure shall be delivered to:

FTI Consulting Canada Inc.
In its capacity as Receiver of NFC Acquisition GP Inc., NFC Acquisition Corp.
and NFC Land Holdings Corp, NFC Acquisition L.P., and New Food Classics
FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Julie Haghiri
Telephone: 416-649-8081
Facsimile: 416-649-8101
Email: julie.haghiri@fticonsulting.com

27. **THIS COURT ORDERS** that in the event that the day on which any notice or communication required to be delivered pursuant to the Claims Procedure is not a Business Day then such notice or communication shall be required to be delivered on the next Business Day.
28. **THIS COURT ORDERS** that the Receiver is authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which Proofs of Claim, Notices of Dispute and other notices are completed and executed and may, where it is satisfied that a Directors' Charge Claim has been adequately filed or proven, waive strict compliance with the requirements of this Claims Procedure as to completion and execution of Proofs of Claim, Notices of Dispute and other notices to be provided herein.
29. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to section 17 of the CCAA or section 188 of the BIA) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature or any province and any court or any judicial, regulatory or administrative body of the United States and of any other nation or state, to act in aid of and be complementary to this Court in carrying out the terms of this Claims Procedure.
-

Schedule "A"

NOTICE OF DIRECTORS' CHARGE CLAIMS BAR DATE

IN RESPECT OF CLAIMS AGAINST THE FORMER DIRECTORS AND OFFICERS OF NFC ACQUISITION CORP., NFC ACQUISITION GP INC., NFC LAND HOLDINGS CORP., NFC ACQUISITION L.P. AND NEW FOOD CLASSICS (the "NFC ENTITIES")

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C.1985, c. C-36, as amended (the "CCAA")**

TO: CLAIMANTS HAVING A DIRECTORS' CHARGE CLAIM AND TO ANY OTHER PERSON OR PARTIES

NOTICE OF DIRECTORS' CHARGE CLAIMS PROCEDURE AND CLAIMS BAR DATE

PLEASE TAKE NOTICE that this notice is being published pursuant to an order of the Ontario Superior Court of Justice (Commercial List) dated April 9, 2013 (the "Directors' Charge Claims Procedure Order"). All capitalized terms in this Notice are defined in the Directors' Charge Claims Procedure Order, a copy of which can be found on the Receiver's website at <http://cfcanada.fticonsulting.com/nfc/>.

Any Person who believes that it has Directors' Charge Claim against a Director or Officer of the NFC Entities should send a Proof of Claim to FTI Consulting Canada Inc., in its capacity as the Court-appointed receiver of the property, assets and undertakings of the NFC Entities (the "Receiver") to be received **by the Receiver by 7:00 p.m. (Eastern Standard Time) on May 31, 2013 or such other date as ordered by the Court (the "Claims Bar Date")**.

DIRECTORS' CHARGE CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

Claimants who require a Proof of Claim form may access these forms at the Receiver's website at <http://cfcanada.fticonsulting.com/nfc/> or they may contact the Receiver (Attention: Julie Haghiri, Telephone: (416) 649-8081 and Fax: (416) 649-8101) to obtain a claims package.

Claimants should file their Proof of Claim with the Receiver by mail, fax, email, courier or hand delivery, so that the Proof of Claim is actually received by the Claims Bar Date at the address below.

Address of Receiver

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Julie Haghiri

Telephone: (416) 649-8081
Facsimile: (416) 649-8101
E-mail: julie.haghiri@fticonsulting.com

Dated at _____ this _____ day of _____, 2013.

Schedule "B"

PROOF OF DIRECTORS' CHARGE CLAIM

IN RESPECT OF CLAIMS AGAINST THE FORMER DIRECTORS AND OFFICERS OF NFC ACQUISITION CORP., NFC ACQUISITION GP INC., NFC LAND HOLDINGS CORP., NFC ACQUISITION L.P. AND NEW FOOD CLASSICS

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,

R.S.C. 1985, c. C-36, as amended

A. PARTICULARS OF DIRECTORS' CHARGE CLAIM CREDITOR

1. Full Legal Name of Director's Charge Claim Creditor: _____ (the "Creditor"). (Full legal or Corporate name should be the name of the original Creditor.)

2. Full Mailing Address of the Creditor:

3. Telephone Number of Creditor: _____ *

4. Facsimile Number of Creditor: _____ *

5. Attention (Contact Person): _____ *

6. Email address: _____ *

7. Has the Directors' Charge Claim been sold or assigned by Creditor to another party?

Yes ___ No ___ (If yes please complete section D)

B. PROOF OF DIRECTORS' CHARGE CLAIM:

I, _____ [Name of Creditor or Representative of the Creditor], do hereby certify:

that I am (please check one):

___ the Creditor; or

___ hold the following position of _____ of the Creditor

and have personal knowledge of all the circumstances connected with the Directors' Charge Claim described herein;

C. PARTICULARS OF DIRECTORS' CHARGE CLAIM:

Name of the Director/Officer and the amount for each Director/Officer which owes the amount claimed:

Director/Officer	Amount
<input type="checkbox"/>	\$ _____
<input type="checkbox"/>	\$ _____
<input type="checkbox"/>	\$ _____
<input type="checkbox"/>	\$ _____

Description of transaction, agreement or event giving rise or relating to the Directors' Charge Claim:

If the Directors' Charge Claim is contingent or unliquidated, state the basis and provide evidence upon which the Directors' Charge Claim has been valued:

Description of security, if any, granted to the Creditor or assigned by Creditor in respect of the Directors' Charge Claim (other than the Director's Charge itself):

IF CLAIMANTS REQUIRE ADDITIONAL SPACE, PLEASE ATTACH A SCHEDULE HERETO. CLAIMANTS SHOULD ALSO PROVIDE COPIES OF ALL RELEVANT AGREEMENTS.

A DETAILED, COMPLETE STATEMENT OF ACCOUNT MUST BE ATTACHED TO THE PROOF OF THE DIRECTORS' CHARGE CLAIM WHICH MUST SHOW THE DATE, THE NUMBER AND THE AMOUNT OF EACH INVOICE OR CHARGE, TOGETHER WITH THE DATE, THE NUMBER AND THE AMOUNT OF ALL CREDITS, COUNTERCLAIMS, DISCOUNTS, PAYMENTS, ETC., TO WHICH THE APPLICANTS ARE ENTITLED.

D. PARTICULARS OF ASSIGNEE(S) (IF ANY):

- 1. Full Legal Name of Assignee(s) of the Directors' Charge Claim (if all or a portion of the Claim has been sold). If there is more than one assignee, please attach separate sheets with the following information:

(the "Assignee(s)")

Amount of Total Directors' Charge Claim Assigned \$ _____

Amount of Total Directors' Charge Claim Not Assigned \$ _____

Total Amount of Directors' Charge Claim \$ _____

(should equal "Total Directors' Charge Claim" as entered on Section B)

- 2. Full Mailing Address of Assignee(s):

- 3. Telephone Number of Assignee(s): _____

- 4. Facsimile Number of Assignee(s): _____

- 5. Email address of Assignee(s): _____

- 6. Attention (Contact Person): _____

E. FILING OF CLAIMS:

The duly completed Proof of Directors' Charge Claim together with supporting documentation must be returned and received by the Receiver, no later than 7:00 pm (Eastern Standard Time) on May 31, 2013, to the following email address, address or facsimile:

Failure to file your Proof of Directors' Charge Claim by such date will result in your claim being forever extinguished and barred and you will be prohibited from making or enforcing a Directors' Charge Claim against the NFC Entities.

This Proof of Directors' Charge Claim must be delivered by email, facsimile transmission, personal delivery, courier or prepaid mail at the following address:

Address of Receiver:

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Julie Haghiri

Telephone: (416) 649-8081
Facsimile: (416) 649-8101
E-mail: julie.haghiri@fticonsulting.com

DATED at _____ this _____ day of _____, 2013.

(Signature of Witness)

(Signature of individual completing this form)

(Please print name)

(Please print name)

Schedule "C"

NOTICE OF REVISION OR DISALLOWANCE

**IN RESPECT OF CLAIMS AGAINST THE FORMER DIRECTORS AND OFFICERS
OF NFC ACQUISITION CORP., NFC ACQUISITION GP INC., NFC LAND
HOLDINGS CORP., NFC ACQUISITION L.P. AND NEW FOOD CLASSICS (the "NFC
ENTITIES")**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,

R.S.C. 1985, c. C-36, as amended

TO: [insert name and address of creditor]

FROM: [FTI Consulting Canada Inc., in its capacity as Receiver]

Terms not otherwise defined in this Notice have the meaning ascribed to them in the Order of the Superior Court of Justice for Ontario made April 9, 2013 (the "Claims Procedure Order"). You can obtain a copy of the Claims Procedure Order on the Monitor's website at <http://cfcanada.fticonsulting.com/nfc/> or by contacting the Receiver as set out below.

This Notice of Revision or Disallowance is issued pursuant to the Claims Procedure Order.

The Receiver has reviewed your Claim, **as set out in your Proof of Claim** and hereby gives you notice that is has revised or rejected your Claim as follows:

<u>Claim Against Director/Officer</u>	<u>Amount Per Proof of Claim</u>	<u>Disallowed Amount</u>	<u>Allowed Amount</u>
	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
TOTAL	\$ _____	\$ _____	\$ _____

REASONS FOR DISALLOWANCE:

If you do not agree with this Notice of Revision or Disallowance please take notice of the following:

1. If you intend to dispute a Notice of Revision or Disallowance, you must, by 5:00 p.m. (Eastern Standard Time) on the day which is fourteen (14) days after the date of this Notice of Revision or Disallowance or such later date as the Court may order, deliver a Notice of Dispute by email, facsimile transmission, courier, personal delivery or prepaid mail to the address indicated herein. The form of Notice of Dispute is attached to this Notice.
2. If you do not deliver a Notice of Dispute, the value of your Claim shall be deemed to be as set out in this Notice of Revision or Disallowance.

Address for Service of Dispute Notices:

Address of Monitor:

FTI Consulting Canada Inc.
 TD Waterhouse Tower
 79 Wellington Street West
 Suite 2010, P.O. Box 104
 Toronto, Ontario M5K 1G8

Attention: Julie Haghiri

Telephone: (416) 649-8081
 Facsimile: (416) 649-8101
 E-mail: julie.haghiri@fticonsulting.com

IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

Dated at _____ this _____ day of _____, 2013.

FTI CONSULTING CANADA INC.

In its capacity as Court-Appointed Receiver of the NFC Entities

Per: _____

Encl.

Schedule "D"

NOTICE OF DISPUTE

IN RESPECT OF CLAIMS AGAINST THE FORMER DIRECTORS AND OFFICERS OF NFC ACQUISITION CORP., NFC ACQUISITION GP INC., NFC LAND HOLDINGS CORP., NFC ACQUISITION L.P. AND NEW FOOD CLASSICS (the "NFC ENTITIES") (collectively, the "Directors and Officers")

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended

Pursuant to the order of the Court dated April 9, 2013, we hereby give you notice of our intention to dispute the Notice of Revision or Disallowance issued by FTI Consulting Canada Inc. in its capacity as Receiver of the property, assets, undertaking of the NFC Entities.

A. PARTICULARS OF CREDITOR

- 1. Full Legal Name of Creditor: _____
2. Full Mailing Address of the Creditor: _____
Telephone Number of Creditor: _____ *
Facsimile Number of Creditor: _____ *
Email address: _____ *
Attention (Contact Person): _____ *

B. PARTICULARS OF ORIGINAL CREDITOR FROM WHOM YOU ACQUIRED CLAIM, IF APPLICABLE:

- 1. Have you acquired this Claim by assignment? Yes [] No [] (if yes, attach documents evidencing assignment)

2. Full Legal Name of original creditor(s): _____

C. DISPUTE:

We hereby disagree with the value or classification of our Directors' Charge Claim as set out in the Notice of Revision or Disallowance:

Director/Officer	Claim per Notice of Revision or Disallowance	Claim per Creditor
	\$	\$
	\$	\$
	\$	\$
	\$	\$
Total Claim	\$	\$

IF CLAIMANTS REQUIRE ADDITIONAL SPACE PLEASE ATTACH A SCHEDULE HERETO. CLAIMANTS SHOULD ALSO PROVIDE COPIES OF ALL RELEVANT AGREEMENTS.

A DETAILED, COMPLETE STATEMENT OF ACCOUNT MUST BE ATTACHED TO THE PROOF OF DIRECTORS' CHARGE CLAIM WHICH MUST SHOW THE DATE, THE NUMBER AND THE AMOUNT OF EACH INVOICE OR CHARGE, TOGETHER WITH THE DATE, THE NUMBER AND THE AMOUNT OF ALL CREDITS, COUNTERCLAIMS, DISCOUNTS, PAYMENTS, ETC., TO WHICH THE APPLICANTS ARE ENTITLED.

D. REASONS FOR DISPUTE:

(Provide full particulars of the Directors' Charge Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim.

THIS FORM AND SUPPORTING DOCUMENTATION TO BE RETURNED BY FACSIMILE TRANSMISSION, COURIER, PERSONAL SERVICE OR PREPAID MAIL TO THE ADDRESS INDICATED HEREIN AND TO BE RECEIVED BY 700 P.M. (EASTERN STANDARD TIME) ON THE DAY WHICH IS FOURTEEN (14) DAYS AFTER THE DATE OF THE NOTICE OF REVISION OR DISALLOWANCE, OR SUCH LATER DATE AS THE COURT MAY ORDER.

Address for Service of Dispute Notices:

Address of Monitor:

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Julie Haghiri

Telephone: (416) 649-8081
Facsimile: (416) 649-8101
E-mail: julie.haghiri@fticonsulting.com

SCHEDULE “B”

Court File No. CV12-9554-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

)))

TUESDAY, THE 9TH

DAY OF APRIL, 2013

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF COMPROMISE OR ARRANGEMENT OF NFC
ACQUISITION GP INC., NFC ACQUISITION CORP. AND
NFC LAND HOLDINGS CORP.**

TERMINATION AND DISCHARGE ORDER

THIS MOTION made by FTI Consulting Canada Inc., in its capacity as Court-appointed monitor (the "**Monitor**") of NFC Acquisition GP Inc., NFC Acquisition Corp. and NFC Land Holdings Corp. (collectively, the "**Applicants**" and along with NFC Acquisition L.P., and New Food Classics, the "**NFC Entities**") for an order *inter alia* (a) providing for the termination of the proceeding of the Applicants under the CCAA (the "**CCAA Proceedings**"); and (b) providing for the discharge and release of the Monitor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Monitor returnable April 9, 2013, the Fourth Report of the Monitor dated March 22, 2013 (the "**Fourth Report**"), the affidavit of Edmond Lamek sworn March 22, 2013, the affidavit of Paul Bishop sworn March 22, 2013, the Motion Record of the Applicants for a Motion returnable April 9, 2013, all filed, and on hearing

the submissions of counsel to the Monitor and the Bank of Montreal, no other parties appearing although duly served as appears from the affidavit of service, filed.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged so that this Motion is properly returnable today and any further service thereof is hereby dispensed with.

DEFINITIONS

2. **THIS COURT ORDERS** that all capitalized terms used but not defined in this Order shall have the meaning given in the Initial Order of the Honourable Justice Morawetz dated January 17, 2012 (the “**Initial Order**”).

APPROVAL OF ACTIVITIES

3. **THIS COURT ORDERS** that the First Report of the Monitor, the Second Report of the Monitor, the Third Report of the Monitor and the Fourth Report each filed in the within CCAA Proceedings and the actions, conduct and activities of the Monitor described therein be and are hereby approved.

4. **THIS COURT ORDERS AND DECLARES** that the Monitor has duly and properly discharged and performed its obligations, liabilities, responsibilities and duties in its capacity as Monitor pursuant to the Initial Order, any other Order of this Court in the within CCAA Proceedings, the CCAA or otherwise.

APPROVAL OF FEES

5. **THIS COURT ORDERS** that the fees in the amount of \$526,362.00 and disbursements in the amount of \$10,453.42 (plus applicable taxes of \$69,786.01 for a total of \$606,601.43) of FTI Consulting Canada Inc., in its capacity as proposed monitor and Monitor, for the within proceedings, as set out in the Monitor's Fourth Report and the Affidavit of Paul Bishop, sworn March 22, 2013 appended thereto, are hereby approved.

6. **THIS COURT ORDERS** that the fees in the amount of \$232,589.50 and disbursements in the amount of \$2,125.75 (plus applicable taxes of \$30,488.21 for a total of \$265,203.46) of Fasken Martineau DuMoulin LLP, in its capacity as counsel to the proposed monitor and Monitor for the within proceedings, as set out in the Monitor's Fourth Report and the Affidavit of Edmond Lamek sworn March 22, 2013, appended thereto, are hereby approved.

TERMINATION OF CCAA PROCEEDING

7. **THIS COURT ORDERS** that, except as expressly provided in the Order granted by this Court of even date (the "**D&O Claims Order**"), the CCAA Proceedings shall be and are hereby terminated.

DISCHARGE OF THE MONITOR

8. **THIS COURT ORDERS** that, the Monitor be and is hereby discharged and relieved from any further obligations, liabilities, responsibilities or duties in its capacity as Monitor pursuant to the Initial Order, any other Order of this Court in the CCAA Proceedings, the CCAA or otherwise.

9. **THIS COURT ORDERS** that, in addition to the protections in favour of the Monitor as set out in the Initial Order, in any other Order of this Court in the CCAA Proceedings

or the CCAA, the Monitor shall not be liable for any act or omission on the part of the Monitor, including with respect to any reliance thereof, including without limitation, with respect to any information disclosed, any act or omission pertaining to the discharge of the Monitor's duties in the CCAA Proceedings or with respect to any other duties or obligations of the Monitor under the CCAA or otherwise, save and except for any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Monitor. Subject to the foregoing and in addition to the protections of the Monitor as set out in the Orders of this Court in the CCAA Proceedings, any claims against the Monitor in connection with the performance of its duties as Monitor are hereby released, stayed, extinguished and forever barred and the Monitor shall have no liability in respect thereof.

10. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against the Monitor in any way arising from or related to its capacity or conduct as Monitor except with prior leave of this Court and on prior written notice to the Monitor and such further order securing, as security for costs, the full indemnity costs of the Monitor in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

11. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, nothing contained in this Order shall affect, vary, derogate from or amend any of the rights, approvals and protections in favour of the Monitor pursuant to the Initial Order, any other Order of this Court in the CCAA Proceedings, the CCAA or otherwise, all of which are expressly continued and confirmed.

GENERAL

12. **THIS COURT ORDERS** that any and all administrative matters relating to the CCAA Proceedings, which arise following the termination of the CCAA Proceedings may be brought before the Court for determination, advice and direction. All such matters shall simultaneously be brought before the Court in the receivership proceedings of the NFC Entities bearing court file no. CV12-9616-00CL.

13. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States of America or elsewhere to give effect to this Order and to assist the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to the Order or to assist the Monitor and its agents in carrying out the terms of this Order.

TAB 2

Court File No.: CV12-9554-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NFC ACQUISITION GP INC., NFC ACQUISITION CORP. AND
NFC LAND HOLDINGS CORP.**

**FOURTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

March 22, 2013

Borden Ladner Gervais LLP
Edmond F.B. Lamek
(LSUC #33338U)
Tel: 416 367 6311
Fax: 416 361 2436

Osler, Hoskin & Harcourt LLP
Caitlin E. Fell
(LSUC #60091H)
Tel: 416 862 6690
Fax: 416 862 6666

Solicitors for the Monitor,
FTI Consulting Canada Inc.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NFC ACQUISITION GP INC., NFC ACQUISITION CORP. AND
NFC LAND HOLDINGS CORP.

FOURTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR

BACKGROUND

1. On January 17, 2012 NFC Acquisition GP Inc., NFC Acquisition Corp. and NFC Land Holdings Corp. (collectively, the "**Applicants**") and together with NFC Acquisition L.P., and New Food Classics, "**NFC**") made an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and an initial order (the "**Initial Order**") was made by the Honourable Mr. Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). The Initial Order under the CCAA in respect of NFC granted, *inter alia*, a stay of proceedings against NFC until February 16, 2012, and appointed FTI Consulting Canada Inc. as monitor ("**FTI**" or the "**Monitor**") with the powers and obligations set out in the Initial Order and as set forth in the CCAA. A copy of the Initial Order is attached hereto as **Appendix "A"**. The proceedings commenced by the Applicants under the CCAA will be referred to herein as the "**CCAA Proceedings**".

2. Concurrently with making the Initial Order, Justice Morawetz issued an endorsement (the "**January 17 Endorsement**", a copy of which is attached hereto as **Appendix**

“B”), which provided for the approval of the Transactions Process, as defined in paragraph 44 of the Initial Order, subject however to a further Court hearing (the “**Transactions Process Hearing**”) to allow parties with a significant interest in the matter, including the relevant Unions, to make submissions in respect of the Transactions Process. On January 20, 2012, the Transactions Process Hearing was conducted and a further endorsement (the “**January 20 Endorsement**”, a copy of which is attached hereto as **Appendix “C”**) was issued by Justice Morawetz authorizing the Monitor and NFC to proceed with the Transactions Process.

3. On February 22, 2012, as a result the failure of the Transactions Process, as described in detail in the Third Report of the Monitor filed in these proceedings and attached hereto as **Appendix “D”** the Court granted i) Bank of Montreal (“**BMO**”) leave in the CCAA Proceedings to lift the stay of proceedings contained in the Initial Order to allow BMO to bring an application for the appointment of a receiver of the property, assets and undertaking of NFC (the “**NFC Assets**”); and (ii) an Order in Court File No. CV12-9616-00CL (the “**Receivership Proceedings**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) and section 101 of the *Courts of Justice Act*, appointing FTI as receiver of the assets, property and undertakings of NFC (in that capacity the “**Receiver**”) (the “**Receivership Order**”, a copy of which is attached hereto as **Appendix “E”**).

PURPOSE OF THIS REPORT

4. The purpose of this fourth report of the Monitor (the “**Fourth Report**”) is to provide the Court with the background information and Monitor’s recommendation relating to the Monitor’s motion for:

- (a) an Order approving a procedure for the submission, evaluation and adjudication of claims against the current and former directors and officers of NFC (the “**D&O Charge Claims Procedure**”);
 - (b) an Order:
 - (i) approving the activities of the Monitor as set out in this Fourth Report as well as the First Report of the Monitor, the Second Report of the Monitor and the Third Report of the Monitor each filed in the within proceedings;
 - (ii) approving the fees and disbursements of the Monitor and of Fasken Martineau DuMoulin LLP as counsel to the Monitor in respect of the within proceedings for the period ending February 22, 2012;
 - (iii) terminating the CCAA Proceedings; and
 - (iv) discharging FTI in its capacity as Monitor in the CCAA Proceedings;
5. such other relief as counsel may advise and the Court permit.

TERMS OF REFERENCE

6. Capitalized terms not otherwise defined herein have the meanings set out in the Monitor’s Pre-filing Report, the Initial Order, the Monitor’s Third Report, the Receivership Order, the Receiver’s Second Report and the Receiver’s Fourth Report.

CCAA PROCEEDING

7. Prior to its appointment as Monitor, FTI was retained on or about December, 2011, to provide financial advisory and consulting services to NFC. NFC was in the business of manufacturing value added meat and meatless protein consumer products in Canada. As a result

of, *inter alia*, entering into fixed priced contracts with its customers in 2011, as well as an increase in beef and energy costs, NFC was unable to meet its obligations as they became due and therefore, commenced these CCAA Proceedings.

8. Upon granting of the Initial Order, NFC and the Monitor were authorized to conduct the Transaction Process outlined in the Prefiling Report of FTI attached hereto as **Appendix "F"** in the CCAA Proceedings. Immediately following the making of the Initial Order, the Monitor contacted 11 parties which had been identified by NFC as possible qualified purchasers of the businesses on a going-concern and that were likely to be acceptable to NFC's major customers. The Monitor also contacted NFC's largest customers to identify additional possible qualified purchasers.

9. On January 20 and 23, 2012 respectively, the Monitor published the Sales Ad in the *Globe & Mail* National edition. The publishing of the Sales Ad resulted in forty-one prospective purchasers being identified and making contact with the Monitor. Of those forty-one parties, twenty-two parties executed Confidentiality Agreements and received the Confidential Information Memorandum.

10. Additional details regarding the Expressions of Interest received by the Monitor, the parties participating in Phase 2 of the Transaction Process, the Monitor's dealings with the Selected Parties that submitted Final Offers, and the events subsequent thereto are set out in the Monitor's Third Report.

11. On February 16, 2012, upon motion made by the Applicants, Mr. Justice Newbould, *inter alia*, extended the stay of proceedings until March 30, 2012, and granted to Westco Multi Temp Distribution Centres Inc. ("**Westco**"), NFC's Saskatoon cold storage

provider, a Court- ordered charge on the Property of NFC to secure pre-filing statutory lien amounts that were owed to Westco (the “**Extension Order**”).

NFC PRODUCT RECALL

12. On or about February 15, 2012, the Monitor was advised that a consumer was alleged to have become ill as a result of *e.coli* H7:57 bacteria contained in NFC frozen hamburger products manufactured in NFC’s Saskatoon facility. As more particularly described in the Fourth Report of the Receiver attached hereto as **Appendix “G”** on February 18, 2012, the CFIA issued an HHA warning the public not to consume “Country Morning Beef Hamburgers” and “No Name Beef Steakette” products which were manufactured by NFC. NFC immediately halted distribution of these products and the Monitor and NFC representatives notified all of NFC’s customers shown on NFC’s records as having purchased the NFC Finished Products that were subject to the HHA of the HHA and the requirements of the CFIA for such customers to (i) cease selling, and (ii) to remove products subject to the HHA from their retail shelves. Thereafter, from February 22, 2012 through to March 15, 2012, the CFIA issued additional HHAs. The issuance of the additional HHAs broadened the health hazard alerts to include additional certain specified NFC Finished Products. On March 17, 2012, the CFIA issued a further HHA expanding its health hazard alert to include all ground beef products manufactured by NFC between July 1, 2011 and February 15, 2012.

13. On September 7, 2012, FTI, in its capacity as Receiver, and on behalf of NFC, submitted a claim for reimbursement under NFC’s contamination products insurance policy (the “**Recall Policy**”) for losses arising from Accidental Product Contamination, as that term is defined in the Recall Policy. The Receiver and its counsel continue to pursue all available rights and remedies afforded to NFC under the Recall Policy.

RECEIVERSHIP PROCEEDINGS

14. As more particularly described in the Third Report of the Monitor, on February 20, 2012, BMO delivered a Transactions Process Default Notice under the DIP Credit Agreement and ultimately commenced the Receivership Proceedings.
15. Pursuant to the Receivership Order, the court ordered charges granted in the within proceedings and provided for in the Initial Order and the Extension Order respectively, including the Administration Charge, the DIP Lender's Charge, the Directors' Charge and the court ordered Westco Pre-Filing Lien Charge were recognized and preserved in the Receivership Proceedings, including their rank as amongst themselves and vis a vis the Encumbrances provided for in the Initial Order and in the Extension Order.
16. On April 19, 2012, the Court granted an Order authorizing the Receiver to distribute the sum of \$415,558.92 to Westco on account of Westco's Pre-Filing Lien Charge. The distribution thereto constitutes payment in full of all amounts owing and secured by the Westco Pre-Filing Lien Charge. In addition to the foregoing, pursuant to paragraph 3(s) of the Receivership Order, the Receiver has paid all amounts owing and secured by the Administration Charge.
17. On Friday December 14, 2012, the Court granted an Order authorizing the Receiver to distribute to the CCWIPP the sum of \$17,407.92 in respect of pension contribution arrears owing outstanding on the date of the Receivership Order in accordance with section 81.6 of the BIA and also authorized the Receiver to make an interim distribution to BMO in the following amounts: (a) \$6,000,000; plus (b) the amount, if any, by which the \$3,000,000 CCAA Directors' Charge exceeds the aggregate face amount of all Director's Charge Claims filed with

the Receiver on or before the Court ordered Claims Bar Date as defined in the D&O Charge Order (the “**Interim Distribution**”).

18. The Interim Distribution to BMO was made in full satisfaction of the DIP credit facility and on account of NFC’s indebtedness to BMO pursuant to a Second Amended and Restated Credit Agreement effective as of October 31, 2011. Accordingly, in addition to the payment in full of the Administration Charge and the Westco Pre-Filing Lien Charge, the Receiver has paid all amounts owing and which would have been secured by the DIP Lender’s Charge.

19. The only court-ordered charge that remains outstanding is the Directors’ Charge. FTI in its capacity as Receiver will conduct the D&O Charge Claims Procedure as outlined below and any amounts owing on account of a proven Director’s Charge Claim in respect thereof and for which there is insufficient insurance in any applicable policy will be paid by the Receiver in the Receivership Proceedings.

D&O CHARGE CLAIMS PROCESS

20. The Monitor seeks approval of the D&O Charge Claims Procedure in the form of the draft Order attached hereto as **Appendix “H”** (the “**D&O Charge Order**”). Defined terms in this section of the report, not otherwise defined herein, have meanings ascribed to them in the D&O Charge Order.

21. The D&O Charge Claims Procedure is summarized as follows:

- (a) The D&O Charge Claims Procedure will be administered in the Receivership Proceedings by FTI in its capacity as Receiver;

- (b) The Notice to Creditors will be published once in each of the Globe and Mail, the Saskatoon Star and the St. Catharines Standard and will be posted on the Receiver's website as soon as practicable after the date of the D&O Charge Order;
- (c) The Receiver will send a Notice to Creditors to each Known Creditor and to any Person who requests same;
- (d) Any Person wishing to assert a Directors' Charge Claim must file a Proof of Claim by the Claims Bar Date, or any later date ordered by the Court, failing which after the Claims Bar Date, all Unasserted Directors' Charge Claims shall be forever barred and extinguished;
- (e) Proofs of Claims shall be reviewed by the Receiver in consultation with Directors' Counsel and the Receiver shall accept, revise, or disallow all or any part of the Directors' Charge Claim. If the Receiver determines to revise or disallow any Directors' Charge Claim then the Receiver shall send a Notice of Revision or Disallowance to the Claimant;
- (f) If a Claimant disputes the revision or disallowance of the Directors' Charge Claim, it must deliver a Notice of Dispute by no later than the day which is fourteen days after the date of the Notice of Revision or Disallowance, or such later date as the Receiver may agree or the Court may order, failing which the Claimant shall be deemed to accept the amount or classification of the Directors' Charge Claim as set out in such Notice of Revision or Disallowance. Any Directors Charge Claim that is disallowed and in respect of which no Notice of

Dispute is received shall be forever barred and extinguished as against the Directors and Officers;

- (g) Upon receipt of the Notice of Dispute, if the Receiver is unable to resolve the classification or amount of the Notice of Dispute with the Claimant within fourteen days of receipt of the Notice of Dispute, then the Receiver shall schedule a motion to resolve such Director' Charge Claim;
- (h) The Bank and the Directors and Officers shall have standing in respect of any such matter relating to the D&O Charge Claims Procedure that is brought before the Court, and the Directors and Officers shall be permitted to bring a motion to the Court, on notice to the Receiver and any Claimant affected thereby, with respect to the classification, revision, allowance, disallowance, quantification or determination of any Directors' Charge Claim;
- (i) The Directors and Officers shall, unless the Receiver agrees otherwise, promptly file a claim in respect of a Proven Claim under the D&O Insurance Policy;
- (j) The Receiver shall establish a Proven Claims Insured Reserve in respect of each Proven Claim and the Proven Claims Insured Reserve shall be secured by the Directors' Charge and shall be administered by the Receiver as follows:
 - (i) Upon payment by the Insurer of the Insurer Paid Amount and provided that either (I) the aggregate amount of all Proven Claims and all unresolved Directors' Charge Claims is less than the D&O Charge Amount, or (II) the aggregate amount of all Un-Insured Proven Claims, all Proven Claims for which insurance coverage has not yet been determined

and all unresolved Directors' Charge Claims is less than the D&O Charge Amount, the Receiver shall release an amount equal to the Insurer Paid Amount from the Proven Claims Insured Reserve for distribution to NFC creditors in accordance with their priorities;

- (ii) The Receiver shall pay from the Proven Claims Insured Reserve any Un-Insured Proven Claims provided that either (I) the aggregate amount of all Proven Claims and all unresolved Directors' Charge Claims is less than the D&O Charge Amount, or (II) the aggregate amount of all Un-Insured Proven Claims, all Proven Claims for which insurance coverage has not been determined and all unresolved Directors' Charge Claims is less than the D&O Charge Amount. If the aggregate amount of all Un-Insured Proven Claims, are at any time, greater than the D&O Charge Amount, the Receiver shall pay on a pro rata basis to Creditors with Un-Insured Proven Claims the maximum amount of \$3,000,000 less any amounts paid to Directors' Counsel on account of their fees and disbursements; and
- (k) The Directors' Counsel will be entitled to be paid by the Receiver for their professional fees and disbursements in respect of activities relating to the D&O Claims Procedure to a maximum amount of \$50,000, the payment of which will be secured by and paid out of, the funds in the Post Receivership Account charged by the Directors' Charge. The fees and disbursements of Directors' Counsel in respect of any alternative process approved by the Court shall not be paid by the Receiver or be secured by the Directors' Charge.

22. The Monitor believes that the Director's Charge Claims Procedure is appropriate, fair and reasonable in the circumstances and respectfully recommends that the request for its approval be granted by the Court.

REQUESTED DISCHARGE OF THE MONITOR

23. The purposes of continuing the CCAA Proceedings have concluded. The Receivership proceedings have facilitated an orderly liquidation of most of the realizable assets and property of NFC. In total to date, three separate sale transactions were entered into and completed between FTI in its capacity as Receiver and various third parties.

24. While there are certain residual assets remaining, the realization of these assets consisting primarily of:

- (a) the sale of NFC's Brandon St. property; and
- (b) potential recoveries related to the insurance claim for losses sustained from the issuance of the HHAs by the CFIA warning of possible *e. coli* contamination in certain NFC beef products

will be undertaken in the Receivership Proceedings along with the implementation of the D&O Charge Claims Procedure requested above.

25. Based on the foregoing, the Monitor is of the view that the CCAA Proceedings should be concluded. Accordingly, the Monitor seeks the approval of the accounts of the Monitor and upon termination of the CCAA Proceedings, the discharge of FTI Consulting Canada Inc. in its capacity as Monitor.

ACTIVITIES OF THE MONITOR

26. The Monitor has previously reported on its conduct and activities to the Court in its three reports since the granting of the Initial Order. In addition to the activities of the Monitor reported therein, a summary of the principal activities of the Monitor are as follows:

- (a) reviewing all pleadings, affidavits, and appraisal information in preparation for the initial application in the CCAA Proceedings;
- (b) assisting NFC with respect to the preparation of cash flow statements;
- (c) monitoring NFC's cash flows and business affairs;
- (d) discussions with various stakeholders of NFC with respect to the CCAA Proceedings;
- (e) establishing a website and posting updates and court materials with respect to the CCAA Proceedings;
- (f) facilitating a Sales Transaction Process by contacting interested parties, setting up a data room to allow Selected Parties access to confidential information relating to NFC, responding to calls and conducting presentations, site tours and evaluating submitted bids and offers to purchase;
- (g) engaging in discussions and negotiations with customers and suppliers of NFC;
- (h) assisting NFC with a consumer advisory program as a result of various health hazard alerts issued by the CFIA; and

- (i) consulting with Secured Lenders and their counsel on matters where their direction was required and providing information on the CCAA Proceedings.

FEES OF THE MONITOR AND ITS COUNSEL

27. Pursuant to paragraphs 29 of the Initial Order, any expenditure or liability properly made or incurred by the Monitor, including the fees of the Monitor and the fees and disbursements of counsel to the Monitor (the “**Monitor’s Counsel**”) were authorized to be paid on a periodic basis subject to any final passing of the accounts. In addition, the Administrative Charge was granted as security for, *inter alia*, the fees and disbursements of the Monitor and Monitor’s Counsel.

28. The Monitor and Monitor’s Counsel have continued to maintain detailed records of their professional time and costs. The Monitor is seeking the approval of its fees for services rendered and disbursements incurred in respect of the within proceedings for the period ending February 22, 2012 and those of its counsel, Fasken Martineau DuMoulin LLP (“**Fasken**”) (the “**Billing Period**”).

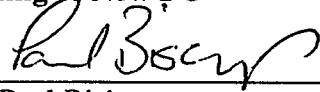
29. The fees and disbursements of the Monitor during the Billing Period total \$606,601.43 including \$526,362.00 for services, \$10,453,42 for disbursements and taxes of \$69,786.01. The time spent by FTI personnel in the Billing Period is more particularly described in the Affidavit of Paul Bishop of the Monitor, sworn in support hereof and attached hereto as **Appendix “I ”**.

30. The fees and disbursements incurred by Fasken during the Billing Period total \$265,203.46, including fees of 232,589.50 disbursements of \$2,125.75 and taxes of \$30,488.21.

The time spent by Fasken personnel in the Billing Period is more particularly described in the Affidavit of Edmond F. B Lamek, a former partner of Fasken, attached hereto as **Appendix "J"**.

All of which is respectfully submitted this 22nd day of March , 2013.

**FTI Consulting Canada Inc.
Receiver of the property, assets and
undertaking of New FC**



Name: Paul Bishop
Title: Senior Managing Director,
FTI Consulting Canada

APPENDIX “A”

Court File No. CV12-9554 00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	TUESDAY, THE 17TH DAY
)	
MR. JUSTICE MORAWETZ)	OF JANUARY, 2012

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NFC ACQUISITION GP INC., NFC ACQUISITION CORP. AND
NFC LAND HOLDINGS CORP.**

INITIAL ORDER

THIS APPLICATION, made by NFC Acquisition GP Inc., NFC Acquisition Corp. and NFC Land Holdings Corp. (collectively, the "Applicants"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Brian Cram sworn January 16, 2012 (the "Cram Affidavit") and the Exhibits thereto, filed, and on being advised that the Bank of Montreal ("BMO") and TD Capital Mezzanine Partners Management Ltd. were given notice of this application, and on reading the consent of FTI Consulting Canada Inc. ("FTI") to act as the Monitor (the "Monitor"), filed, and the report of FTI dated January 16, 2012 (the "Pre-Filing Report"), in its capacity as proposed Monitor, filed,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies and that the Applicants and New Food Classics and NFC Acquisition L.P. (together, the "Partnerships", and together with the Applicants, the "NFC Entities") shall enjoy the benefits of the protections and authorizations provided by this Order.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that any of the NFC Entities shall have the authority to file and may, subject to further order of this Court, file with this Court a plan or plans of compromise or arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the NFC Entities shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, whether real, personal, immovable or movable, inchoate or intangible, including all proceeds thereof (the "Property"). Subject to further Order of this Court, the NFC Entities shall continue to carry on business in a manner consistent with the preservation of their business (the "Business") and Property. The NFC Entities shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, the "Assistants") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the NFC Entities shall be entitled to continue to utilize the central cash management system currently in place as described in the Cram Affidavit or replace it with another substantially similar central cash management system with BMO (the "Cash

Management System”) and that BMO shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the NFC Entities of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the NFC Entities, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. THIS COURT ORDERS that the NFC Entities shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses, and similar amounts owed to any Assistants, payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the NFC Entities in respect of these proceedings, at their standard rates and charges.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the NFC Entities shall be entitled but not required to pay all reasonable expenses incurred by the NFC Entities in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the NFC Entities following the date of this Order.

8. THIS COURT ORDERS that the NFC Entities shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the NFC Entities in connection with the sale of goods and services by the NFC Entities, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the NFC Entities.

9. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the NFC Entities shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the NFC Entities and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. THIS COURT ORDERS that, except as specifically permitted herein, the NFC Entities are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the NFC Entities to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. THIS COURT ORDERS that the NFC Entities shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$1,000,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the NFC Entities to proceed with an orderly restructuring of the Business (the "Restructuring").

12. THIS COURT ORDERS that the NFC Entities shall provide each of the relevant landlords with notice of the NFC Entities' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the NFC Entities' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the NFC Entities, or by further Order of this Court upon application by the NFC Entities on at least two (2) days' notice to such landlord and any such secured creditors. If the NFC Entities disclaim the lease governing

such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the NFC Entities' claim to the fixtures in dispute.

13. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the NFC Entities and the Monitor 24 hours' prior written notice; and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the NFC Entities in respect of such lease or leased premises and such landlord shall be entitled to notify the NFC Entities of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE NFC ENTITIES OR THE PROPERTY

14. THIS COURT ORDERS that until and including February 16, 2012, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the NFC Entities or the Monitor, or affecting the Business or the Property, except with the written consent of the NFC Entities and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the NFC Entities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the NFC Entities or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the NFC Entities and the Monitor, or leave of this

Court, provided that nothing in this Order shall: (a) empower the NFC Entities to carry on any business which the NFC Entities are not lawfully entitled to carry on; (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (c) prevent the filing of any registration to preserve or perfect a security interest; or (d) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform or provide any right, renewal right, contract, agreement, licence or permit in favour of or held by the NFC Entities, except with the written consent of the NFC Entities and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES AND SUPPLY

17. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements or arrangements, including, without limitation, by conduct, with the NFC Entities or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility, food and food processing safety monitoring, food storage services, facility cleaning services or other services to the Business or the NFC Entities, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the NFC Entities, and that the NFC Entities shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the NFC Entities in accordance with normal payment practices of the NFC Entities or such other practices as may be agreed upon by the supplier or service provider and each of the NFC Entities and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or

licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the NFC Entities. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the NFC Entities with respect to any claim against the directors or officers that arose before, on or after the date hereof and that relates to any obligations of the NFC Entities whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the NFC Entities, if one is filed, is sanctioned by this Court or is refused by the creditors of the NFC Entities or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. THIS COURT ORDERS that the NFC Entities shall indemnify their present directors, former directors during the sixty (60) day period prior to the date hereof and officers against obligations and liabilities that they may incur as directors or officers of the NFC Entities after the commencement of the within proceedings, including, without limitation, wages and source deductions included therein, vacation pay, PST, GST, HST and prospective liability under Saskatchewan legislation for pay in lieu of notice, if any, and without limiting the generality of the foregoing, against all claims, costs and expenses relating to the failure of the NFC Entities after the date hereof to make payments of the nature referred to in paragraphs 8(a), 8(b) and 8(c) of this Order, except to the extent that, with respect to any present director, former director during the sixty (60) day period prior to the date hereof or officer, the obligation or liability was incurred as a result of such director's or officer's gross negligence or wilful misconduct.

21. THIS COURT ORDERS that the present directors, former directors during the sixty (60) day period prior to the date hereof and officers of the NFC Entities shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$3,000,000, as security for the indemnity provided in

paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 38 and 40 herein.

22. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary: (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the NFC Entities' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

23. THIS COURT ORDERS that FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the NFC Entities with the powers and obligations set out in the CCAA or set forth herein and that the NFC Entities and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the NFC Entities pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the NFC Entities' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the NFC Entities, to the extent required by the NFC Entities, in their dissemination, to the DIP Lender and its counsel on a weekly basis or more frequently as may be reasonably required by the DIP Lender of financial and other information as agreed to between the NFC Entities and the DIP Lender which may be

used in these proceedings including reporting on a basis to be agreed with the DIP Lender;

- (d) advise the NFC Entities in their preparation of the NFC Entities' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than weekly, or as otherwise agreed to by the DIP Lender;
- (e) advise the NFC Entities in the development of the Plan and any amendments to the Plan;
- (f) assist the NFC Entities, to the extent required by the NFC Entities, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the NFC Entities, to the extent that is necessary to adequately assess the NFC Entities' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (i) hold and administer funds in connection with arrangements made among the NFC Entities, any Person and the Monitor, or by Order of this Court;
- (j) upon the direction of the NFC Entities, remit to the applicable insurer the premium due in respect of any director and officer insurance contemplated by the Initial CCAA Cash Flow (as such term is defined in the DIP Agreement (as defined below), which funds the Monitor shall hold in trust for the benefit of the NFC Entities' directors and officers pending its receipt of such request;
- (k) act as the sole sales agent in connection with the supervision of the Sale Process (as defined below); and

- (l) perform such other duties as are required by this Order or by this Court from time to time.

25. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. THIS COURT ORDERS that that the Monitor shall provide any creditor of the NFC Entities and the DIP Lender with information provided by the NFC Entities in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the NFC Entities is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the NFC Entities may agree.

28. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. THIS COURT ORDERS that the Monitor, counsel to the Monitor, counsel to the NFC Entities and counsel to the directors and officers shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the NFC Entities as part of the costs of these proceedings. The NFC Entities are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor, counsel to the NFC Entities and counsel to the directors and officers on a weekly basis.

30. THIS COURT ORDERS that at the request of the NFC Entities, any party in interest, or this Court, the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

ADMINISTRATION CHARGE

31. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the NFC Entities shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$350,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 38 and 40 hereof.

DIP FINANCING

32. THIS COURT ORDERS that the NFC Entities are hereby authorized and empowered to obtain and borrow under a credit facility from the Bank of Montreal (the "DIP Lender") in order to finance the NFC Entities' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed the principal amount of \$10,500,000 unless permitted by further Order of this Court.

33. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the Super-Priority, Senior Secured Debtor-in-Possession Credit Facility Letter Loan Agreement among the NFC Entities and the DIP Lender dated as of January 16, 2011 (the "DIP Agreement"), filed.

34. THIS COURT ORDERS that the NFC Entities are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the DIP Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the NFC Entities are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Agreement and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

35. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the Property, which DIP Lender's Charge shall not secure any indebtedness under existing credit facilities with the Bank of Montreal that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 38 and 40 hereof.

36. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon three (3) days' notice to the NFC Entities and the Monitor, may exercise any and all of its rights and remedies against the NFC Entities or the Property under or pursuant to the DIP Agreement, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the NFC Entities and set off and/or consolidate any amounts owing by the DIP Lender to the NFC Entities against the obligations of the NFC

Entities to the DIP Lender under the DIP Agreement, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the NFC Entities and for the appointment of a trustee in bankruptcy of the NFC Entities; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the NFC Entities or the Property.

37. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the NFC Entities under the CCAA, or any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act of Canada* (the "BIA"), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge (collectively, the "Charges"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$350,000);

Second – Directors' Charge (to the maximum amount of \$3,000,000); and

Third – DIP Lender's Charge.

39. THIS COURT ORDERS that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest in the Property, filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect, under any statute, regulation, rule, instrument or other applicable law.

40. THIS COURT ORDERS that each of the Charges shall constitute a charge on the Property and such Charges shall rank ahead in priority to the existing security interests of the Bank of Montreal and TD Capital Mezzanine Partners Management Ltd., but behind all other

security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Persons that have not been served with notice of this application. The NFC Entities and the Chargees (as defined below) shall be entitled to seek priority ahead of the Encumbrances on notice to those parties likely to be affected by such priority.

41. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the NFC Entities shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the NFC Entities also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

42. THIS COURT ORDERS that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the NFC Entities, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Agreement or the Definitive Documents shall create or be deemed to constitute a breach by the NFC Entities of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the NFC Entities entering into the DIP Agreement, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

- (c) the payments made by the NFC Entities pursuant to this Order, the DIP Agreement or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

43. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the NFC Entities' interest in such real property leases.

SALE PROCESS

44. THIS COURT ORDERS that the terms and provisions of the sale process (the "Sale Process"), as described in the Pre-Filing Report, be and they are hereby approved, and the NFC Entities and the Monitor shall be authorized to conduct the Sale Process as contemplated therein.

SERVICE AND NOTICE

45. THIS COURT ORDERS that the Monitor shall: (a) without delay, publish in The Globe and Mail (National Edition) once a week for two weeks a notice containing the information prescribed under the CCAA; and (b) within five days after the date of this Order: (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, together with the NFC Entities, in the prescribed manner, a notice to every known creditor who has a claim against the NFC Entities of more than \$1,000, and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

46. THIS COURT ORDERS that the NFC Entities and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the NFC Entities' creditors or other interested parties at their respective addresses as last shown on the records of the NFC Entities and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

47. THIS COURT ORDERS that the NFC Entities, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at <http://cfcanada.fticonsulting.com/nfc>.

GENERAL

48. THIS COURT ORDERS that the NFC Entities or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

49. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the NFC Entities, the Business or the Property.

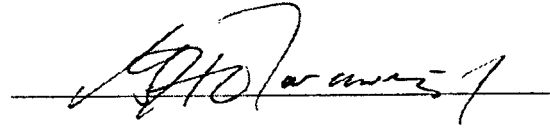
50. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere, to give effect to this Order and to assist the NFC Entities, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the NFC Entities and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the NFC Entities and the Monitor and their respective agents in carrying out the terms of this Order.

51. THIS COURT ORDERS that each of the NFC Entities and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.


52. THIS COURT ORDERS that any interested party (including the NFC Entities and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days'

notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

53. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

A handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to be "A. H. [unclear]".

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JAN 17 2012 

APPENDIX “B”

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NFC ACQUISITION GP INC., NFC
ACQUISITION CORP. AND NFC LAND HOLDINGS CORP.

Court File No.

D. Bish A. Slavens for Applicants
B. Grey for Directors B. Giam + M. Thrasher
C. Proppert + D. Cohen for BHO
E. Lench + C. Fell for FT1

January 17, 2012

This Application was brought on, for all practical purposes, on an ex parte basis. Counsel submit that the urgency of the situation compelled with business realities required and necessitated this approach. In the progress of this hearing, I accept these submissions.

Having reviewed the record and hearing submissions, I am satisfied that it is appropriate to grant the requested relief. In doing so, I have taken into account:

- 1) The ~~Major~~ Applicants are debtors companies to which the CCAA applies.*

36366-2001 13126898.1

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

APPLICATION RECORD OF
NFC ACQUISITION GP INC., NFC ACQUISITION
CORP. AND NFC LAND HOLDINGS CORP.
(Returnable January 17, 2012)

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Tel: 416.865.7333
Email: aslavens@torys.com

Lawyers for NFC Acquisition GP Inc.,
NFC Acquisition Corp.,
NFC Land Holdings Corp.,
New Food Classics and
NFC Acquisition L.P.

- ② The Applicants are insolvent and have liabilities in excess of \$5 million.
- ③ The NFC Entities, which are comprised of the Applicants, New Food Classics^{(("NFC"))} and NFC Acquisitions L.P. (NFC and NFC Acquisitions LP being the ("Partnerships")) are insolvent.
- ④ Court = CCA. proceedings of the above jurisdiction to stay proceedings with respect to partnerships and limited partnerships, applicable with one or more applicants where it is just and convenient to do so. In this case I am satisfied that operation of the Applicants ^{are} so intertwined with the Partnerships that so as to justify the application of the CCA to the Partnerships. (Paragraph 13 of Facts.)
- ⑤ A stay of proceedings is necessary so as to allow the NFC Entities to maintain operations while giving them the necessary time to facilitate the restructuring and implementation of a sales process.
- ⑥ DIP Charge, Administration Charge and Directors' and Officers' Charge are necessary and are granted. In granting such charges I have considered the tests set out in the CCA and the facts of this case. The legal tests are set out in the facts as well as the specific facts in this case. See paragraphs 19-34.

- ~~the~~
- (1) The points of the Director's Charge, the Administrative Charge and the DIP Lessee's Charge (collectively the "Charges") is set out in the draft order starting at paragraph 38. The Charges have primacy to the security interests of BITO and TD only (see paragraph 40)
- (2) The Applicants also request approval of a Sales Process. At paragraphs ¹⁰⁹⁻¹¹¹ ~~109~~ of the Premi affidavit, the factual basis for seeking an expedited sales ~~process~~ process is set out. ~~BITO~~ Counsel to BITO emphasized the necessity of approving the Sales Process today - notwithstanding the lack of notice to any party, in particular The Union. The Applicants also stress the need for the requested approval of the sales process at this time. In the circumstances and recognizing the terms and conditions being put forth by BITO ~~there~~ for its support, I have been persuaded

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NFC ACQUISITION GP INC., NFC ACQUISITION CORP. AND NFC LAND HOLDINGS CORP.

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

INITIAL ORDER

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Lawyers for NFC Acquisition GP Inc.,
NFC Acquisition Corp.,
NFC Land Holdings Corp.,
New Food Classics and
NFC Acquisition L.P.

that the Sales Process should be approved at this time. However, in order to accommodate the possibility that other parties may have differing views on the issue, the approval of the Sales Process is being granted on the express understanding that the Applicants will forthwith contact parties with significant interest in this matter and advise them that a further hearing will be held on Friday, July 20, 2012 at which time the approval of the Sales process can be reviewed and reconsidered, if necessary. This hearing is not intended to be an all encompassing contact hearing. It will focus on the (1 1/2 hours)

sole process. ~~The things~~ ~~are~~ ~~the~~
 Applicant to ensure that all issues
 are to be made aware of this hearing.

⑤ I have also noted that the NRC letters
 are headquartered in Burlington and as
 such are properly before the court. In
 addition the required documents (see s. 10 of
 CCAA) have been filed with the
 Applicant, as well as the report of
 FTI Consultancy Canada Inc. as required under.
 In the result, CCAA protection is granted.
 Order has been signed in the form
 presented.

A. J. [Signature]

APPENDIX “C”

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NFC ACQUISITION GP INC., NFC
ACQUISITION CORP. AND NFC LAND HOLDINGS CORP.

Court File No.
CV-12-8554-00

D. Bish | A Slavens for NFC Applicant. January 20, 2012
C. Pugh for BTG
E. Leach & C. Foll for RTI Trustee.

This record should be read in
conjunction with my affidavit of
January 17, 2012 to the effect
which is entered at 3:45 PM
of the First Report of RTI. I counsel
to the Applicant has satisfied
me that steps have been taken to contact
parties with significant interests -
this matter and advised that
the hearing to day which
was intended to proceed



ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

APPLICATION RECORD OF
NFC ACQUISITION GP INC., NFC ACQUISITION
CORP. AND NFC LAND HOLDINGS CORP.
(Returnable January 17, 2012)

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Lawyers for NFC Acquisition GP Inc.,
NFC Acquisition Corp.,
NFC Land Holdings Corp.,
New Food Classics and
NFC Acquisition L.P.

provide parties with a copy of
to make submissions & requests of
the sales process which was approved
on Jan 17, 2012. subject to the
embed provision today.

no further submission were received
today ^{impacting} ~~impacting~~ the sales process.
It is noted that United Food & Commercial
Workers, Local 1400 has asked to be
kept up to date with the developments
& this matter.

It is also noted that the advertisement
in respect of the sales process will
be published in the Globe & Mail
on 2 consecutive business days &
opposed to 2 consecutive days.
This modification is acceptable
and is approved.

Sales Process to proceed in accordance
with its terms. For great certainty
~~the~~ sales process approval is no longer
confidential.

[Handwritten Signature]

APPENDIX “D”

019

Court File No.: CV12-9616-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BANK OF MONTREAL

Applicant

- and -

**NFC ACQUISITION GP INC., NFC ACQUISITION CORP. NFC ACQUISITION L.P.,
NEW FOOD CLASSICS AND NFC LAND HOLDINGS CORP.**

Respondents

**THIRD REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS RECEIVER**

1. On January 17, 2012 (the "CCAA Filing Date"), pursuant to an application brought before the Ontario Superior Court of Justice (Commercial List) (the "Court") by NFC Acquisition GP Inc., NFC Acquisition Corp. and NFC Land Holdings Corp. (together with NFC Acquisition L.P., and New Food Classics, "NFC" or the "Company") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA Proceedings"), the Honourable Mr. Justice Morawetz made an initial order (as extended from time to time, the "Initial Order") in respect of NFC, which, *inter alia*, appointed FTI Consulting Canada Inc. as monitor (in that capacity, the "Monitor").

2. After an unsuccessful going-concern sale process (the “**Transaction Process**”) for the NFC business in the CCAA Proceedings, on February 22, 2012, Bank of Montreal (“**BMO**”) brought: (i) a motion in the CCAA Proceedings to lift the stay of proceedings contained in the Initial Order to allow BMO to bring an application for the appointment a receiver of the property, assets and undertaking of NFC (the “**NFC Assets**”); and (ii) an application under section 243(1) of the *Bankruptcy and Insolvency Act* and section 101 of the *Courts of Justice Act* for the appointment of FTI as receiver (in that capacity the “**Receiver**”) of the NFC Assets. The Court granted the BMO motion and the application, and made the Order in these proceedings dated February 22, 2012 (the “**Receivership Order**”), a copy of which is attached hereto as **Appendix “A”**.

PURPOSE OF THIS REPORT

3. The purpose of this third report of the Receiver (the “**Third Report**”) is to:
- (a) provide the Court with a summary of the marketing process of the Company’s two former food processing facilities located in Calgary, Alberta (together, the “**Calgary Facilities**”) owned by NFC Land Holdings Corp., being the land and building having the municipal address of 4211 13A Street SE, Calgary (the “**13A Facility**”), and the land and building having the municipal address of 4043-4089 Brandon Street SE, Calgary (the “**Brandon Facility**”) ;
 - (b) provide the Court with the background information and Receiver’s recommendation relating to the Receiver’s motion for:
 - (i) the approval of the Court, pursuant to subparagraph 3(1)(ii) of the Receivership Order, for the Receiver to enter into and carry out the terms

- of an agreement (the **"TVR Agreement"**) with TVR Construction Inc. (**"TVR"**) to sell the 13A Facility to TVR's nominee, Recon Metal Ltd., (the **"Nominee Purchaser"**) (the **"Proposed Transaction"**);
- (ii) an order vesting the 13A Facility in the Nominee Purchaser (the **"Vesting Order"**) effective upon closing of the Proposed Transaction;
 - (iii) Approving the Receiver's activities, as described in this report; and
- (c) such other relief as counsel may advise and the Court permit.

TERMS OF REFERENCE

4. In preparing this report, the Receiver has relied upon unaudited financial information of NFC, NFC's books and records, certain financial information prepared by NFC and discussions with NFC's management. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information. Accordingly, the Receiver expresses no opinion or other form of assurance on the information contained in this report or relied on in its preparation.

5. Capitalized terms not otherwise defined herein have the meanings set out in the Monitor's Prefiling Report, the Receivership Order and the Receiver's Second Report (including the Monitor's Third Report appended thereto).

SALES PROCESS IN THE CCAA PROCEEDINGS

6. Until late 2010, NFC's head office and two of its three food processing facilities were located in Calgary Alberta (the third processing facility was located in Saskatoon, Saskatchewan (the "Saskatoon Facility")). In August of 2010, NFC acquired a processing facility in St. Catharines, Ontario and relocated the food processing operations undertaken at the Calgary Facilities to St. Catharines in early 2011 (the "St. Catharines Facility"). At or about the same time, NFC moved its head office from Calgary to leased premises in Burlington, Ontario.

7. Following the decision in 2010 to vacate the Calgary Facilities, the Company solicited marketing proposals for the Calgary Facilities from Barclay Street Real Estate Ltd. ("Barclay's") and from Colliers International ("Colliers"). Copies of the Barclay's proposal and the Colliers proposal are filed but not attached hereto, as **Confidential Appendix "A"** and **Confidential Appendix "B"** respectively.

8. Pursuant to an exclusive listing agreement dated November 11, 2010, NFC engaged Barclay's to market and sell the Calgary Facilities as agent for NFC until August 31, 2011 (the "Barclay's Listing Agreement"). A copy of the Barclay's Listing Agreement is filed but not attached hereto as **Confidential Appendix "C"**. It is the Receiver's understanding that the term of the Barclay's Listing Agreement was informally extended by the agreement of NFC and Barclays after August 31, 2011 and that Barclay's continued to be NFC's exclusive agent in respect of the marketing and sale of Calgary Facilities as of the CCAA Filing Date.

CCAA TRANSACTION PROCESS

9. Upon commencement of the CCAA Proceedings, NFC and the Monitor commenced the Court approved Transaction Process for all of property, assets and undertaking of NFC on a going-concern basis, including the Calgary Facilities. The principal steps of the Transaction Process are outlined in paragraph 36 of the Prefiling Report of FTI filed in the CCAA Proceedings, a copy of which, without appendices, is attached hereto as **Appendix "B"**. In the Transaction Process the NFC Assets were offered both *en bloc* and as separate parcels, as follows:

- (i) The Saskatoon Facility (including the associated equipment, inventory and accounts receivable);
- (ii) The St Catharines Facility (including the associated equipment, inventory and accounts receivable);
- (iii) The 13A Facility; and
- (iv) The Brandon Facility.

10. After publishing Sales Ads in the *Globe & Mail National Edition* on January 20 and 23, 2012, the Monitor received eleven Expressions of Interest from interested parties. Of the eleven Expressions of Interest received, only two parties submitted Expressions of Interest for all of the NFC assets on an *en bloc* basis which included the 13A Facility and the Brandon Facility (the "En Bloc Parties"). No parties submitted Expressions of Interest for the Calgary Facilities, or either of them, on a stand alone basis. The En Bloc Parties were among the group of "Selected Parties" who were invited to participate in Phase 2 of the Transaction Process and

provided with access to more detailed information in the NFC virtual data room (the "Data Room"). The Monitor also received informal expressions of interest for the Calgary Facilities from third parties outside the Transaction Process, however none of those parties, notwithstanding the Monitor's request, submitted formal Expressions of Interest that complied with the Court approved Transaction Process. The En Bloc Parties, after reviewing the additional the additional information in the Data Room, declined to submit a binding final proposal. As a result, by the CCAA Transaction Process bid deadline, NFC had received no offers for the purchase of the Calgary Facilities or either of them.

11. A fuller summary of the results of the Transaction Process conducted in the CCAA Proceedings and the results thereof is outlined in further detail in the Receiver's Second Report to the Court dated April 12, 2012 (the "Second Report"). A copy of the Second Report is attached hereto as Appendix "C". As mentioned therein, on February 20, 2012, BMO delivered a Sales Process Default Notice under the DIP Credit Agreement and thereafter commenced these Receivership Proceedings.

SALES PROCESS IN THE RECEIVERSHIP PROCEEDINGS

12. Following the making of the Receivership Order, the Receiver continued to work with Barclay's to pursue and solidify the various informal expressions of interest that both Barclay's and FTI as Monitor had received in respect of the Calgary Facilities.

13. As part of that process, the Receiver made inquiries of Barclay's with respect to the marketing efforts that Barclay's had undertaken in respect of the Calgary Facilities up to the commencement of the CCAA Proceedings in order to determine whether there would be any benefit to the Receiver embarking upon an entirely new marketing and sales campaign for the

Calgary Facilities, or whether between the Barclay's marketing efforts since November of 2010 and the CCAA Transaction Process, the market for the Calgary Facilities had been duly canvassed.

14. Barclays confirmed that the marketing campaign for the Calgary Facilities included the following: (i) postings on the Barclay's Real Estate website; (ii) weekly updates posted on Kijiji; (iii) an initial mass mailing to Barclay's substantial database of industrial users and developers; (iv) email solicitations to Barclay's network of real estate brokers; (v) a quarterly post-card mailer to 2,800 Barclay's contacts; (vi) an ad in the *Barclay Street Real Estate Ltd. - Industrial Report*; (vii) monthly full page advertisements in the *Western Investor* newspaper¹; (viii) an ad in the Winter 2011 *Alberta Food Processors Association Publication*; (ix) the hand delivery of brochures to seventy five targeted Calgary area businesses/investors; and (x) a telephone solicitation campaign to additional targeted businesses, developers, food processors and landlords. Between November 2010 and the CCAA Filing Date, Barclay's had conducted tours of the Calgary Facilities with approximately twenty interested parties, and since the CCAA Filing Date has conducted an additional six tours of the 13A Facility, and thirty tours of the Brandon Facility.

15. Based on the foregoing, the Receiver is of the view that, between the efforts of Barclay's since November of 2010 and the solicitations made during the Transaction Process, the market for the Calgary Facilities has been fully and duly canvassed, and that there would be no perceptible economic benefit to a period of further marketing of the Calgary Facilities and the 13A Facility in particular.

¹ Circulation of 40,000 subscribers.

THE TRANSACTION

16. TVR was a party that originally expressed an interest in the 13A Facility to Barclays in November of 2011. After a series of negotiations between TVR and Barclay's/the Receiver, and negotiations between Barclay's/the Receiver and the other parties identified by Barclay's that had expressed serious interest in acquiring the 13A Facility, the Receiver agreed, subject to Court approval in accordance with the Receivership Order, to accept the offer to purchase the 13A Facility submitted by TVR. In accordance with the March 29, 2012 amendment to the TVR Agreement, TVR has delivered a non-refundable deposit in the amount of \$100,000 to the receiver which is held in the Fasken Martineau trust account. A redacted copy of the TVR Agreement is attached hereto as **Appendix "D"**. An un-redacted copy of the TVR Agreement is filed but not attached hereto, as **Confidential Appendix "D"**.

17. The Receiver has reviewed the principal business terms of the TVR Agreement with BMO and with TD Capital Mezzanine Partners Management Ltd. ("TD"), the second ranking secured creditor of NFC behind BMO, who are the only parties with an economic interest in the Calgary facilities, and has been advised of both of their support for the approval of the TVR Agreement and Proposed Transaction sought herein.

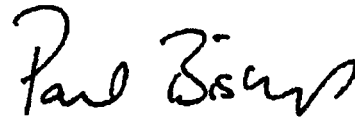
18. Because of the unique nature of the Calgary Facilities, being specialized food processing facilities, appraisals based upon sales of similar food processing facilities in the Calgary area are not readily available. Further it is the Receiver's understanding that many of the parties interested in the 13A Facility (including TVR) did not intend to use the facility for food processing. As such the Receiver and Barclays have compared the price offered by TVR to prices per acre of other industrial land sales in the Calgary area. The purchase price per acre of

the 13A Facility under the TVR Agreement falls within the higher range of prices received for industrial land sales in the Calgary area within the last 12 months. A list of Calgary industrial land sales, including the price obtained for each sale prepared by Barclay's is filed but not attached hereto, as **Confidential Appendix "E"**.

19. Based on the extensive marketing and solicitation processes for the 13A Facility both by Barclays since November of 2010, and undertaken in the Transaction Process, and based upon the support of BMO and TD, the Receiver respectfully recommends that the Court approve the TVR Agreement, authorize the Receiver to carry out the Transaction, and grant the Vesting Order, vesting the 13A Facility in the Nominee Purchaser upon closing of the Transaction.

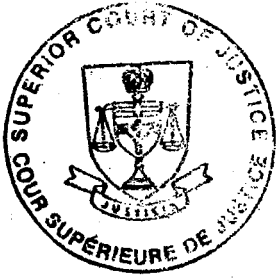
All of which is respectfully submitted this 3rd day of July, 2012.

**FTI Consulting Canada Inc.
Receiver of the property, assets and
undertaking of New FC**



Name: Paul Bishop
Title: Senior Managing Director,
FTI Consulting Canada Inc.

APPENDIX “E”



Court File No. CV-12-9616-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.

)

WEDNESDAY, THE 22nd DAY

)

JUSTICE BROWN

)

OF FEBRUARY, 2012

BANK OF MONTREAL

Applicant

- and -

**NFC ACQUISITION GP INC., NFC ACQUISITION CORP.,
NFC LAND HOLDINGS CORP., NEW FOOD CLASSICS, and
NFC ACQUISITION L.P.**

Respondents

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing FTI Consulting Canada Inc. ("FTI") as receiver (the "Receiver") without security, of all of the assets, undertakings and properties of NFC ACQUISITION GP INC., NFC ACQUISITION CORP., NFC ACQUISITION L.P., NEW FOOD CLASSICS, and NFC LAND HOLDINGS CORP. (collectively, the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of L.M. Junior Del Brocco sworn February 21, 2012, the Affidavit of Brian Cram, sworn February 10, 2012, and the Affidavit of Brian Cram, sworn January 16, 2012, and the exhibits thereto, and the Pre-Filing Report of FTI dated January 16, 2012, the Second Report to Court of FTI dated February 13, 2012, and the Third Report to Court of FTI dated February 21, 2012, and the Appendices thereto, filed, and on hearing the submissions of counsel for BMO, counsel for the NFC Entities, and counsel for FTI, and such other parties in attendance at the hearing as indicated on the Counsel Slip, no one appearing for any other party although duly served as appears from the Affidavit of Service of Fiorella Sasso, sworn February 22, 2012;

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, FTI is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time, including former employees of the Debtors, and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (f) to settle, extend or compromise any indebtedness owing to the Debtors;
- (g) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (h) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (i) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (j) to cause the Company to sell, convey, transfer its finished goods inventory (collectively, "**Finished Inventory**"), including by way of bulk transactions, to existing customers of the Debtors, in or out of the ordinary course of business, without the approval of this Court;
- (k) to cause the Company to sell, convey, transfer the entirety of its raw and frozen perishable raw materials inventory (collectively, "**Perishable Inventory**"), including by way of one or more bulk transactions, without the approval of this Court;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof (other than Finished Inventory and Perishable Inventory) out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$200,000, provided that the aggregate consideration for all such transactions does not exceed \$600,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, and the equivalent provisions of the Alberta and Saskatchewan *Personal Property Security Acts*, section 31 of the Ontario *Mortgages Act*, and the equivalent the Alberta legislation, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* or equivalent bulk sales legislation in any other Province shall not apply.

- 5 -

- (m) to apply to this Court or the Court in the Provinces of Alberta or Saskatchewan for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (s) to pay amounts secured by the Administration Charge (as hereinafter defined) and outstanding as at the date of this Order, within seven days of the making of this Order; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto

paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements or arrangements, including without limitation by conduct, with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or food or food processing safety monitoring, food storage services, facility cleaning services or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided

for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS AND DECLARES that the employment of all of the Debtors' employees be and is hereby terminated. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the

protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder, and the equivalent legislation in the Provinces of Alberta and Saskatchewan (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property in an amount of up to \$350,000, less the outstanding amounts secured by the Administration Charge (as hereinafter defined) from time to time, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a charge on the Property in the priority set out in paragraph 24 of this Order, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$1,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowing Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, with the priority set out in paragraph 24 of this Order, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

23. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates

evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

COURT ORDERED CHARGES

24. THIS COURT ORDERS that subject to paragraphs 25 and 26 below, the Administration Charge, the Directors' Charge and the DIP Lender's Charge provided for in the Initial Order in the CCAA Proceedings made January 17, 2012 (the "Initial Order"), and the Westco Lien Charge provided for in the order of this Court made February 16, 2012 (the "Extension Order") in the CCAA Proceedings be and are hereby recognized and preserved, and shall rank, as among themselves, and *vis a vis* the Encumbrances referred to in Paragraph 40 of the Initial Order, in accordance with the priorities set out in the Initial Order and the Extension Order.

25. THIS COURT ORDERS that the Receiver's Charge shall rank immediately behind the Administration Charge, and immediately ahead of the Directors' Charge.

26. THIS COURT ORDERS that the Receiver's Borrowing Charge shall rank immediately behind the Westco Lien Charge and immediately ahead of the DIP Lender's Charge.

SERVICE AND NOTICE

27. THIS COURT ORDERS that the Receiver be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

28. THIS COURT ORDERS that the Plaintiff, the Receiver, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Receiver may post a copy of any or all such materials on its website at <http://cfcanada.fticonsulting.com/nfc>.

GENERAL

29. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

30. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

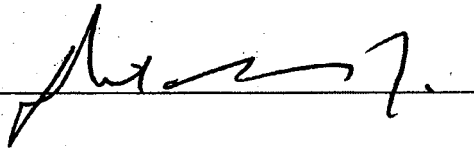
31. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

32. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

33. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

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34. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

FEB 22 2012

MB

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that FTI CONSULTING CANADA INC. the receiver (the "Receiver") of the assets, undertakings and properties NFC ACQUISITION GP INC., NFC ACQUISITION CORP. NFC ACQUISITION L.P., NEW FOOD CLASSICS AND NFC LAND HOLDINGS CORP acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the _____ day of February, 2012 (the "Order") made in an action having Court file number ___-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$1,000,000 which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of Montreal from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in the priority of the Charges and Encumbrances set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 2012.

FTI CONSULTING CANADA INC. solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____
Name:
Title:

APPENDIX “F”

Court File No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NFC ACQUISITION G.P. INC., NFC ACQUISITION CORP.
AND NFC LAND HOLDINGS CORP.

**PRE-FILING REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS PROPOSED MONITOR**

January 16, 2012

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
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Bay Adelaide Centre, Box 20
Toronto, Ontario Canada M5H 2T6

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(LSUC #60091H)
Tel: 416 868 3471
Fax: 416 364 7813

Solicitors for FTI Consulting Canada
Inc., proposed Monitor

Court File No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

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**PRE-FILING REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS PROPOSED MONITOR**

INTRODUCTION

1. FTI Consulting Canada Inc. ("FTI" or the "Proposed Monitor") has been informed that NFC Acquisition GP Inc., NFC Acquisition Corp. and NFC Land Holdings Corp. (collectively, the "**Applicants**" and together with NFC Acquisition L.P., and New Food Classics, "NFC") intend to make an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") for an initial order (the "**Initial Order**") granting, *inter alia*, a stay of proceedings against NFC until February 15, 2011, (the "**Stay Period**") and appointing FTI as the monitor (the "**Proposed Monitor**"). The proceedings to be commenced by the Applicants under the CCAA will be referred to herein as the "**CCAA Proceedings**".

2. FTI is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and is not subject to any of the restrictions on who may be

appointed as monitor set out in section 11.7(2) of the CCAA. FTI has provided its consent to act as Monitor in these CCAA Proceedings (a copy of which is attached as **Appendix "A"**).

PURPOSE

3. The purpose of this report is to provide the Court with the following:
- (a) FTI's qualifications to act as Monitor (if appointed);
 - (b) an overview of the state of the business and affairs of NFC and the causes of its financial difficulty;
 - (c) the Proposed Monitor's comments on the Applicants' weekly cash flow forecast of NFC to April 13, 2012 and the reasonableness thereof, in accordance with s.23(1)(b) of the CCAA;
 - (d) the Proposed Monitor's comments on the proposed debtor in possession financing (the "**DIP Financing**");
 - (e) the Proposed Monitor's comments on the proposed sales process (the "**Sales Process**");
 - (f) the Proposed Monitor's comments on the following court-ordered charges contained therein:
 - (i) the administrative charge (the "**Administrative Charge**");
 - (ii) the directors & officers' charge (the "**D&O Charge**"); and
 - (iii) the charge securing the DIP Financing (the "**DIP Charge**");

(collectively, the “**Court Ordered Charges**”); and

- (g) the Proposed Monitor’s conclusions and recommendations.

TERMS OF REFERENCE

4. In preparing this report, the Proposed Monitor has relied upon unaudited financial information of the Applicants, NFC’s books and records, certain financial information prepared by the Applicants and discussions with the Applicants’ management. The Proposed Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information. Accordingly, the Proposed Monitor expresses no opinion or other form of assurance on the information contained in this report or relied on in its preparation. Future oriented financial information reported or relied on in preparing this report is based on management’s assumptions regarding future events; actual results may vary from forecast and such variations may be material.

5. Capitalized terms not otherwise defined herein have the meanings defined in the Affidavit of Brian Cram, President and Chief Executive Officer of NFC, sworn January 16, 2012 (the “**Cram Affidavit**”) and filed in support of the application for the Initial Order. The Affidavit describes, *inter alia*, NFC’s business, corporate structure, financial position and reasons for commencement of these proceedings. This Report should be read in conjunction with the Affidavit as certain information contained in the Affidavit has not been included herein to avoid unnecessary duplication.

6. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

FTI'S QUALIFICATIONS TO ACT AS MONITOR

7. FTI was retained by NFC on December 23, 2011 to provide certain financial advisory and consulting services.

8. Paul Bishop of FTI will have primary carriage of this matter and is a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada) ("BIA").

Neither FTI nor any of its representatives have been at any time in the two preceding years:

- (a) the auditor of any of NFC;
- (b) a director, an officer or an employee of any of NFC;
- (c) related to NFC or to any director or officer of NFC; or
- (d) trustee (or related to any such trustee) under a trust indenture is issued by NFC or any person related to NFC, or the holder of a power of attorney under an act constituting a hypothec within the meaning of the *Civil Code of Quebec* that is granted by NFC or any person related to NFC.

9. FTI has consented to act as Monitor should this Honourable Court grant the Applicants' request to commence the CCAA Proceedings in respect of NFC.

RELEVANT BACKGROUND INFORMATION*Business and Affairs of the Applicant*

10. NFC is in the business of manufacturing value-added meat and meatless protein consumer products in Canada. The primary product line consists of frozen beef burgers; however NFC has expanded to various other protein categories and has begun to develop a selection of cooked products and speciality appetizers.

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11. NFC operates out of two certified (Canadian Food Inspection Agency, U.S. Department of Agriculture, and Hazard Analysis Critical Control Points) production facilities in Canada, located in St. Catharines, Ontario and Saskatoon, Saskatchewan and has a sales and procurement office located in Calgary, Alberta. NFC's corporate head office is located in leased premises in Burlington, Ontario, where all administrative functions are carried out. NFC also owns two commercial properties in Calgary, Alberta, which it no longer uses and which have been listed for sale by NFC since November, 2010.

12. As of January 11, 2012, the Applicants employ the following employees:

Location	Salaried (non-union)	Hourly (union)
Burlington	23	0
Calgary	12	0
St. Catharines	16	69
Saskatoon	32	146

13. NFC's unionized employees are represented in Saskatoon by the United Food & Commercial Workers Union Local 1400 (the "UFCW 1400 Collective Agreement") and in St. Catharines by UFCW Local 175 (the "UFCW 175 Collective Agreement"). Pursuant to the UFCW 1400 Collective Agreement, NFC's full time unionized employees in Saskatoon are eligible to join group deferred profit sharing plans (defined contribution) as well as a group registered retirement savings plan. As of December 30, 2011 NFC is current with respect to these contributions.

14. In St. Catherines, full-time unionized employees are eligible under the UFCW Local 175 Collective Agreement to participate in the (defined contribution) Canadian

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Commercial Workers Industry Pension Plan. As of December 17, 2011 NFC is current with respect to the these contributions and all union dues.

15. NFC's management ("Management") has advised that all salaried and hourly employees have been paid for services performed through to December 30, 2011 and that all associated statutory remittance have been withheld and remitted.

16. The majority of NFC's gross revenues are generated from NFC's largest customers: Loblaw Companies Limited, Wal-Mart Canada and Sysco Canada; its top ten customers account for approximately 82% of the revenues.

THE APPLICANTS' BUSINESS AND THE NEED FOR A CCAA FILING

17. In 2011 the Company sold its products to customers based upon fixed price contracts, which terms ran for a calendar year. Accordingly, the Company took on the risk of an increase in the price of its inputs during the term of the contracts, including, in particular the price of beef and energy costs. During 2011 the wholesale price of beef has increased by approximately 40% and the price of fossil fuels and electricity have on average increased by 5%. The Company was unable to pass on the impact of increased costs for raw materials to their customers in 2011 as a result of the fixed price contracts.

18. In early 2011, the Company closed down two operating plants in Calgary and terminated staff relating to the operations of those plants. The Company relocated its production operations to Saskatoon, Saskatchewan and St. Catharines, Ontario. The overall cost to retrofit and commence operations at the St. Catharines plant was approximately \$10 million over budget. In addition, the production systems at the St. Catharines plant were not optimized and remained highly inefficient in the first few months of production at that location. The Company also

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moved its Head Office from Calgary, Alberta to Burlington, Ontario, moving only one staff member. Substantially all new head office staff, including accounting and finance functions, were required to be hired and trained in Burlington. In addition, concurrent with the relocation, NFC installed a new accounting software package. As a result of the complete turn-over of accounting staff and the change in accounting platforms, NFC's management was unable to fully identify the substantial losses that the Company was incurring in 2011 or rectify the situation in a timely manner before it had a material adverse impact on the company's financial situation.

19. The business and affairs of the Applicants and the causes of insolvency are described further in the Cram Affidavit.

20. The Applicants' majority shareholder, Edgestone Capital Partners has advised the Applicants that it is not prepared to invest any additional funds by way of debt or equity into the Applicants' operations in order to fund the Applicants losses or future operations.

21. The Applicants' have asked their principal operating lender, Bank of Montreal ("BMO"), for additional funding for the Applicants' operations. In particular, the Applicants business is seasonal in nature and accordingly requires a material ramp-up in production (and a corresponding increase in working capital funding requirements) in the beginning of March of each year in order to manufacture sufficient customer inventories for the spring/summer barbeque season (the "Inventory Ramp Up"). BMO had advised that it is not prepared to advance any additional capital to fund the Applicant's operations unless such capital is provided in the context of a CCAA filing of the Applicants, and as part of that filing, a sales process for the Applicants' business operations and other assets is initiated immediately.

FUNDING OF THE CCAA PROCEEDINGS

Cash Flow Projections

22. The Applicants, with the assistance of FTI have prepared consolidated 13-week cash flow projections for the period commencing January 20, 2012 and ending April 13, 2012 (the “**Cash Flow Projections**”). A copy of the Cash Flow Projections, together with NFC management’s report thereon is attached as **Appendix “B”**.

23. As shown in the Cash Flow Projections, it is estimated that for the 13-week period, NFC will have approximate total cash inflows of \$19.3 million, total cash outflows of \$32 million and total disbursements relating to the restructuring of \$1.4 million. During the first five weeks of the Cash Flow Projections, NFC’s cash flow requirements project a need for NFC to borrow approximately \$3.5 million, and that during the following eight weeks an additional amount of approximately \$10 million of funding is required to implement the Inventory Ramp Up.

Proposed Monitor’s Report on the Reasonableness of the Cash Flow Projections

24. Pursuant to section 23(1)(b) of the CCAA, the Proposed Monitor is required to provide this Honourable Court with the Proposed Monitor’s findings with respect to its review of the NFC’s Cash Flow Projections as to their reasonableness. The Proposed Monitor’s Reports with respect to same is as follows.

25. The Cash Flow Projections have been prepared by the management of NFC for the purpose of determining the liquidity requirements for NFC during the CCAA Proceedings

using the Probable and Hypothetical Assumptions¹ as identified by NFC and as discussed with FTI. Copies of the Cash Flow Projections and the report containing the prescribed representations of NFC regarding the preparation of the Cash Flow Projections are already attached hereto collectively as **Appendix "C"**.

26. FTI's review consisted of inquiries, analytical procedures and discussion related to information supplied to us by certain of the management and employees of NFC. Since Hypothetical Assumptions need not be supported, FTI's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Projections. The Proposed Monitor also reviewed the support provided by management of NFC for the Probable Assumptions and the preparation and presentation of the Cash Flow Projections.

27. Based on FTI's review, nothing has come to its attention that causes the Proposed Monitor to believe that, in all respects:

- (a) The Hypothetical Assumptions are not consistent with the purpose of the Cash Flow Projections;
- (b) As at the date of this report, the Probable Assumptions developed by management are not Suitably Supported and consistent with the plans of NFC or do not provide a reasonable basis for the Cash Flow Projections, given the Hypothetical Assumptions; or

¹ All terms used but not defined in this section of the report have the meanings ascribed to them in the Canadian Association of Insolvency and Restructuring Professionals ("CAIRP") Standard of Practice No. 09-1, Cash-Flow Statement, approved, ratified and confirmed by CAIRP members on August 21, 2009.

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- (c) The Cash Flow Projections do not reflect the Probable and Hypothetical Assumptions.

28. Since the Cash Flow Projections are based upon Assumptions regarding future events, actual results will vary from the information presented even if the Hypothetical Assumptions occur, and the variations may be material. Accordingly, the Proposed Monitor expresses no assurance as to whether the Cash Flow Projections will be achieved. The Proposed Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon by it in preparing this report.

29. The Cash Flow Projections have been prepared solely for the purposes of determining the liquidity requirements for NFC during the CCAA Proceedings, using Probable and Hypothetical Assumptions, and readers are cautioned that it may not be appropriate for other purposes.

Proposed DIP Financing

30. Given the anticipation of negative expected cash flow referred to above, in order to maintain going concern operations during the Sales Process and up to the closing of a sale of its operations, the Applicant will require the authority to borrow pursuant to a court-approved interim credit facility. The Applicant and BMO have negotiated the terms of a super-priority CCAA Interim Credit facility with a maximum amount of up to \$10,500,000 (the "**DIP Financing**"). The DIP Financing is to be provided pursuant to the terms of the commitment letter between NFC and BMO (a copy of which is attached as an Exhibit to the Cram Affidavit) (the "**DIP Term Sheet**").

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31. The DIP Term Sheet provides that the initial amount of \$3.5 million has been approved by BMO to fund NFC's operations until February 21, 2012. BMO's approval of the additional approximately \$7 million of DIP funding (required to fund the Inventory Ramp Up) after February 21 is conditional upon BMO, in its sole discretion, being satisfied with the terms of an offer or offers to purchase all or substantially all of the assets of NFC (including a deposit of not less than 15% of the purchase price(s)) obtained in the Transaction Process, failing which the funding availability under the DIP Term Sheet terminates immediately, unless and until a revised cash flow projection is agreed to between NFC and BMO.

32. Pursuant to section 23(1)(b) of the CCAA, the Proposed Monitor is of the view that the assumptions and projections which underlie the Applicant's Cash Flow Projections are reasonable and that a maximum amount of \$3,500,000 in available DIP financing is reasonable and should be sufficient to fund the Applicant's operations in accordance with the Cash Flow Projections until February 21, 2012.

33. Subject to approval of this Honourable Court, the proposed DIP financing contemplates *inter alia*, that BMO will be granted a first charge over all of the NFC's assets subject and subordinate only to the Administrative Charge, the D&O Charge and any existing statutory lien or purchase money security interests which have, by their terms, priority over the existing security interests of BMO over the assets of NFC as of the date of the Initial Order.

BMO SECURITY REVIEW

34. The Proposed Monitor has requested its counsel, Fasken Martineau DuMoulin LLP ("Faskens") to conduct an independent review of the existing security interests granted by NFC in favour of BMO (the "Existing BMO Security") in respect of the indebtedness and

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obligations of NFC to BMO owing as at the CCAA filing date (the “**Existing BMO Debt**”). Faskens is in the process of conducting its review of the Existing BMO Security over the assets of NFC located in the Provinces of Ontario and Alberta. The Proposed Monitor has engaged the firm of McDougall Gauley LLP of Saskatoon to act as its counsel in the Province of Saskatchewan, to *inter alia*, review the Existing BMO Security over NFC’s assets located in Saskatchewan. The Monitor will report to the Court on the results of the Existing BMO Security reviews at or prior to the Applicant’s motion for an extension of the stay contained in the Initial Order.

35. The Proposed Monitor understands that the Toronto-Dominion Bank (“**TD Bank**”) has advanced credit facilities to NFC which are also secured against the assets of NFC subordinate in priority to the Existing BMO Security. Based upon the Proposed Monitor’s understanding of the anticipated value that may be realized from the sale of the assets and operations of NFC, it is possible that BMO will not recover the amount of the Existing BMO Debt from the sale(s) of the assets of NFC in full. The Monitor intends to conduct an independent review of the existing security interests granted by NFC to TD at a later point in time, when the Monitor has a better view as to anticipated proceeds of realization and whether there will be any funds available for distribution to TD Bank.

THE PROPOSED SALES TRANSACTION PROCESS

36. The proposed sale transaction process (“**Transaction Process**”) will be managed in accordance with the following procedures that will be established and communicated by the Applicants and the Monitor to interested parties from time to time. It is anticipated that the Transaction Process will consist of the following principal phases:

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- (a) Immediately following the making of the Initial Order, the Monitor will contact a list of approximately 11 parties which have been identified by the Applicants as possible qualified purchasers of the Applicants' businesses on a going-concern that are likely to be acceptable to NFC's major customers. The Monitor will also contact NFC's largest customers to identify any additional possible qualified purchasers. The Monitor will also, within 4 days of the commencement of the CCAA Proceedings, advertise the NFC acquisition opportunity in the National Edition of the Globe & Mail for two consecutive days.

- (b) The Proposed Monitor has worked with the Applicants to establish an electronic data room that will contain updated information about the Applicants' assets, business and operations as it becomes available (the "**Data Room**") during the Transaction Process. Qualified interested parties will be required to execute a Confidentiality Agreement in order to receive a copy of the Confidential Information Memorandum prepared by the Proposed Monitor in conjunction with the Applicants' management and to obtain access to the Data Room.

- (c) The NFC assets will be offered for sale en bloc and in four parcels:
 - (i) The Saskatoon operations (including the associated inventory and accounts receivable);

 - (ii) The St Catharines operations (including the associated inventory and accounts receivable);

 - (iii) The Calgary 13A Street Facility; and

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- (iv) The Calgary Brandon Street Facility
- (d) Interested parties will be asked to submit non-binding expressions of interest (“EOI”), including a proposed purchase price for each of the parcels of NFC assets it wishes to acquire on or before January 30, 2012. The EOIs will be used to determine which interested parties, if any, will be invited to continue to participate in the Transaction Process. The Monitor will provide instructions for the required form of non-binding proposal to interested parties in advance of the deadline for submitting such proposals.
- (e) In evaluating EOIs from interested parties, the Applicants and FTI will consider, among other factors, whether the offer maximizes value for NFC assets, treatment of employees and such other factors as would be appropriate in the circumstances as determined by the Applicants and Monitor in their sole discretion. Upon receipt of the proposals the Applicants, in consultation with the Monitor and BMO, will determine at their sole discretion which interested parties, if any will proceed to Phase 2 of the Transaction Process. Further, the Applicants, in consultation with the Monitor and BMO, may at any time terminate the Transaction Process.
- (f) During Phase 2 of the Transaction Process, interested parties who are invited to continue to Phase 2 of the Transaction Process will be given access to additional confidential information relating to NFC in the Data Room. In addition, site visits and access to management will be made available to interested parties during Phase 2.

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- (g) Following a brief additional period of due diligence and Data Room access, each qualified interested party will be requested to submit a final binding offer in the required form. FTI will provide qualified interested parties with a definitive sales agreement. Additional details with respect to the Transaction Process will be communicated to qualified interested parties in advance of the final bid deadline. The final proposals will be due on February 13, 2012. The Applicants, in consultation with the Monitor and BMO, will select a preferred bid on or before February 17, 2012 (the "**Selected Bid**") A final decision will be made by BMO on or before February 21, 2012 as to whether it will fund the remaining DIP Facility balance of \$7 million upon being satisfied, *inter alia*, with the terms of the Selected Bid

- (h) In the event that the Monitor and/or BMO do not agree with the preferred bidder proposed by the Applicant, the Monitor and/or BMO may propose an alternate bidder for approval from the court from the parties that submitted final proposals on or before February 13, 2012.

- (i) It is anticipated that the closing of one or more going concern transaction(s) involving the NFC Saskatoon operations and/or the St Catharines operations will close on or before March 15, 2012.

37. The timelines associated with the Transaction Process are noticeably compressed. This accelerated process is necessitated by the timing of the Inventory Ramp Up and the conditions imposed by BMO upon any agreement to fund the working capital requirements of the Inventory Ramp Up pending a sale of the business. The Proposed Monitor considers it

reasonably likely that the universe of qualified buyers for the going concern operations of NFC has substantially been identified by the Applicants and consists principally of parties who are already manufacturing and supplying similar products to NFC's major customers. These parties are familiar with manufacturing operations such as those owned by NFC and have a history of dealings with NFC's major customers, enabling them to conduct accelerated due diligence and complete an acquisition in a timely fashion. Accordingly the Proposed Monitor is of the view that the timelines associated with the Transaction Process will not have a material adverse impact on the ability of the Applicants and the Monitor to maximize the fair market value of the assets and operations of NFC.

THE COURT ORDERED CHARGES

Administrative Charge

38. The proposed Initial Order provides for an Administration Charge in an amount not to exceed \$350,000, charging the assets of the Applicant to secure the fees and disbursements incurred in connection with services rendered to the Applicant both before and after the commencement of the CCAA Proceedings by counsel to the Applicant, the Proposed Monitor, and the Proposed Monitor's counsel.

Directors & Officers Charge

39. The proposed Initial Order provides for a D&O Charge over the property of NFC in favour of the directors and officers of the Applicants as security for the indemnity contained in the Initial Order in respect of specified obligations and liabilities that they may incur after the commencement of the CCAA Proceeding. The D&O Charge will not exceed an aggregate amount of \$3 million and will rank immediately subsequent to the Administrative Charge and immediately before the DIP Charge. The amount and priority ranking of the D&O Charge have

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been negotiated and agreed upon with BMO. The Proposed Monitor is of the view that the quantum and liabilities covered by the directors' and officers' indemnity and D&O Charge are reasonable and appropriate in the circumstances.

DIP Charge

40. The proposed Initial Order provides for a charge in favour of the DIP lenders in the amount not to exceed \$10.5 million charging all of the assets of the Applicant (the "**DIP Charge**"). The DIP Charge is proposed to rank immediately subsequent to the D&O Charge.

Summary of the Proposed Rankings of the Court-Ordered Charges

41. The proposed Initial Order provides that each of the Court Ordered Charges will rank subordinate to any liens or security interests (such as statutory repair and storage liens and purchase money security interests) over the asset of NFC, which, as at the date of the making of the Initial Order, rank in priority to the existing security interests of BMO. Accordingly, parties having such prior ranking interests have not been served with the Application Record herein.

42. FTI believes that the above noted proposed Court-ordered charges and rankings are required and reasonable in the circumstances of the CCAA Proceedings in order to preserve going concern operations of the Applicants until proceeds from an eventual sale are realized.

CONCLUSION

43. The Proposed Monitor is of the view that the relief requested by the Applicant is necessary, reasonable and justified.

44. Accordingly, the Proposed Monitor respectfully supports the Applicant's request for the appointment of a Monitor by this Honourable Court.

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FTI Consulting Canada Inc.
The Proposed Monitor of
New Food Classics



Name: Paul Bishop
Title: Senior Managing Director,
FTI Consulting Canada Inc.

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APPENDIX A

FTI Consulting Inc. consent to act as Monitor

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NFC ACQUISITION GP INC., NFC ACQUISITION CORP. AND
NFC LAND HOLDINGS CORP.**

CONSENT TO ACT AS MONITOR

FTI CONSULTING CANADA INC. hereby consents to act as the Monitor of NFC Acquisition GP Inc., NFC Acquisition Corp., NFC Land Holdings Corp., New Food Classics and NFC Acquisition L.P. pursuant to the *Companies' Creditors Arrangement Act* (Canada) in accordance with the terms of an order substantially in the form attached hereto.

DATED this 16 day of January, 2012.

FTI CONSULTING CANADA INC.

Per:

Paul Bisci

Title:

SENIOR MANAGING DIRECTOR

APPENDIX B

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NFC ACQUISITION G.P. INC., NFC ACQUISITION CORP.
AND NFC LAND HOLDINGS CORP.

(the "Applicants")

**REPORT ON CASH FLOW STATEMENT
(paragraph 10.2(b) of the CCAA)**

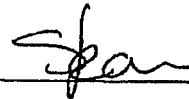
The management of NFC Acquisition GP Inc., NFC Acquisition Corp. and NFC Land Holdings Corp. (collectively, the "Applicants" and together with NFC Acquisition L.P., and New Food Classics, "NFC") has developed the assumptions and prepared the attached statement of projected cash flow of NFC as of the 16th day of January 2012, consisting of a 13 week cash flow for the period January 16, 2012 to April 13, 2012 (the "January 16 Cash Flow").

The hypothetical assumptions are reasonable and consistent with the purpose of the projections as described in Note 1 to the cash flow, and the probable assumptions are suitably supported and consistent with the plans of NFC and provide a reasonable basis for the January 16 Cash Flow. All such assumptions are disclosed in Notes 2 to 6.

Since the January 16 Cash Flow is based on future events, actual results will vary from the information presented and the variations may be material.

The January 16 Cash Flow has been prepared solely for the purpose outlined in Note 1, using the probably and hypothetical assumptions set out in Notes 2 to 6. Consequently readers are cautioned that the January 16 Cash Flow may not be suitable for other purposes.

Dated at Toronto this 16th day of January 2012.



[Name] Stephane Jean
[Position] VP, Finance.
New Food Classics

New Food Classics
WEEKLY CASH FLOW FORECAST

Week Ending	Week 1 1/20/2012	Week 2 1/27/2012	Week 3 2/3/2012	Week 4 2/10/2012	Week 5 2/17/2012	Week 6 2/24/2012	Week 7 3/2/2012	Week 8 3/9/2012	Week 9 3/16/2012	Week 10 3/23/2012	Week 11 3/30/2012	Week 12 4/6/2012	Week 13 4/13/2012	Total
Operating Cash Flows														
Cash inflows														
AR Collections	1,006,240	1,097,303	1,072,945	1,557,068	1,717,068	1,617,068	1,348,778	1,424,400	1,424,400	1,424,400	1,390,724	1,939,458	2,338,458	19,247,272
Total Cash Inflows	1,006,240	1,097,303	1,072,945	1,557,068	1,717,068	1,617,068	1,348,778	1,424,400	1,424,400	1,424,400	1,390,724	1,939,458	2,338,458	19,247,272
Cash Outflows														
AP Trade	1,201,460	1,359,704	1,410,575	1,489,584	1,568,143	2,007,792	2,142,287	2,335,318	2,450,172	2,484,501	2,168,664	2,020,641	1,943,241	24,692,689
Payroll & Benefits	597,360	-	969,912	-	542,968	-	564,771	564,771	840,610	-	674,668	-	696,224	4,492,903
Rent & Utilities	1,136	6,398	314,387	51,124	6,321	6,321	364,895	115,034	5,598	5,598	5,598	433,672	132,790	1,492,004
Other	21,404	7,199	67,130	67,319	69,836	79,321	84,097	81,698	85,816	84,134	84,134	81,877	70,627	1,149,739
Contingency	35,000	-	25,000	30,000	30,000	35,000	75,000	55,000	55,000	35,000	35,000	35,000	30,000	500,000
Total Cash Outflows	2,032,042	1,437,201	2,836,984	1,683,026	2,237,179	2,159,433	3,231,051	2,598,951	3,237,197	2,598,446	2,371,199	2,371,199	2,903,860	31,984,128
Net Operating Cashflow	(1,025,802)	(340,898)	(1,313,939)	(65,940)	(520,109)	(542,365)	(1,882,273)	(1,174,551)	(1,812,796)	(1,174,046)	(1,397,340)	(1,397,340)	(665,402)	(12,736,956)
Restructuring Costs														
Professional Fees	170,000	170,000	155,000	145,000	145,000	145,000	105,000	65,000	65,000	65,000	65,000	65,000	65,000	1,365,000
KEPP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Restructuring Costs	170,000	170,000	155,000	145,000	145,000	145,000	105,000	65,000	65,000	65,000	65,000	65,000	65,000	1,365,000
Net Cash Flow	(1,195,802)	(510,898)	(1,468,939)	(210,940)	(665,109)	(687,365)	(1,987,273)	(1,239,551)	(1,877,796)	(1,239,046)	(1,462,340)	(1,462,340)	(730,402)	(14,101,956)
Opening Revolver Balance														
Net Cashflow	16,510,733	17,200,000	17,200,000	17,200,000	17,200,000	17,200,000	17,200,000	17,200,000	17,200,000	17,200,000	17,200,000	17,200,000	17,200,000	16,510,733
DIP Funding	1,185,827	1,468,969	240,940	965,103	653,365	1,967,323	1,967,323	1,227,551	1,877,796	1,219,648	1,647,340	782,730	615,432	14,191,846
Ending Revolver Balance	(508,534)	(1,185,827)	(1,468,969)	(240,940)	(965,103)	(653,365)	(1,967,323)	(1,227,551)	(1,877,796)	(1,219,648)	(1,647,340)	(782,730)	(615,432)	(13,412,589)
Cumulative DIP Funding	(508,534)	(1,026,431)	(2,485,340)	(2,736,320)	(3,401,423)	(4,054,788)	(4,942,061)	(7,289,649)	(9,167,445)	(10,387,093)	(12,014,426)	(12,797,156)	(13,412,589)	

Notes

- The purposes of this Cash Flow Forecast is to determine the liquidity requirements for New Food Classics during the COAA Proceedings.
- Operating receipts have been forecast in the normal course of business based on management's historical analysis as well as an understanding of the Company's customer base under the current economic conditions and the present situation.
- AP Trade is based on management's best estimate.
- Payroll costs and benefit costs, rent, utilities and taxes, interest costs and other operating expenses are forecast based on historical analysis, current price levels and management forecast.
- Based on historical purchasing patterns and management forecast, management does not forecast any capital expenditures for the period during the COAA Proceedings.
- Estimated restructuring costs are based on projected costs associated with legal and professional fees related to the COAA Proceedings.

APPENDIX “G”

Court File No.: CV12-9616-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BANK OF MONTREAL

Applicant

- and -

**NFC ACQUISITION GP INC., NFC ACQUISITION CORP., NFC ACQUISITION L.P.,
NEW FOOD CLASSICS AND NFC LAND HOLDINGS CORP.**

Respondents

**FOURTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS RECEIVER**

1. On January 17, 2012, pursuant to an application (the "CCAA Proceedings") brought before the Ontario Superior Court of Justice (Commercial List) (the "Court") by NFC Acquisition GP Inc., NFC Acquisition Corp. and NFC Land Holdings Corp. (together with NFC Acquisition L.P., and New Food Classics, "NFC" or the "Company") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), the Honourable Mr. Justice Morawetz made an initial order (as extended from time to time, the "Initial Order") in respect of NFC, which, *inter alia*, appointed FTI Consulting Canada Inc. as monitor (in that capacity, the "Monitor").

2. After an unsuccessful going concern transaction sale process for the NFC business in the CCAA Proceedings, on February 22, 2012, Bank of Montreal ("BMO") brought: (i) a motion in the CCAA Proceedings to lift the stay of proceedings contained in the Initial Order to allow BMO to bring an application for the appointment of a receiver of the property, assets and undertaking of NFC (the "NFC Assets"); and (ii) an application under section 243(1) of the *Bankruptcy and Insolvency Act* and section 101 of the *Courts of Justice Act* for the appointment of FTI as receiver (in that capacity the "Receiver") of the NFC Assets. The Court granted the BMO motion and application and made the Order (the "Receivership Order") in these proceedings dated February 22, 2012 (the "Receivership Date"), a copy of which is attached hereto as **Appendix "A"**.

PURPOSE OF THIS REPORT

3. The purpose of this fourth report of the Receiver (the "Fourth Report") is to provide the Court with the background information and Receiver's recommendation relating to the Receiver's motion for:

- (a) an order authorizing and directing the Receiver to distribute to the Canadian Commercial Workers Industry Pension Plan ("CCWIPP") the sum of \$17,407.92 in respect of pension contribution arrears outstanding on the date of the Receivership Order in accordance with section 81.6 of the *Bankruptcy and Insolvency Act* (the "BIA").
- (b) an order authorizing and directing the Receiver to make an interim distribution to the Bank of Montreal ("BMO") from the proceeds of the receivership in the possession of the Receiver in the following amounts (a) \$6,000,000; plus (b) the

amount, if any, by which the \$3,000,000 CCAA Directors' Charge exceeds the aggregate face amount of all Director's Charge Claims filed with the Receiver on or before the Court ordered claims bar date set out in the proposed Directors' Charge Claims Procedure Order, on account of the indebtedness of NFC to BMO and approving the Reimbursement Agreement (as defined below);

- (c) an order approving the activities of the Receiver as set out in the Fourth Report;
- (d) an order approving the fees and disbursements of the Receiver and of Fasken Martineau DuMoulin LLP as counsel to the Receiver to September 30, 2012; and
- (e) such other relief as counsel may advise and the Court permit.

TERMS OF REFERENCE

4. In preparing this report, the Receiver has relied in part upon unaudited financial information of NFC, NFC's books and records, certain financial information prepared by NFC and discussions with NFC's management ("NFC Information").

5. Capitalized terms not otherwise defined herein have the meanings set out in the Monitor's Pre-filing Report, the Initial Order, the Monitor's Third Report, the Application Record appointing the Receiver, the Receivership Order and the Receiver's Second Report.

CCAA PROCEEDINGS - TRANSACTION PROCESS

6. Pursuant to paragraph 44 of the Initial Order, NFC and the Monitor were authorized to conduct the Transaction Process outlined in the Pre-filing Report of FTI in the CCAA Proceedings. Immediately following the making of Initial Order, the Monitor contacted approximately 20 parties which had been identified by NFC or by NFC's major customers as

possible qualified purchasers of NFC businesses on a going-concern basis and that were likely to be acceptable suppliers to NFC's major customers.

7. Additional details regarding the of Expressions of Interest received by the Monitor, the parties participating in Phase 2 of the Transaction Process, and the Monitor's dealings with the Selected Parties that submitted Final Offers, and the events subsequent thereto are set out in the Monitor's Third Report, a copy of which, without appendices, is attached hereto as **Appendix "B"**. As set out in the Monitor's Third Report, on February 20, 2012, BMO delivered a Sales Process Default Notice under the DIP Credit Agreement which ultimately led to these Receivership Proceedings.

SOLICITATION OF OFFERS BY THE RECEIVER

8. Following the making of the Receivership Order, and prior to embarking on soliciting liquidation bids and other offers for NFC's manufacturing assets, the Receiver re-contacted the parties that had submitted EOIs that reflected a going concern transaction in order to determine whether any of them had an interest in acquiring the manufacturing assets of NFC in either Saskatoon or St. Catharines *en bloc*, or as intact manufacturing operations. Based on the responses to those inquiries, the Receiver concluded that there were no commercially reasonable or reasonably foreseeable opportunities to sell the Saskatoon or St. Catharines manufacturing assets on a turn-key basis, as the parties contacted either had no interest operating from either facility or would only take over the assets on terms that that were financially or legally untenable, such as offers contingent on not becoming a successor employer to the United Food and Commercial Workers Union.

9. Pursuant to a sale transaction approved by the Court on March 12, 2012, a certain line of NFC's manufacturing equipment located in the Saskatoon facility, specifically used to manufacture frozen hamburger products for Loblaws and other former NFC customers, was sold by the Receiver to Grand River Foods Ltd. (the "Grand River Sale"). Concurrently with finalizing the Grand River Sale, the Receiver solicited complimentary proposals for NFC's Remaining Equipment. The Receiver received multiple proposals from both Canadian and U.S. auctioneers and liquidators, both in the form of net minimum guarantee auction proposals and outright offers to purchase the Remaining Equipment ("**Remaining Equipment Proposals**").

10. After clarifying a number of the Remaining Equipment Proposals received, including certain aspects of the proposal received from Counsel McIntyre Ltd., the Receiver agreed, subject to Court approval in accordance with the Receivership Order, to the terms of an agreement with Counsel McIntyre for the outright purchase of the Remaining Equipment, and a proceeds sharing arrangement for the auction by Counsel McIntyre of the office equipment furniture and computers located at the Premises, and the spare parts inventory located in the NFC Saskatoon facility (the "**CM Agreement**"). The CM Agreement was approved by the Court on April 19, 2012 and closing of the sale of the Remaining Equipment took place on April 25, 2012.

11. Pursuant to an order of the Court made on July 10, 2012, the Receiver was authorized to sell NFC's former premises located at 4211 13A Street SE, Calgary Alberta to Recon Metal Ltd. That transaction closed on August 12, 2012.

FINISHED PRODUCT INVENTORY SALES BY THE RECEIVER

12. As set out in the Monitor's Third Report, in expectation of receiving a DIP Credit Facility Default Notice from BMO (which was served on February 20, 2012), NFC did not re-

commence manufacturing operations after the close of business on Friday, February 17, 2012. Upon the appointment of the Receiver, NFC maintained approximately 698,177 kilograms of frozen Finished Product inventory at its third party warehouses, namely Westco in Saskatoon, and Millard in St. Catharines.

13. The vast majority of NFC's products manufactured for the retail market were branded and packaged in the names of NFC's customers. Pursuant to the Receivership Order, the Receiver was authorized to cause NFC to sell the Finished Product inventory to NFC's customers (the "NFC Receivership Customers") without further Court approval. Paragraph 3(k) of the Receivership Order provides that,

"The Receiver is empowered and authorized to cause the Company to sell, convey, transfer its finished goods inventory, including by way of bulk transactions, to existing customers of the Debtors, in or out of the ordinary course of business without the approval of this Court. (underlining added)"

14. In many cases, NFC was the sole and exclusive supplier of frozen hamburger (and similar) products to its retail and institutional customers. Given NFC's manufacturing shut down on February 17, 2012, the upcoming Spring barbeque season, and the lead time necessary for NFC's customers to identify replacement suppliers of frozen hamburger products, the remainder of NFC's Finished Product on hand at NFC was in significant demand, and customers immediately started contacting the Receiver asking to purchase all or substantially of their remaining branded products in the Receiver's possession. The Receiver engaged two former NFC Sales employees on a commission basis to implement the sales of NFC Products to customers, one dealing with retail customers and one dealing with institutional customers (the "Retained Salesmen").

15. Between the Receivership Date and the March 17 HHA (as defined below), NFC, facilitated by the Receiver and the Retained Salesmen, sold approximately \$4.4 million of NFC Products to NFC Receivership Customers. As a result of the March 17 HHA, NFC has been unable to sell the remaining 594,445 thousand kilograms of NFC Finished Product. The Receiver is working with NFC's recall insurers in respect of the unsellable Finished Product, uncollectible accounts receivable and lost sales income resulting from the HHAs and corresponding voluntary recalls.

THE NFC FINISHED PRODUCT HEALTH HAZARD ADVISORIES

16. On the afternoon of February 15, 2012, FTI, in its capacity as CCAA Monitor learned that a consumer was alleged to have consumed and made ill by E. coli bacteria contained in a frozen hamburger manufactured by NFC's Saskatoon Facility in October of 2011.

17. On February 18, 2012, the CFIA issued a HHA, warning the public not to consume "Country Morning Beef Hamburgers" and "No Name Beef Steakette" products which were manufactured by NFC. NFC immediately halted distribution of these products and the Monitor and NFC representatives notified all of NFC's customers shown on NFC's records as having purchased the NFC Finished Products that were subject to the HHA of the HHA and the requirements of the CFIA for such customers to cease selling and to remove products subject to the HHA from their retail shelves. The Monitor also worked with the Federal health authorities and NFC's insurers to implement a consumer advisory programme. The Monitor was able to determine from NFC's manufacturing records that the batch of raw material used in October 2011 to produce the allegedly contaminated brand of frozen hamburgers made up a relatively small (3,800 out of approximately two million cases of frozen "Country Morning Beef

Hamburgers” and “No Name Beef Steakette” products manufactured by NFC annually) quantity of product, which was readily identifiable by NFC and consumers alike.

18. From February 22, 2012 through to March 15, 2012, the CFIA issued six further HHAs which expanded CFIA’s alerts to include a limited number of additional specified NFC Finished Products.

19. On March 17, 2012, the CFIA issued a further HHA expanding the health hazard alert to include all ground beef products made by NFC between July 1, 2011, and February 15, 2012 in Establishment 761, being NFC’s Saskatoon manufacturing location, because the products may be contaminated with *e.coli 0157:H7* (the “**March 17 HHA**”). A copy of the March 17 HHA is attached hereto as **Appendix “C”**.

20. Concurrently with the issuance of the March 17 HHA by the CFIA, the Receiver immediately halted distribution of all ground beef products made between July 1, 2011 and February 15, 2012. The Receiver also notified NFC customers and NFC Receivership Customers that had purchased Finished Products subject to the March 17 HHA of the March 17 HHA and the warning of the CFIA for NFC Customers and NFC Receivership Customers to cease selling, serving or using products which were subject to the March 17 HHA.

21. On March 21, 2012, the CFIA also requested the Receiver to suspend the sale of all NFC products which were manufactured at the NFC St. Catharines facility (the “**St. Catharines Hold Request**”). On March 24, 2012, the St. Catharines Hold Request was withdrawn by CFIA except for certain NFC country fried steak products.

NFC RECEIVERSHIP CUSTOMERS

22. Between February 22, 2012, and March 15, 2012, the Receiver caused the Company to sell to NFC Receivership Customers approximately \$4,400,000 of NFC Finished Products. None of the Finished Products sold to NFC Receivership Customers were, at the time of their sale, subject to any of the various HHAs.

23. Substantially all of the sales of NFC Finished Product to NFC Receivership Customers were on a C.O.D. basis. For many purchases by NFC Receivership Customers, freight charges were negotiated between NFC Receivership Customers and the Retained Salesmen and such charges were included in the final purchase price of each sale.

24. Prior to entering into sales discussions, NFC Receivership Customers were also required by the Receiver to pay all amounts outstanding and owed to NFC prior to the Receivership Date.

25. On March 26, 2012, the Receiver wrote to all NFC Receivership Customers (the "March 26 Letter"), a copy of which is attached hereto as **Appendix "D"**, explaining that the Receiver was not in a position to arrange for, or accept any return of purchased Finished Product subject to the various HHAs. The March 26 Letter stated that the purchased Finished Product became the property of NFC Receivership Customers at the time of sale and as such, the NFC Receivership Customers were the owners of the products that were subject to the March 17 HHA and were therefore obligated to comply with all requirements of the CFIA with respect to the products subject to the various HHAs.

CCWIPP PENSION ARREARS – SECTION 81(6) PRIORITY

26. On August 23, 2012, the Receiver received correspondence and a proof of claim from Koskie Minsky LLP, on behalf of their client, the CCWIPP, for unpaid pension plan contributions from NFC's St. Catharines location between January 1, 2012 and February 22, 2012, in the amount of \$19,343.95. In NFC's St. Catharines facility, full-time unionized employees were eligible under the UFCW Local 175 Collective Agreement to participate in the (defined contribution) CCWIPP plan.

27. The Receiver has reviewed and discussed the claim with the CCWIPP which has advised the Receiver that it will accept payment in the amount of \$17,407.92 (the "**Outstanding CCWIPP Amount**"), representing the accrued January and February unpaid pension contributions less the administration or late interest fee charges.

28. The Receiver seeks the approval of the Court for a distribution of the Outstanding CCWIPP Amount. In accordance with section 81.6(s) of the BIA, the Outstanding CCWIPP amount appears to rank in priority to the claims of the Secured Lenders.

INTERIM DISTRIBUTION TO BMO

29. As a result of realizations by the Receiver of NFC's assets to date, including collection of accounts receivable, sales of NFC Finished Products and unused input materials, sales of equipment to Grand River and Counsel McIntyre and the sale of the 13A Street Lands, as at the date of this Fourth Report, the Receiver holds funds in the Receivership Account of approximately¹ \$10,900,000. The principal remaining NFC assets yet to be realized upon, in addition to the claims being pursued by the Receiver under NFC's Recall Insurance Policy

¹ Cheques issued by the Receiver may be in the process of clearing.

(which contains a \$10,000,000 limit), are the former NFC manufacturing facilities located on Brandon Street in Calgary, and Seapark Drive in St. Catharines.

30. Pursuant to the Receivership Order, the Administration Charge, the DIP Charge, the Westco Pre-filing Lien Charge and the Directors' Charge established in the CCAA Proceedings were recognized and continued in these Receivership proceedings. As at the date of this Fourth Report, all amounts which were secured by the Administration Charge and the Westco Pre-filing Lien Charge have been paid in full, such that there are and will be no amounts owing under or secured by those Charges.

31. The Directors Charge was set in the maximum amount of \$3,000,000. The Receiver has established a Director's Charge Holdback in the amount of \$3,000,000 pending the outcome of the Directors Charge Claims Process which is the subject matter of a motion to be heard on at or about the same time as the within motion, in conjunction with the termination of the NFC CCAA Proceedings.

32. In addition to the Directors' Charge holdback, the Receiver will establish a holdback in the amount of \$400,000 to account for certain unresolved matters, including, *inter alia*, certain pre-filing statutory lien amounts owing to Millard from the proceeds derived from the sale of Finished Product that was in the possession of Millard as of the date of the Initial Order. On January 31, 2012. In order to obtain the release of such Finished Product, NFC, Millard, the Monitor and the Secured Lenders reached an agreement whereby the perfection (including without limitation, perfection by possession) and the priority of Millard's pre-filing lien under the *Repair Storage Lien Act*, in respect of the Finished Product that was in Millard's

possession and the proceeds arising from the sale thereof, would be preserved as it existed on the date of the Initial Order.

NFC INDEBTEDNESS TO BMO

33. As at February 20, 2012, the NFC Entities are indebted to BMO in the approximate amount of \$24,500,000 pursuant to, *inter alia*, a Second Amended and Restated Credit Agreement effective as of October 31, 2011 and pursuant to the DIP Credit Facility approved by the Court in the NFC CCAA Proceedings.

34. As described in the Second Report to the Court of FTI Consulting Canada Inc. in its capacity as Monitor dated February 13, 2012, Fasken, counsel to the Monitor was asked to conduct a review of security held by BMO in respect of NFC's property located in Ontario and Alberta. A similar opinion was also obtained by the Monitor with respect to the validity and perfection of BMO's security in respect of NFC property located in the Province of Saskatchewan by McDougall Gauley LLP. The opinions of Fasken and McDougall state that, subject to the customary opinion assumptions and qualifications, the personal and real property security held by BMO is valid and enforceable as against a trustee in bankruptcy of the NFC Entities over the assets of NFC located in the Provinces of Ontario, Saskatchewan and Alberta.

35. Based on the foregoing, the Receiver recommends that, subject to BMO entering into a reimbursement agreement with the Receiver, it be authorized and directed to make an interim distribution to BMO in the following amounts: (a) \$6,000,000; plus (b) the amount, if any, by which the \$3,000,000 CCAA Directors' Charge exceeds the aggregate face amount of all Director's Charge Claims filed with the Receiver on or before the Court ordered claims bar date

set out in the proposed Directors' Charge Claims Procedure Order, in full satisfaction of the DIP credit facility and on account of the BMO Pre-filing Indebtedness.

36. The form of the proposed reimbursement agreement (the "Reimbursement Agreement") has been settled by the Receiver and BMO, subject to Court approval, and is attached as Appendix "E" hereto.

FEES AND DISBURSEMENTS OF THE RECEIVER AND FASKEN MARTINEAU

37. Pursuant to paragraphs 17, 18 and 19 of the Receivership Order, any expenditure or liability properly made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of counsel to the Receiver (the "Receiver's Counsel") were authorized to be paid on a periodic basis subject to any final passing of the accounts. In addition, the Receiver's Charge was granted as security for, *inter alia*, the fees and disbursements of the Receiver and Receiver's counsel.

38. The Receiver and Receiver's counsel have continued to maintain detailed records of their professional time and costs. The Receiver is seeking the approval of its fees for services rendered and disbursements incurred during the period from February 22, 2012 to October 31, 2012 and those of its counsel, Fasken Martineau DuMoulin LLP ("Fasken"), for the period from February 17, 2012 to September 30, 2012 (respectively, the "Billing Periods").

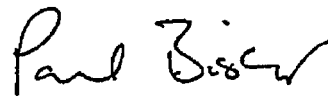
39. The fees and disbursements of the Receiver during the Billing Period total \$574,737.64 , including \$501,559.00 for services, \$7,058.38 for disbursements and taxes of \$66,120.26. The time spent by FTI personnel in the Billing Period is more particularly described

in the Affidavit of Paul Bishop of the Receiver, sworn in support hereof and attached hereto as **Appendix "F"**.

40. The fees and disbursements incurred by Fasken during the Billing Period total \$474,812.40, including fees of \$411,785.50, disbursements of \$8,534.27 and taxes of \$54,492.63. The time spent by Fasken personnel in the Billing Period is more particularly described in the Affidavit of Edmond F. B Lamek, a former partner of Fasken, attached hereto as **Appendix "G"**.

All of which is respectfully submitted this 4th day of December, 2012.

**FTI Consulting Canada Inc. in its capacity as
Receiver of the property, assets and
undertaking of NFC**



Name: Paul Bishop
Title: Senior Managing Director,
FTI Consulting Canada Inc.

APPENDIX “H”

Court File No.: CV12-9554-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) TUESDAY, THE 9TH DAY
JUSTICE) OF APRIL 2013

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NFC ACQUISITION GP INC., NFC ACQUISITION CORP. AND
NFC LAND HOLDINGS CORP.

ORDER

(CLAIMS PROCEDURE-DIRECTORS' CHARGE)

THIS MOTION, made by FTI Consulting Canada Inc. in its capacity as CCAA Monitor in respect of NFC Acquisition GP Inc., NFC Acquisition Corp. and NFC Land Holdings Corp. (collectively, the "**Applicants**" and together with NFC Acquisition L.P., and New Food Classics, the "**NFC Entities**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, (the "**CCAA**") for, orders *inter alia*, approving a procedure for the solicitation, determination and resolution of certain claims filed against the Directors and Officers of the NFC Entities and authorizing and directing FTI Consulting Canada Inc., in its capacity as court

appointed Receiver of the property, assets and undertakings of the NFC Entities, to administer the Claims Procedure (as defined herein) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Monitor's Fourth Report, and on hearing the submissions of counsel to the Directors and Officers, the Monitor, and BMO [no one appearing for any other person on the service list], although properly served as appears from the affidavit of service of sworn , 2013, and filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record in respect of this Motion is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that for purposes of this Order the following terms shall have the following meanings:
 - (a) **"Bank Counsel"** means Gowling's LLP;
 - (b) **"Business Day"** means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;
 - (c) **"Claimant"** means a Person asserting a Directors' Charge Claim in the Claims Procedure;
 - (d) **"Claims Bar Date"** means 7:00 p.m. (Eastern Standard Time) on May 31, 2013, or any later date ordered by the Court;
 - (e) **"Claims Procedure"** means the procedures outlined in this Order, including the Schedules attached hereto;
 - (f) **"Court"** means the Ontario Superior Court of Justice (Commercial List);
 - (g) **"Creditor"** means any Person that may have a Directors' Charge Claim;

- (h) “**Director**” means any Person who served as a director of any one or more of the NFC Entities at any time from and after the date that is sixty (60) days prior to the Initial Order;
- (i) “**Directors’ Charge**” has the meaning ascribed thereto in paragraph 21 of the Initial Order;
- (j) “**Directors’ Charge Claim**” means any existing or future right or claim of any Person against one or more of the Directors or Officers which arose or arises on or after the date of the Initial Order as a result of such Director’s or Officer’s position, supervision, management or involvement as a Director or Officer (save and except any claim that arose as a result of such Director’s or Officer’s gross negligence or wilful misconduct) including, without limitation, claims in connection with wages and source deductions, vacation pay, PST, GST, HST, and liability of any kind under Saskatchewan legislation for pay in lieu of notice, if any, and without limiting the generality of the foregoing, against all claims, costs and expenses relating to the failure of the NFC Entities after the date of the Initial Order to make payments in connection with:
- (i) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees’ wages including, without limitation, amounts in respect of employment insurance, the Canada Pension Plan, Quebec Pension Plan and income taxes;
- (ii) all goods and services or other applicable sales taxes (collectively, “**Sales Taxes**”) required to be remitted by the NFC Entities in connection with the sale of goods and services by the NFC Entities, but only where such Sales Taxes are accrued or collected after the date of the Initial Order, or where such Sales Taxes are accrued or collected prior to the date of Initial Order but were not required to be remitted until on or after the date thereof; and

- (iii) any amounts payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any kind or nature which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect to the carrying on of the business by the NFC Entities;
- (k) **“Directors’ Counsel”** means Lenczner Slaght Royce Smith Griffin LLP in its capacity as counsel to the independent Directors and Officers of the NFC Entities and Goodmans LLP in its capacity as counsel to the Directors and Officers of the NFC Entities appointed by EdgeStone Capital Partners Inc.;
- (l) **“Dispute Package”** means with respect to any Directors’ Charge Claim, a copy of the related Proof of Claim, Notice of Revision or Disallowance and Notice of Dispute;
- (m) **“D&O Charge Amount”** means the indemnity in the maximum amount of \$3,000,000 given by the NFC Entities in favour of the Directors and Officers and secured by the Directors’ Charge pursuant to and in accordance with the Initial Order;
- (n) **“D&O Insurance Policies”** means any applicable directors’ and officers’ insurance policy issued to the Directors and Officers in respect of their past or present position as a director or officer of any one or more of the NFC Entities;
- (o) **“Initial Order”** means the Initial Order of the Honourable Mr. Justice Morawetz dated January 17, 2012;
- (p) **“Proven Claims Insured Reserve”** means a reserve established by the Receiver for the purpose of paying Un-Insured Proven Claims, such reserve to be in the aggregate face value amount of all Proven Claims, provided that, at any given time, the Proven Claims Insured Reserve shall not exceed \$3,000,000 less the amounts, if any, paid by the Receiver on account of any Un-Insured Proven Claims;

- (q) “**Insurer**” means the insurer under an applicable D&O Insurance Policy;
- (r) “**Insurer Paid Amount**” means the amount of any Proven Claim or portion thereof that is satisfied and paid by an Insurer;
- (s) “**Known Creditor**” means a Person who the Directors and Officers, the Monitor or the Receiver have notice or knowledge may have a Directors’ Charge Claim;
- (t) “**Monitor**” means FTI Consulting Canada Inc., in its capacity as the Court-appointed Monitor of the NFC Entities;
- (u) “**Notice to Creditors**” means the form of notice substantially in the form attached hereto as Schedule “1”;
- (v) “**Notice of Dispute**” means a notice delivered to the Receiver by a Claimant disputing a Notice of Revision or Disallowance, which notice shall be substantially in the form attached hereto as Schedule “5” and shall set out the reasons for the dispute;
- (w) “**Notice of Revision or Disallowance**” means a notice informing a Claimant that the Receiver has revised or disallowed such Claimant’s Directors’ Charge Claim, which notice shall be substantially in the form attached hereto as Schedule “3” and shall set out the reasons for revision or disallowance;
- (x) “**Officer**” means any Person who served as an officer of any one or more of the NFC Entities;
- (y) “**Person**” means any individual, partnership, firm, joint venture, trust, entity, corporation, unincorporated organization, union, pension plan administrator, pension plan regulator, governmental authority, ministry or agency, regulatory body, labour board, employee, legal personal representative or litigation guardian, or other association, or similar entity, howsoever designated or constituted;
- (z) “**Proof of Claim**” means a completed proof of Directors’ Charge Claim filed by a Claimant, substantially in the form attached as Schedule “2”;

- (aa) **“Proven Claim”** means the amount and classification of a Creditor’s Directors’ Charge Claim as finally determined in accordance with this Claims Procedure;
 - (bb) **“Receiver”** means FTI Consulting Canada Inc., in its capacity as the Court-appointed Receiver of the property, assets and undertakings of the NFC Entities;
 - (cc) **“Receiver’s Charge”** means the Receiver’s Charge as that term is defined in the order of Justice Brown appointing FTI Consulting Canada Inc. as Receiver of the property, assets and undertakings of the NFC Entities;
 - (dd) **“Receiver’s Website”** means <http://cfcanada.fticonsulting.com/nfc/>;
 - (ee) **“Unasserted Directors’ Charge Claim”** means a Directors’ Charge Claim for which a Proof of Claim was not delivered to the Receiver by the Claims Bar Date; and
 - (ff) **“Un-Insured Proven Claim”** means the amount of a Proven Claim of a Creditor or portion thereof that has been denied coverage by an Insurer and in the opinion of the Receiver acting reasonably, the Directors and Officers have duly pursued all reasonable recourses to cause the applicable Insurer to provide coverage under the applicable Insurance Policy;
3. **THIS COURT ORDERS** that effective upon discharge of the Monitor, the Claims Procedure shall be administered by the Receiver.

SOLICITATION OF DIRECTORS’ CHARGE CLAIMS

Notice to Creditors

4. **THIS COURT ORDERS** that the Notice to Creditors is approved.
5. **THIS COURT ORDERS** that the Receiver shall endeavour to cause the Notice to Creditors to be published once in each of the Globe and Mail (National Edition), the Saskatoon Star Phoenix, and the St. Catharines Standard as soon as practicable after the date of this Order;

6. **THIS COURT ORDERS** that the Receiver shall cause the Notice to Creditors to be posted on the Receiver's Website as soon as practicable after the date of this Order until the Claims Bar Date.
7. **THIS COURT ORDERS** that the Receiver shall as soon as practicable after the date of this Order send the Notice to Creditors and a copy of this Order to each Known Creditor by regular prepaid mail or electronic mail to the last known address of such Known Creditor and to any Person who requests these documents.

Deadline for Filing a Directors' Charge Claim Proof of Claim

8. **THIS COURT ORDERS** that any Person that wishes to assert a Directors' Charge Claim must deliver a Proof of Claim in accordance with paragraphs 25 & 26 herein, together with all relevant supporting documentation in respect of such Directors' Charge Claim, so that such Proof of Claim is received by the Receiver by no later than the Claims Bar Date.
9. **THIS COURT ORDERS** that any Person who does not deliver a Proof of Claim in accordance with this Order to the Receiver by the Claims Bar Date shall be forever barred from asserting or enforcing such Unasserted Directors' Charge Claim against any of the Directors and Officers and/or against the Property (as defined in the Initial Order), and the Directors and Officers shall not have any liability whatsoever in respect of, and shall be released and discharged from, any and all Unasserted Directors' Charge Claims, and all Unasserted Directors' Charge Claims shall be forever extinguished, barred, and discharged as against the Property and the Directors and Officers without any further act or notification.

DETERMINATION OF DIRECTORS' CHARGE CLAIMS

10. **THIS COURT ORDERS** that the Receiver, in consultation with Directors' Counsel and Bank Counsel and shall review each Proof of Claim that is received by the Claims Bar Date. The Receiver may accept, revise or disallow all or any part of the Directors' Charge Claim. At any time the Receiver may request additional information from the Claimant with respect to any Directors' Charge Claim. The failure by the Receiver to send a

Notice of Revision or Disallowance shall not result in any Director's Charge Claim being accepted or being deemed to be accepted.

11. **THIS COURT ORDERS** that the Receiver will provide a copy of any delivered Proof of Claim, Notice of Revision or Disallowance and Notice of Dispute to Directors' Counsel and Bank Counsel, and will allow Directors' Counsel and Bank Counsel to review and provide comments in respect of any Notice of Revision or Disallowance that the Receiver intends to deliver to a Claimant and prior to the delivery thereof.
12. **THIS COURT ORDERS** that the Receiver may attempt to consensually resolve the classification or amount of any asserted Directors' Charge Claim with the Claimant prior to accepting, revising or disallowing such Directors' Charge Claim.
13. **THIS COURT ORDERS** that if the Receiver determines to revise or disallow a Directors' Charge Claim, the Receiver shall send a Notice of Revision or Disallowance to the Claimant.
14. **THIS COURT ORDERS** that if a Claimant disputes the disallowance or revision of its Directors' Charge Claim as set forth in a Notice of Revision or Disallowance and such Claimant intends to contest the Notice of Revision or Disallowance then such Claimant shall deliver a Notice of Dispute so that such Notice of Dispute is received by the Receiver by no later than 7:00 p.m. Eastern Standard Time on the day which is fourteen days after the date of the Notice of Revision or Disallowance or such later date as the Receiver may agree in writing or the Court may order.
15. **THIS COURT ORDERS** that (i) any Claimant who fails to deliver a Notice of Dispute to the Receiver by the deadline set forth in paragraph 14 shall be deemed to accept the amount of its Directors' Charge Claim as set out in the Notice of Revision or Disallowance and the Directors' Charge Claim as set out in the Notice of Revision or Disallowance shall constitute a Proven Claim (or, if the Directors' Charge Claim is disallowed in full in the Notice of Revision or Disallowance, the applicable Claimant shall be deemed to accept such disallowance and the Directors' Charge Claim shall be deemed to be fully disallowed), and (ii) any Directors' Charge Claim, or any portion thereof, that is disallowed pursuant to a Notice of Revision or Disallowance and in

respect of which no Notice of Dispute is received the Receiver by the deadline set forth in paragraph 14 hereof, shall be forever extinguished, barred, discharged and released as against the Property and as against the Directors and Officers without any further act or notification.

16. **THIS COURT ORDERS** that the Receiver may at any time refer a Directors' Charge Claim to the Court for resolution (and give reasonable advance notice of same to Directors' Counsel and Bank Counsel), where in the Receiver's view such a referral is preferable or necessary for the resolution of the Directors' Charge Claim. The Bank and the Directors and Officers shall have standing in respect of any such matter relating to the Claims Procedure that is brought before the Court, and the Directors and Officers shall be permitted to bring a motion to the Court, on notice to the Receiver and any Claimant affected thereby, with respect to the classification, revision, allowance, disallowance, quantification or determination of any Directors' Charge Claim.
17. **THIS COURT ORDERS** that upon receipt of a Notice of Dispute, the Receiver shall, if unable to consensually resolve the classification and the amount of the Directors' Charge Claim with the Claimant within fourteen (14) days of receipt of a Notice of Dispute, schedule a 9:30 appointment with the Court (and give reasonable advance notice of same to Directors' Counsel and Bank Counsel) for the purpose of scheduling a motion to resolve the Directors' Charge Claim and at such motion the Claimant shall be deemed to be the applicant, the Receiver shall be deemed to be the respondent.

NOTICE OF TRANSFEREES

18. **THIS COURT ORDERS** that if a Claimant, a Creditor, or any subsequent holder of a Directors' Charge Claim, who has been acknowledged by the Receiver as the holder of the Directors' Charge Claim, transfers or assigns that Directors' Charge Claim to another Person the Receiver shall not be obligated to give notice to or to otherwise deal with the transferee or assignee of the Directors' Charge Claim as the holder of such Directors' Charge Claim unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been delivered to the Receiver. Thereafter, such transferee or assignee shall, for all purposes hereof, constitute the holder

of such Directors' Charge Claim and shall be bound by notices given and steps taken in respect of such Directors' Charge Claim in accordance with the provisions of this Order.

19. **THIS COURT ORDERS** that if a Claimant, a Creditor or any subsequent holder of a Directors' Charge Claim, who has been acknowledged by the Receiver as the holder of the Directors' Charge Claim, transfers or assigns the whole of such Directors' Charge Claim to more than one Person or part of such Directors' Charge Claim to another Person, such transfers or assignments shall not create separate Directors' Charge Claims and such Directors' Charge Claims shall continue to constitute and be dealt with as a single Directors' Charge Claim notwithstanding such transfers or assignments. The Receiver shall not, in each case, be required to recognize or acknowledge any such transfers or assignments and shall be entitled to give notices to and to otherwise deal with such Directors' Charge Claim only as a whole and then only to and with the Person last holding such Directors' Charge Claim, provided such Claimant or Creditor may, by notice in writing delivered to the Receiver, direct that subsequent dealings in respect of such Directors' Charge Claim, but only as a whole, shall be dealt with by a specified Person and in such event such Person shall be bound by any notices given or steps taken in respect of such Directors' Charge Claim with such Claimant or Creditor in accordance with the provisions of this Order.

INSURANCE CLAIMS

20. **THIS COURT ORDERS** that, notwithstanding any other provision hereof, with respect to a Directors' Charge Claim for which the Directors and Officers are fully insured, the Receiver, with the consent of the Directors and Officers, may agree with the Insurer that the Directors' Charge Claim shall be adjudicated by way of an alternative process and not adjudicated in accordance with the procedure set out in this Order.
21. **THIS COURT ORDERS** that, the Directors and Officers shall, unless the Receiver agrees otherwise, promptly file a claim in respect of a Proven Claim under the D&O Insurance Policy. The Receiver shall establish a Proven Claims Insured Reserve in respect of each Proven Claim and the Proven Claims Insured Reserve shall be secured by the Directors' Charge and shall be administered as follows:

- (a) Upon payment by the Insurer of the Insurer Paid Amount and provided that either i) the aggregate amount of all Proven Claims and all unresolved Directors' Charge Claims is less than the D&O Charge Amount, or ii) the aggregate amount of all Un-Insured Proven Claims, all Proven Claims for which insurance coverage has not yet been determined and all unresolved Directors' Charge Claims is less than the D&O Charge Amount, the Receiver shall release an amount equal to the Insurer Paid Amount from the Proven Claims Insured Reserve for distribution to NFC creditors in accordance with their priorities.
- (b) The Receiver shall pay from the Proven Claims Insured Reserve any Un-Insured Proven Claims provided that either (i) the aggregate amount of all Proven Claims and all unresolved Directors' Charge Claims is less than the D&O Charge Amount, or (ii) the aggregate amount of all Un-Insured Proven Claims, all Proven Claims for which insurance coverage has not been determined and all unresolved Directors' Charge Claims is less than the D&O Charge Amount. If the aggregate amount of all Un-Insured Proven Claims, are at any time, greater than the D&O Charge Amount, the Receiver shall pay on a pro rata basis to Creditors with Un-Insured Proven Claims the maximum amount of \$3,000,000 less any amounts paid to Directors' Counsel on account of their fees and disbursements provided for in paragraph 22.
22. **THIS COURT ORDERS** that Directors' Counsel shall be entitled to be paid by the Receiver for their professional fees and disbursements incurred at the standard rates and charges of such Directors' Counsel in respect of activities relating to the Claims Procedure to a maximum amount of \$50,000, the payment of which shall be secured by and paid out of, the funds in the Post Receivership Account charged by the Directors' Charge. For greater certainty, the fees and disbursements of Directors' Counsel in respect of any alternative process approved by the Court pursuant to paragraph 20 hereof, shall not be paid by the Receiver or be secured by the Directors' Charge.

GENERAL PROVISIONS

23. **THIS COURT ORDERS** that the Receiver, in carrying out the terms of the Claims Procedure, shall have all of the protections given to it by BIA and the Receivership Order and as officer of this Court in its favour, shall incur no liability or obligation as a result of the carrying out of its obligations under the Claims Procedure, shall be entitled to rely on the book and records of NFC Entities, and any information provided by the Directors and Officers or a Claimant, and shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.
24. **THIS COURT ORDERS** that for the purposes of the Claims Procedure, all Directors' Charge Claims which are denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada noon spot rate of exchange for exchanging the currency to Canadian dollars on January 17, 2012.
25. **THIS COURT ORDERS** that any notice or communication required to be delivered pursuant to the terms of this Order shall be in writing and may be delivered by facsimile, email or electronic transmission, personal delivery, courier or, as necessary, by prepaid mail addressed to the respective party.
26. **THIS COURT ORDERS** that any document, notification or notice required to be delivered to the Receiver under this Claims Procedure shall be delivered to:

FTI Consulting Canada Inc.
In its capacity as Receiver of NFC Acquisition GP Inc., NFC Acquisition Corp.
and NFC Land Holdings Corp, NFC Acquisition L.P., and New Food Classics
FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Julie Haghiri
Telephone: 416-649-8081
Facsimile: 416-649-8101
Email: julie.haghiri@fticonsulting.com

27. **THIS COURT ORDERS** that in the event that the day on which any notice or communication required to be delivered pursuant to the Claims Procedure is not a Business Day then such notice or communication shall be required to be delivered on the next Business Day.
28. **THIS COURT ORDERS** that the Receiver is authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which Proofs of Claim, Notices of Dispute and other notices are completed and executed and may, where it is satisfied that a Directors' Charge Claim has been adequately filed or proven, waive strict compliance with the requirements of this Claims Procedure as to completion and execution of Proofs of Claim, Notices of Dispute and other notices to be provided herein.
29. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to section 17 of the CCAA or section 188 of the BIA) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature or any province and any court or any judicial, regulatory or administrative body of the United States and of any other nation or state, to act in aid of and be complementary to this Court in carrying out the terms of this Claims Procedure.
-

Schedule "A"

NOTICE OF DIRECTORS' CHARGE CLAIMS BAR DATE

**IN RESPECT OF CLAIMS AGAINST THE FORMER DIRECTORS AND OFFICERS
OF NFC ACQUISITION CORP., NFC ACQUISITION GP INC., NFC LAND
HOLDINGS CORP., NFC ACQUISITION L.P. AND NEW FOOD CLASSICS (the "NFC
ENTITIES")**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C.1985, c. C-36, as amended (the "CCAA")**

TO: CLAIMANTS HAVING A DIRECTORS' CHARGE CLAIM AND TO ANY OTHER
PERSON OR PARTIES

NOTICE OF DIRECTORS' CHARGE CLAIMS PROCEDURE AND CLAIMS BAR DATE

PLEASE TAKE NOTICE that this notice is being published pursuant to an order of the Ontario Superior Court of Justice (Commercial List) dated April 9, 2013 (the "Directors' Charge Claims Procedure Order"). All capitalized terms in this Notice are defined in the Directors' Charge Claims Procedure Order, a copy of which can be found on the Receiver's website at <http://cfcanada.fticonsulting.com/nfc/>.

Any Person who believes that it has Directors' Charge Claim against a Director or Officer of the NFC Entities should send a Proof of Claim to FTI Consulting Canada Inc., in its capacity as the Court-appointed receiver of the property, assets and undertakings of the NFC Entities (the "Receiver") to be received by the Receiver by **7:00 p.m. (Eastern Standard Time) on May 31, 2013 or such other date as ordered by the Court (the "Claims Bar Date")**.

DIRECTORS' CHARGE CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

Claimants who require a Proof of Claim form may access these forms at the Receiver's website at <http://cfcanada.fticonsulting.com/nfc/> or they may contact the Receiver (Attention: Julie Haghiri, Telephone: (416) 649-8081 and Fax: (416) 649-8101) to obtain a claims package.

Claimants should file their Proof of Claim with the Receiver by mail, fax, email, courier or hand delivery, so that the Proof of Claim is actually received by the Claims Bar Date at the address below.

Address of Receiver

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Julie Haghiri

Telephone: (416) 649-8081
Facsimile: (416) 649-8101
E-mail: julie.haghiri@fticonsulting.com

Dated at _____ this _____ day of _____, 2013.

Schedule "B"

PROOF OF DIRECTORS' CHARGE CLAIM

**IN RESPECT OF CLAIMS AGAINST THE FORMER DIRECTORS AND OFFICERS
OF NFC ACQUISITION CORP., NFC ACQUISITION GP INC., NFC LAND
HOLDINGS CORP., NFC ACQUISITION L.P. AND NEW FOOD CLASSICS**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,

R.S.C. 1985, c. C-36, as amended

A. PARTICULARS OF DIRECTORS' CHARGE CLAIM CREDITOR

1. Full Legal Name of Director's Charge Claim Creditor:
_____ (the "Creditor"). (*Full legal or Corporate name
should be the name of the original Creditor.*)
2. Full Mailing Address of the Creditor:

3. Telephone Number of Creditor: _____ *
4. Facsimile Number of Creditor: _____ *
5. Attention (Contact Person): _____ *
6. Email address: _____ *
7. Has the Directors' Charge Claim been sold or assigned by Creditor to another party?
Yes ___ No ___ **(If yes please complete section D)**

B. PROOF OF DIRECTORS' CHARGE CLAIM:

I, _____ [Name of Creditor or Representative of the Creditor], do hereby certify:

that I am (please check one):

___ the Creditor; or

___ hold the following position of _____ of the Creditor

and have personal knowledge of all the circumstances connected with the Directors' Charge Claim described herein;

C. PARTICULARS OF DIRECTORS' CHARGE CLAIM:

Name of the Director/Officer and the amount for each Director/Officer which owes the amount claimed:

Director/Officer	Amount
<input type="checkbox"/>	\$ _____
<input type="checkbox"/>	\$ _____
<input type="checkbox"/>	\$ _____
<input type="checkbox"/>	\$ _____

Description of transaction, agreement or event giving rise or relating to the Directors' Charge Claim:

If the Directors' Charge Claim is contingent or unliquidated, state the basis and provide evidence upon which the Directors' Charge Claim has been valued:

Description of security, if any, granted to the Creditor or assigned by Creditor in respect of the Directors' Charge Claim (other than the Director's Charge itself):

IF CLAIMANTS REQUIRE ADDITIONAL SPACE, PLEASE ATTACH A SCHEDULE HERETO. CLAIMANTS SHOULD ALSO PROVIDE COPIES OF ALL RELEVANT AGREEMENTS.

A DETAILED, COMPLETE STATEMENT OF ACCOUNT MUST BE ATTACHED TO THE PROOF OF THE DIRECTORS' CHARGE CLAIM WHICH MUST SHOW THE DATE, THE NUMBER AND THE AMOUNT OF EACH INVOICE OR CHARGE, TOGETHER WITH THE DATE, THE NUMBER AND THE AMOUNT OF ALL CREDITS, COUNTERCLAIMS, DISCOUNTS, PAYMENTS, ETC., TO WHICH THE APPLICANTS ARE ENTITLED.

D. PARTICULARS OF ASSIGNEE(S) (IF ANY):

1. Full Legal Name of Assignee(s) of the Directors' Charge Claim (if all or a portion of the Claim has been sold). If there is more than one assignee, please attach separate sheets with the following information:

(the "Assignee(s)")

Amount of Total Directors' Charge Claim Assigned \$ _____

Amount of Total Directors' Charge Claim Not Assigned \$ _____

Total Amount of Directors' Charge Claim \$ _____

(should equal "Total Directors' Charge Claim" as entered on Section B)

2. Full Mailing Address of Assignee(s):

3. Telephone Number of Assignee(s): _____

4. Facsimile Number of Assignee(s): _____

5. Email address of Assignee(s): _____

6. Attention (Contact Person): _____

E. FILING OF CLAIMS:

The duly completed Proof of Directors' Charge Claim together with supporting documentation must be returned and received by the Receiver, no later than 7:00 pm (Eastern Standard Time) on May 31, 2013, to the following email address, address or facsimile:

Failure to file your Proof of Directors' Charge Claim by such date will result in your claim being forever extinguished and barred and you will be prohibited from making or enforcing a Directors' Charge Claim against the NFC Entities.

This Proof of Directors' Charge Claim must be delivered by email, facsimile transmission, personal delivery, courier or prepaid mail at the following address:

Address of Receiver:

FTI Consulting Canada Inc.
 TD Waterhouse Tower
 79 Wellington Street West
 Suite 2010, P.O. Box 104
 Toronto, Ontario M5K 1G8

Attention: Julie Haghiri

Telephone: (416) 649-8081
 Facsimile: (416) 649-8101
 E-mail: julie.haghiri@fticonsulting.com

DATED at _____ this _____ day of _____, 2013.

 (Signature of Witness)

 (Please print name)

 (Signature of individual completing this form)

 (Please print name)

Schedule "C"

NOTICE OF REVISION OR DISALLOWANCE

**IN RESPECT OF CLAIMS AGAINST THE FORMER DIRECTORS AND OFFICERS
OF NFC ACQUISITION CORP., NFC ACQUISITION GP INC., NFC LAND
HOLDINGS CORP., NFC ACQUISITION L.P. AND NEW FOOD CLASSICS (the "NFC
ENTITIES")**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,

R.S.C. 1985, c. C-36, as amended

TO: [insert name and address of creditor]

FROM: [FTI Consulting Canada Inc., in its capacity as Receiver]

Terms not otherwise defined in this Notice have the meaning ascribed to them in the Order of the Superior Court of Justice for Ontario made April 9, 2013 (the "Claims Procedure Order"). You can obtain a copy of the Claims Procedure Order on the Monitor's website at <http://cfcanada.fticonsulting.com/nfc/> or by contacting the Receiver as set out below.

This Notice of Revision or Disallowance is issued pursuant to the Claims Procedure Order.

The Receiver has reviewed your Claim, **as set out in your Proof of Claim** and hereby gives you notice that it has revised or rejected your Claim as follows:

<u>Claim Against Director/Officer</u>	<u>Amount Per Proof of Claim</u>	<u>Disallowed Amount</u>	<u>Allowed Amount</u>
	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
TOTAL	\$ _____	\$ _____	\$ _____

REASONS FOR DISALLOWANCE:

If you do not agree with this Notice of Revision or Disallowance please take notice of the following:

1. If you intend to dispute a Notice of Revision or Disallowance, you must, by 5:00 p.m. (Eastern Standard Time) on the day which is fourteen (14) days after the date of this Notice of Revision or Disallowance or such later date as the Court may order, deliver a Notice of Dispute by email, facsimile transmission, courier, personal delivery or prepaid mail to the address indicated herein. The form of Notice of Dispute is attached to this Notice.
2. If you do not deliver a Notice of Dispute, the value of your Claim shall be deemed to be as set out in this Notice of Revision or Disallowance.

Address for Service of Dispute Notices:

Address of Monitor:

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Julie Haghiri

Telephone: (416) 649-8081
Facsimile: (416) 649-8101
E-mail: julie.haghiri@fticonsulting.com

IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

Dated at _____ this _____ day of _____, 2013.

FTI CONSULTING CANADA INC.

In its capacity as Court-Appointed Receiver of the NFC Entities

Per: _____

Encl.

Schedule "D"

NOTICE OF DISPUTE

**IN RESPECT OF CLAIMS AGAINST THE FORMER DIRECTORS AND OFFICERS
OF NFC ACQUISITION CORP., NFC ACQUISITION GP INC., NFC LAND
HOLDINGS CORP., NFC ACQUISITION L.P. AND NEW FOOD CLASSICS (the "NFC
ENTITIES")
(collectively, the "Directors and Officers")**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, as amended**

Pursuant to the order of the Court dated April 9, 2013, we hereby give you notice of our intention to dispute the Notice of Revision or Disallowance issued by FTI Consulting Canada Inc. in its capacity as Receiver of the property, assets, undertaking of the NFC Entities.

A. PARTICULARS OF CREDITOR

1. Full Legal Name of Creditor: _____
2. Full Mailing Address of the Creditor: _____

- Telephone Number of Creditor: _____ *
- Facsimile Number of Creditor: _____ *
- Email address: _____ *
- Attention (Contact Person): _____ *

B. PARTICULARS OF ORIGINAL CREDITOR FROM WHOM YOU ACQUIRED CLAIM, IF APPLICABLE:

1. Have you acquired this Claim by assignment? Yes No
(if yes, attach documents evidencing assignment)

2. Full Legal Name of original creditor(s): _____

C. DISPUTE:

We hereby disagree with the value or classification of our Directors' Charge Claim as set out in the Notice of Revision or Disallowance:

Director/Officer	Claim per Notice of Revision or Disallowance	Claim per Creditor
	\$	\$
	\$	\$
	\$	\$
	\$	\$
Total Claim	\$	\$

IF CLAIMANTS REQUIRE ADDITIONAL SPACE PLEASE ATTACH A SCHEDULE HERETO. CLAIMANTS SHOULD ALSO PROVIDE COPIES OF ALL RELEVANT AGREEMENTS.

A DETAILED, COMPLETE STATEMENT OF ACCOUNT MUST BE ATTACHED TO THE PROOF OF DIRECTORS' CHARGE CLAIM WHICH MUST SHOW THE DATE, THE NUMBER AND THE AMOUNT OF EACH INVOICE OR CHARGE, TOGETHER WITH THE DATE, THE NUMBER AND THE AMOUNT OF ALL CREDITS, COUNTERCLAIMS, DISCOUNTS, PAYMENTS, ETC., TO WHICH THE APPLICANTS ARE ENTITLED.

D. REASONS FOR DISPUTE:

(Provide full particulars of the Directors' Charge Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim.

THIS FORM AND SUPPORTING DOCUMENTATION TO BE RETURNED BY FACSIMILE TRANSMISSION, COURIER, PERSONAL SERVICE OR PREPAID MAIL TO THE ADDRESS INDICATED HEREIN AND TO BE RECEIVED BY 700 P.M. (EASTERN STANDARD TIME) ON THE DAY WHICH IS FOURTEEN (14) DAYS AFTER THE DATE OF THE NOTICE OF REVISION OR DISALLOWANCE, OR SUCH LATER DATE AS THE COURT MAY ORDER.

Address for Service of Dispute Notices:

Address of Monitor:

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Julie Haghiri

Telephone: (416) 649-8081
Facsimile: (416) 649-8101
E-mail: julie.haghiri@fticonsulting.com

APPENDIX “I”

Court File No.: CV12-9554-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, C. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NFC ACQUISITION GP INC., NFC ACQUISITION CORP. AND
NFC LAND HOLDINGS CORP.**

**AFFIDAVIT OF PAUL BISHOP
(Sworn March 22, 2013)**

I, PAUL BISHOP of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Senior Managing Director of FTI Consulting Canada Inc. ("FTI"). FTI was appointed as CCAA monitor of NFC Acquisition GP Inc., NFC Acquisition Corp., NFC Acquisition L.P., New Food Classics and NFC Land Holdings Corp. (the "Monitor") pursuant to an Initial Order of Justice Morawetz dated January 17, 2012. I am responsible for the services rendered by FTI as discussed herein and accordingly, I have knowledge of matters hereinafter deposed to.

2. Attached hereto collectively as **Exhibit "A"** are copies of the Statements of Account of FTI in respect of services rendered by FTI as proposed Monitor and as Monitor in these proceedings for the period from December 14, 2011 through February 21, 2012. During the period from December 14, 2011 to February 21, 2012 (the "**Billing Period**"), the total fees billed were \$526,362.00 plus disbursements of \$10,453.42 and applicable taxes of

-2-

\$69,786.01, for an aggregate amount of \$606,601.43. A summary of the invoices rendered during the Billing Period is reproduced below:

Summary of FTI Invoices
Invoice dated December 31 to February 21, 2012

Invoice	Date	Fees	Cost	GST/HST	Total
29000153	12/31/11	\$ 39,150.00	\$ 391.50	\$ 5,140.40	\$ 44,681.90
29000156	01/12/12	\$ 147,073.00	\$ 1,491.99	\$ 19,313.44	\$ 167,878.43
29000161	01/25/12	\$ 65,609.50	\$ -	\$ 8,529.24	\$ 74,138.74
29000167	01/31/12	\$ 92,896.50	\$ 6,842.52	\$ 12,966.07	\$ 112,705.09
29000173	02/08/12	\$ 36,389.50	\$ 1,574.62	\$ 4,935.34	\$ 42,899.46
29000174	02/15/12	\$ 64,451.00	\$ 152.79	\$ 8,398.49	\$ 73,002.28
29000178	02/21/12	\$ 80,792.50	\$ -	\$ 10,503.03	\$ 91,295.53
TOTAL		\$ 526,362.00	\$ 10,453.42	\$ 69,786.01	\$ 606,601.43

3. As set out in the following table, 855.6 hours were expended by FTI personnel during the Billing Period, resulting in an average hourly rate of \$615.20.

Name	Total Hours	Hourly Rate (\$)
P. Bishop	94.0	750.00
J. Engen	432.2	675.00
J. Porepa	283.1	550.00
D. Magder	9.7	410.00
G. Crawford	4.2	280.00
A. Arevalo	2.9	110.00
G. Haghiri	29.5	100.00
	855.60	

4. The activities as described in the reports of the Proposed Monitor and the Monitor filed in the within proceedings and detailed in the statements of account attached as Exhibit "A" accurately reflect the services provided by FTI and to the best of my knowledge, the rates charged by FTI throughout the course of the within proceedings are comparable to the rates charged by other firms in the Toronto market for the provision of

similar restructuring services.


5. I swear this affidavit in support of a motion for, *inter alia*, approval of the fees and disbursements of FTI and for no other or improper purpose.

SWORN BEFORE ME at the
City of Toronto, in the
Province of Ontario, this
22nd day of March, 2013

)
)
)
)
)



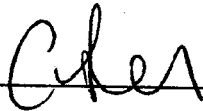
PAUL BISHOP



A Commissioner for taking affidavits, etc.
Catherine Pell

-4-

This is **Exhibit "A"** to the
Affidavit of Paul Bishop
sworn before me, this 22nd day of
March, 2013.

A handwritten signature in cursive script, appearing to read "Chen", is written over a horizontal line.

A Commissioner for taking Affidavits, etc.



Critical thinking at the critical time.™

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

December 31, 2011

Mr. Brian Cram
New Food Classics
1122 International Blvd., Suite 601
Burlington, ON L7L 6Z8

Re: FTI Job No. 010200.0014
Invoice # 29000153

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through December 31, 2011.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in black ink that reads 'Paul Bishop' in a cursive style.

Paul Bishop
Senior Managing Director

Enclosures



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Invoice Remittance

Mr. Brian Cram
 New Food Classics
 1122 International Blvd., Suite 601
 Burlington, ON L7L 6Z8

December 31, 2011
 FTI Invoice No. 29000153
 FTI Job No. 010200.0014
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through December 31, 2011

	<i>CAD (\$)</i>
Professional Services.....	\$47,352.00
Less Voluntary Reduction.....	\$2,203.00
Net Professional Fees.....	\$45,150.00
Expenses.....	\$391.50
Total Fees and Expenses.....	\$39,541.50
HST Registration No. 835718024RT0001	\$5,140.40
Total Amount Due this Period.....	\$44,681.90
Previous Balance Due.....	\$0.00
Total Amount Due.....	<u>\$44,681.90</u>

Please Wire Transfer To:

Bank of Nova Scotia
 Scotia Plaza, 44 King Street West
 Toronto, ONT M5H 1H1
 Swift Code: NOSCCATT
 Bank Number: 002
 Beneficiary: FTI Consulting Canada Inc.
 Beneficiary account number: 476960861715



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Mr. Brian Cram
 New Food Classics
 1122 International Blvd., Suite 601
 Burlington, ON L7L 6Z8

Invoice Summary

December 31, 2011
 FTI Invoice No. 29000153
 FTI Job No. 010200.0014
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through December 31, 2011

Name	Title	Rate	Hours	Total
Paul Bishop	Senior Managing Director	\$830.00	14.4	\$11,952.00
Jamie Engen	Managing Director	\$700.00	42.0	\$29,400.00
Total Hours and Fees			56.4	\$41,352.00
Less Voluntary Reduction				-\$2,202.00
Total Net Fees				\$39,150.00
Total Expenses				\$391.50
HST Registration No. 835718024RT0001				\$5,140.40
Invoice Total for Current Period				\$44,681.90

Arevalo, Ana

To: Bishop, Paul
 Subject: RE: REVISED NFC/BMO - Draft bill to December 31, 2011

From: Bishop, Paul
 Sent: Thursday, January 05, 2012 11:01 AM
 To: Arevalo, Ana
 Subject: RE: REVISED NFC/BMO - Draft bill to December 31, 2011

Approved

From: Arevalo, Ana
 Sent: Thursday, January 05, 2012 10:58 AM
 To: Bishop, Paul
 Subject: REVISED NFC/BMO - Draft bill to December 31, 2011

Please find attached the REVISED New Food Classics invoice for period ending December 31, 2011.

Let me know if you want to make any changes.

Paul – If there are no changes, please reply with your approval to finalize the invoice and the write off for the rate discounts as per the attached file and/or below detail.

Accrual Rate	Month	Year
85%	December	2011
Month and Year of Adjustment:		
Currency	# applicable, Invoice Number	
CAD		

WFP Fees - Incurred	WFP Exp - Incurred	Admin Fee	Taxes	Total Incurred w/Admin & Tax
41,352.00	-			46,883.90
Write Up/Down)-Fee	Write-UP/Down) - Exp			Total Write-UP/Down)
(2,202.00)	-			(2,202.00)
Fees Billed	Exp Billed	Admin Fee Billed	Taxes Billed	Total Billed
39,150.00	-	391.50	5,140.40	44,681.90
Fee Realization	Exp Realization			Total Realization
94.7%	0%			95.3%
Write-Up/Down)-% Fees	Write Up/Down) - % Exp			Total Write Up/Down) %
(5.3%)	0%			(4.7%)

Regards,

Ana Arevalo
 Executive Assistant
 FTI Consulting
 416.649.8052 direct
 416.428.0995 mobile
 416.649.8101 fax
ana.arevalo@fticonsulting.com

TD Waterhouse Tower
 79 Wellington Street West
 Suite 2010, P.O. Box 104
 Toronto ON M5K 1G8
www.fticonsulting.com

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FTI CONSULTING

Corporate Finance

WIP ADJUSTMENT, A/R WRITE-OFF FORM and CREDIT NOTE

INSTRUCTIONS:

Please fill in applicable yellow fields

Select Adjustment type: WIP Write-Down

Client / Matter Information

(If missing, when filled, please fill in boxes enclosed in RED and let us be notified by the fax)

Matter Number (enter or select from drop down box)	010200.0014
Client Name:	Bank of Montreal
Matter Description:	Project Crow
Billing SMD name:	Bishop, Paul
Billing Department:	528 - FTI Canada
Billing Office Location:	440 - LES24 Toronto, Canada
Billing Office Industry:	008 - Core Services/Balance Sheet

WIP

Accrual Rate 85%	Month December	Year 2011	
Month and Year of Adjustment			
Currency CAD	If applicable, Invoice Number		

WIP Fee - Incurred 41,362.00	WIP Exp - Incurred Write-Up/Down - Exp	Admin Fee Admin Fee Billed 391.90	Taxes Taxes Billed 5,140.40	Total Incurred w/Admin & Tax 46,893.90
Write-Up/Down Fee (2,202.00)	Exp Billed -			Total Write-Up/Down (2,202.00)
Fees Billed 39,160.00	Exp Realization 0%			Total Billed 44,661.90
Fee Realization 94.7%	Write-Up/Down - % Exp 0%			Total Realization 95.3%
Write-Up/Down - % Fee (5.3%)				Total Write-Up/Down % (4.7%)

Accounts Receivable

	Inv - 1	Inv - 2	Inv - 3	Inv - 4	Inv - 5
Invoice number(s):					
Total Billed:					
Recovery/(Write-Off)/Credit Memo					
Fees					
Costs					
Admin Fee					
Taxes					
Total Recovery/(Write-Off)					
Percentage of Billed:	0%	0%	0%	0%	0%

Adjustment Explanation (Each cell to be filled in red, otherwise, if blank, please allow for the full realization of the invoice with 010200.0014, period ending 12/31/11 - As per LOE, agreed to discounted rates.

Approvals

- a. WIP Adjustments within the pre-approved accrual rates requires only Billing SMD approval. If the adjustment is greater than the accrual rate allowance, then additional approval may be required per the guidelines below. (You can attach an email of approval that contains the specifics of the Invoiced/adjusted fees/expenses.)
- b. Billing SMDs can approve WIP Adjustments or AR write-offs less than 5% up to \$20,000.
- c. SMD and Regional SMD or Industry / Product leader approval is required for WIP Adjustments or AR write-offs less than 10% up to \$75,000.
- d. Approval of Sue Van Nies or Gary Richardson is required for WIP adjustments or AR write-offs of 10% or greater up to \$200,000 in addition to the preceding levels of approval.
- e. WIP Adjustments or AR write-offs greater than \$200,000 require the approval of Robert Duffy or Kevin Lavin.

Requested by:	Name: <u>Ana Aravely</u>	Date: <u>January 5, 2012</u>
SMD Approval:	Name: <u>SEE ATTACHED APPROVAL</u>	Date: <u>January 5, 2012</u>
Regional / Industry / Product Leader Approval:	Name: <u>Greg Walsh</u>	Date: <u>January 5, 2012</u>
CF Finance / Management Approval:	Name: _____	Date: _____



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FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

January 12, 2012

Mr. Brian Cram
New Food Classics
1122 International Blvd., Suite 601
Burlington, ON L7L 6Z8

Re: FTI Job No. 010200.0014
Invoice # 29000156

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through January 16, 2012.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in black ink that reads "Paul Bishop".

Paul Bishop
Senior Managing Director

Enclosures



Invoice Remittance

Mr. Brian Cram
New Food Classics
1122 International Blvd., Suite 601
Burlington, ON L7L 6Z8

January 12, 2012
FTI Invoice No. 29000156
FTI Job No. 010200.0014
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through January 16, 2012

	CAD (\$)
Professional Services.....	\$154,410.00
Less Voluntary Reduction.....	-\$3,337.00
Net Professional Fees.....	\$147,073.00
Expenses.....	\$1,491.99
Total Fees and Expenses.....	\$148,564.99
HST Registration No. 835718024RT0001.....	\$19,313.44
Total Amount Due this Period.....	\$167,878.43
Previous Balance Due.....	\$0.00
Total Amount Due.....	<u>\$167,878.43</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotiabank Plaza 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



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Mr. Brian Cram
 New Food Classics
 1122 International Blvd., Suite 601
 Burlington, ON L7L 6Z8

Invoice Summary

January 12, 2012
 FTI Invoice No. 29000156
 FTI Job No. 010200.0014
 Terms Payment on Presentation

Current Invoice Period: Charges Posted through January 16, 2012

Name	Title	Rate	Hours	Total
Paul Bishop	Senior Managing Director	\$830.00	27.9	\$23,157.00
Jamie Engen	Managing Director	\$700.00	110.0	\$77,000.00
Jodi Porepa	Director	\$575.00	94.2	\$54,165.00
Ana Arevalo	Administrative Professional	\$110.00	0.8	\$88.00
Total Hours and Fees			232.9	\$154,410.00
Less Voluntary Reduction				-\$7,337.00
Total Net Fees				\$147,073.00
Subsistence				\$21.26
Admin				\$1,470.73
Total Expenses				\$1,491.99
HST Registration No. 835718024RT0001				\$19,313.44
Invoice Total for Current Period				\$167,878.43

Arevalo, Ana

From: Bishop, Paul
Sent: Thursday, January 12, 2012 2:06 PM
To: Arevalo, Ana
Cc: Engen, Jamie; Porepa, Jodi
Subject: RE: REVISED NFC/BMO - Draft bill to January 16, 2012

approved

From: Arevalo, Ana
Sent: Thursday, January 12, 2012 1:53 PM
To: Bishop, Paul
Cc: Engen, Jamie; Porepa, Jodi
Subject: REVISED NFC/BMO - Draft bill to January 16, 2012

Please find attached the REVISED New Food Classics invoice for period ending January 16, 2012.

Let me know if you want to make any changes.

Paul – If there are no changes, please reply with your approval to finalize the invoice and the write off for the rate discounts as per the attached file and/or below detail.

Accrual Rate	Month	Year
85%	January	2012
Currency CAD	Month and Year of Adjustment	
	If applicable, Invoice Number	

WSP Fees - Incurred	WSP Fee - Incurred	Admin Fee	Taxes	Total Incurred w/ Admin & Tax
154,416.00	23.70			175,217.87
Write-UP/Down - Fee	Write-UP/Down - Fee			Total Write-UP/Down
(7,337.00)	(2.44)			(7,338.44)
Fees Billed	Fee Billed	Admin Fee Billed	Taxes Billed	Total Billed
147,079.00	21.26	1,478.73	19,313.44	167,878.43
Fee Realization	Fee Realization			Total Realization
95.2%	89.7%			95.8%
Write-UP/Down - % Fees	Write-UP/Down - % Fee			Total Write-UP/Down %
(4.8%)	(10.3%)			(4.2%)

Regards,

Ana Arevalo
 Executive Assistant
FTI Consulting
 416.649.8052 direct
 416.428.0995 mobile
 416.649.8101 fax
ana.arevalo@fticonsulting.com

TD Waterhouse Tower
 79 Wellington Street West
 Suite 2010, P.O. Box 104
 Toronto ON M5K 1G8
www.fticonsulting.com

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Notification de confidentialité:

FTI CONSULTING

Corporate Finance

WIP ADJUSTMENT, A/R WRITE-OFF FORM and CREDIT NOTE

INSTRUCTIONS:

Please fill in applicable Yellow fields:

Select Adjustment type: WIP Write-(Down)

Client / Matter Information

Matter Number (enter or select from drop down box):	010200.0014
Client Name:	Bank of Montreal
Matter Description:	Project Crow
Billing SMD name:	Bishop, Paul
Billing Department:	528 - FTI Canada
Billing Office Location:	446 - LE024 Toronto, Canada
Billing Office Industry:	000 - Core Services/Balance Sheet

Accrual Rate: 85% Month and Year of Adjustment: Month: January Year: 2012

Currency: CAD If applicable, Invoice Number:

WIP Fees - Incurred	WIP Exp - Incurred	Admin Fee	Taxes	Total Incurred w/Admin & Tax
154,410.00	23.70			175,217.87
Write-Up/Down)-Fee (7,337.00)	Write-Up/Down) - Exp (2.44)			Total Write-Up/Down) (7,339.44)
Fees Billed 147,073.00	Exp Billed 21.26	Admin Fee Billed 1,470.73	Taxes Billed 19,313.44	Total Billed 167,878.43
Fee Realization 95.2%	Exp Realization 89.7%			Total Realization 95.8%
Write-Up/Down)-% Fees (4.8%)	Write-Up/Down) - % Exp (10.3%)			Total Write-Up/Down) % (4.2%)

	Inv - 1	Inv - 2	Inv - 3	Inv - 4	Inv - 5
Invoice number(s):					
Total Billed:					
Recovery/(Write-Off/Credit Memo)					
Fees					
Costs					
Admin Fee					
Taxes					
Total Recovery/(Write-Off)					
Percentage of Billed:	.0%	.0%	.0%	.0%	.0%

010200.0014, period ending 01/16/12 - As per LOE, agreed to discounted rates, this invoice contains \$2.44 automatic HST cost write off.

Approvals

- a. WIP Adjustments within the pre-approved accrual rates requires only Billing SMD approval. If the adjustment is greater than the accrual rate allowance, then additional approval may be required per the guidelines below. (You can attach an email of approval that contains the specifics of the invoiced/adjusted fees/expenses.)
- b. Billing SMDs can approve WIP Adjustments or AR write-offs less than 5% up to \$20,000.
- c. SMD and Regional SMD or Industry / Product leader approval is required for WIP Adjustments or AR write-offs less than 10% up to \$75,000.
- d. Approval of Sue Van Ness or Gary Richardson is required for WIP adjustments or AR write-offs of 10% or greater up to \$200,000 in addition to the preceding levels of approval.
- e. WIP Adjustments or AR write-offs greater than \$200,000 require the approval of Robert Duffy or Kevin Lavin.

Requested by: Ana Arevalo Date: January 12, 2012

SMD Approval: SEE ATTACHED APPROVAL Date: January 12, 2012

Regional / Industry / Product Leader Approval: _____ Date: _____

CF Finance / Management Approval: _____ Date: _____



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FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

January 25, 2012

Mr. Brian Cram
New Food Classics
1122 International Blvd., Suite 601
Burlington, ON L7L 6Z8

Re: FTI Job No. 010200.0015
Invoice # 29000161

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through January 22, 2012.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in black ink that reads 'Paul Bishop' in a cursive, flowing script.

Paul Bishop
Senior Managing Director

Enclosures



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Invoice Remittance

Mr. Brian Cram
 New Food Classics
 1122 International Blvd., Suite 601
 Burlington, ON L7L 6Z8

January 25, 2012
 FTI Invoice No. 29000161
 FTI Job No. 010200.0015
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through January 22, 2012

	CAD (\$)
Professional Services.....	\$68,773.00
Less Voluntary Reduction.....	\$3,163.50
Net Professional Fees.....	\$65,609.50
Expenses.....	\$0.00
Total Fees and Expenses.....	\$65,609.50
HST Registration No. 835718024RT0001	\$8,529.24
Total Amount Due this Period.....	\$74,138.74
Previous Balance Due.....	\$0.00
Total Amount Due.....	<u>\$74,138.74</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



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Mr. Brian Cram
 New Food Classics
 1122 International Blvd., Suite 601
 Burlington, ON L7L 6Z8

Invoice Summary

January 25, 2012
 FTI Invoice No. 29000161
 FTI Job No. 010200.0015
 Terms Payment on Presentation

Current Invoice Period: Charges Posted through January 22, 2012

Name	Title	Rate	Hours	Total
Paul Bishop	Senior Managing Director	\$830.00	12.2	\$10,126.00
Jamie Engen	Managing Director	\$700.00	45.7	\$31,990.00
Jodi Porepa	Director	\$575.00	41.8	\$24,035.00
Gary W. Crawford	Manager, Applications and Development	\$280.00	2.4	\$672.00
Golnaz Haghiri	Consultant	\$100.00	19.5	\$1,950.00
Total Hours and Fees			121.6	\$68,773.00
Less Voluntary Reduction				-\$3,163.50
Total Net Fees				\$65,609.50
HST Registration No. 835718024RT0001				\$8,529.24
Invoice Total for Current Period				\$74,138.74



Critical thinking at the critical time.™

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

January 31, 2012

Mr. Brian Cram
New Food Classics
1122 International Blvd., Suite 601
Burlington, ON L7L 6Z8

Re: FTI Job No. 010200.0015
Invoice # 29000167

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through January 31, 2012.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

Paul Bishop
Senior Managing Director

Enclosures



Critical thinking at the critical time.™

Invoice Remittance

Mr. Brian Cram
New Food Classics
1122 International Blvd., Suite 601
Burlington, ON L7L 6Z8

January 31, 2012
FTI Invoice No. 29000167
FTI Job No. 010200.0015
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through January 31, 2012

	<i>CAD (\$)</i>
Professional Services.....	\$97,051.50
Less Voluntary Reduction.....	<u>-\$4,155.00</u>
Net Professional Fees.....	\$92,896.50
Expenses.....	<u>\$6,842.52</u>
Total Fees and Expenses.....	\$99,739.02
HST Registration No. 835718024RT0001	<u>\$12,966.07</u>
Total Amount Due this Period.....	\$112,705.09
Previous Balance Due.....	<u>\$0.03</u>
Total Amount Due.....	<u><u>\$112,705.12</u></u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

Critical thinking at the critical time.™

Mr. Brian Cram
New Food Classics
1122 International Blvd., Suite 601
Burlington, ON L7L 6Z8

January 31, 2012
FTI Invoice No. 29000167
FTI Job No. 010200.0015
Terms Payment on Presentation

Current Invoice Period: Charges Posted through January 31, 2012

Name	Title	Rate	Hours	Total
Paul Bishop	Senior Managing Director	\$830.00	12.0	\$9,960.00
Jamie Engen	Managing Director	\$700.00	70.1	\$49,070.00
Jodi Porepa	Director	\$575.00	57.7	\$33,177.50
Daniel Magder	Senior Consultant	\$410.00	8.8	\$3,608.00
Golnaz Haghiri	Consultant	\$100.00	9.0	\$900.00
Gary W. Crawford	Manager, Applications and Development	\$280.00	1.2	\$336.00
Total Hours and Fees			158.8	\$97,051.50
Less Voluntary Reduction				-\$4,155.00
Total Net Fees				\$92,896.50
Newspaper Ad's				\$6,842.52
Total Expenses				\$6,842.52
HST Registration No. 835718024RT0001				\$12,966.07
Invoice Total for Current Period				\$112,705.09



Critical thinking at the critical time.™

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

February 8, 2012

Mr. Brian Cram
New Food Classics
1122 International Blvd., Suite 601
Burlington, ON L7L 6Z8

Re: FTI Job No. 010200.0015
Invoice # 29000173

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through February 5, 2012.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in black ink that reads "Paul Bishop".

Paul Bishop
Senior Managing Director

Enclosures



Critical thinking at the critical time.™

Invoice Remittance

Mr. Brian Cram
 New Food Classics
 1122 International Blvd., Suite 601
 Burlington, ON L7L 6Z8

February 8, 2012
 FTI Invoice No. 29000173
 FTI Job No. 010200.0015
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through February 5, 2012

	CAD (\$)
Professional Services.....	\$38,095.00
Less Voluntary Reduction.....	-\$1,705.30
Net Professional Fees.....	\$36,389.50
Expenses.....	\$1,574.62
Total Fees and Expenses.....	\$37,964.12
HST Registration No. 835718024RT0001.....	\$4,935.34
Total Amount Due this Period.....	\$42,899.46
Previous Balance Due.....	\$0.00
Total Amount Due.....	\$42,899.46

Please Wire Transfer To:

Bank of Nova Scotia
 Scotia Plaza, 44 King Street West
 Toronto, ONT M5H 1H1
 Swift Code: NOSCCATT
 Bank Number: 002
 Beneficiary: FTI Consulting Canada Inc.
 Beneficiary account number: 476960861715

HST Registration No. 835718024RT0001



Critical thinking at the critical time.™

Mr. Brian Cram
 New Food Classics
 1122 International Blvd., Suite 601
 Burlington, ON L7L 6Z8

Invoice Summary

February 8, 2012
 FTI Invoice No. 29000173
 FTI Job No. 010200.0015
 Terms Payment on Presentation

Current Invoice Period: Charges Posted through February 5, 2012

Name	Title	Rate	Hours	Total
Paul Bishop	Senior Managing Director	\$830.00	4.6	\$3,818.00
Jamie Engen	Managing Director	\$700.00	26.7	\$18,690.00
Jodi Porepa	Director	\$575.00	26.8	\$15,410.00
Ana Arevalo	Consultant	\$110.00	0.7	\$77.00
Golnaz Haghiri	Consultant	\$100.00	1.0	\$100.00
Total Hours and Fees			59.8	\$38,095.00
Less Voluntary Reduction				-\$1,705.50
Total Net Fees				\$36,389.50
Business Meals				\$152.14
Transportation				\$1,422.48
Total Expenses				\$1,574.62
HST Registration No. 835718024RT0001				\$4,935.34
Invoice Total for Current Period				\$42,899.46

Arevalo, Ana

From: Van Ness, Susan
Sent: Thursday, February 09, 2012 1:11 PM
To: Arevalo, Ana
Subject: RE: NFC (CCAA) - WOFF Approval

ok

From: Arevalo, Ana
Sent: Thursday, February 09, 2012 12:08 PM
To: Van Ness, Susan
Subject: FW: NFC (CCAA) - WOFF Approval

Susan, please approve the write off for NFC - CCAA for period ending February 5, 2012, adjustment explanation is detailed in the attached file; Paul's approval is below and Greg has signed the attached WOFF.

Regards,

Ana Arevalo
 Executive Assistant
FTI Consulting
 416.649.8052 direct
 416.428.0995 mobile
 416.649.8101 fax
ana.arevalo@fticonsulting.com

From: Bishop, Paul
Sent: Wednesday, February 08, 2012 2:30 PM
To: Arevalo, Ana
Cc: Engen, Jamie; Porepa, Jodi
Subject: RE: NFC - CCAA - Draft bill to February 5, 2012

Approved

From: Arevalo, Ana
Sent: Wednesday, February 08, 2012 2:20 PM
To: Bishop, Paul
Cc: Engen, Jamie; Porepa, Jodi
Subject: NFC - CCAA - Draft bill to February 5, 2012

Please find attached the New Food Classics invoice for period ending February 5, 2012.

Let me know if you want to make any changes.

Paul – If there are no changes, please reply with your approval to finalize the invoice and the write off for the rate discounts as per the attached file and/or below detail.

WIP		Month	Year																																							
Accrual Rate	85%	February	2012																																							
Currency	CAD	Month and Year of Adjustment:																																								
		<i>If applicable, Invoice Number</i>																																								
<table border="1"> <tr><td>WIP Fees - Incurred</td><td>38,696.00</td></tr> <tr><td>Write-UP/Down - Fee</td><td>(1,795.50)</td></tr> <tr><td>Fees Billed</td><td>38,380.50</td></tr> <tr><td>Fee Realization</td><td>95.5%</td></tr> <tr><td>Write-UP/Down - % Fees</td><td>(4.6%)</td></tr> </table>	WIP Fees - Incurred	38,696.00	Write-UP/Down - Fee	(1,795.50)	Fees Billed	38,380.50	Fee Realization	95.5%	Write-UP/Down - % Fees	(4.6%)	<table border="1"> <tr><td>WIP Fees - Incurred</td><td>6,132.00</td></tr> <tr><td>Write-UP/Down - Fee</td><td>(4,578.04)</td></tr> <tr><td>Fees Billed</td><td>1,574.62</td></tr> <tr><td>Fee Realization</td><td>25.6%</td></tr> <tr><td>Write-UP/Down - % Fees</td><td>(74.4%)</td></tr> </table>	WIP Fees - Incurred	6,132.00	Write-UP/Down - Fee	(4,578.04)	Fees Billed	1,574.62	Fee Realization	25.6%	Write-UP/Down - % Fees	(74.4%)	<table border="1"> <tr><td>Admin Fee</td><td></td></tr> <tr><td>Admin Fee Billed</td><td></td></tr> </table>	Admin Fee		Admin Fee Billed		<table border="1"> <tr><td>Taxes</td><td></td></tr> <tr><td>Taxes Billed</td><td>4,535.34</td></tr> </table>	Taxes		Taxes Billed	4,535.34	<table border="1"> <tr><td>Total Incurred w/ Admin & Tax</td><td>49,163.00</td></tr> <tr><td>Total Write-UP/Down</td><td>(6,283.54)</td></tr> <tr><td>Total Billed</td><td>42,899.46</td></tr> <tr><td>Total Realization</td><td>67.2%</td></tr> <tr><td>Total Write-UP/Down %</td><td>(12.8%)</td></tr> </table>	Total Incurred w/ Admin & Tax	49,163.00	Total Write-UP/Down	(6,283.54)	Total Billed	42,899.46	Total Realization	67.2%	Total Write-UP/Down %	(12.8%)
WIP Fees - Incurred	38,696.00																																									
Write-UP/Down - Fee	(1,795.50)																																									
Fees Billed	38,380.50																																									
Fee Realization	95.5%																																									
Write-UP/Down - % Fees	(4.6%)																																									
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Write-UP/Down - Fee	(4,578.04)																																									
Fees Billed	1,574.62																																									
Fee Realization	25.6%																																									
Write-UP/Down - % Fees	(74.4%)																																									
Admin Fee																																										
Admin Fee Billed																																										
Taxes																																										
Taxes Billed	4,535.34																																									
Total Incurred w/ Admin & Tax	49,163.00																																									
Total Write-UP/Down	(6,283.54)																																									
Total Billed	42,899.46																																									
Total Realization	67.2%																																									
Total Write-UP/Down %	(12.8%)																																									

Regards,

Ana Arevalo

Executive Assistant

FTI Consulting

416.649.8052 direct

416.428.0995 mobile

416.649.8101 fax

ana.arevalo@fticonsulting.com

TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K 1G8
www.fticonsulting.com

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This email and any attachments may be confidential and protected by legal privilege. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the e-mail or any attachment is prohibited. If you have received this email in error, please notify us immediately by replying to the sender and then delete this copy and the reply from your system. Thank you for your cooperation.

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Ce message, transmis par courriel, et toutes les pièces jointes, sont confidentiels et peuvent être protégés par le secret professionnel. Si vous n'êtes pas le destinataire ci-dessus, soyez avisé qu'il vous est strictement interdit de le diffuser, le reproduire, le distribuer ou de l'utiliser de quelque façon que ce soit. Si vous avez reçu ce message par erreur, veuillez en informer l'expéditeur par courrier électronique immédiatement et détruire ce message, toute copie ainsi que votre réponse à l'expéditeur. Merci de votre coopération.

FTI CONSULTING

Corporate Finance

WIP ADJUSTMENT, A/R WRITE-OFF FORM and CREDIT NOTE

INSTRUCTIONS:

Please fill in applicable/yellow fields

Select Adjustment type: WIP Write-Down

Client / Matter Information

(If matter is not listed, please fill in boxes starting in RED and we will add to the list)

Matter Number (enter or select from drop down box) 010200.0015
 Client Name: Bank of Montreal
 Matter Description: NFC - CCAA
 Billing SMD name: Bishop, Paul
 Billing Department: 626 - FTI Canada
 Billing Office Location: 448 - LES24 Toronto, Canada
 Billing Office Industry: 000 - Core Services/Balance Sheet

WIP

Accrual Rate: 88% Month: February Year: 2012
 Month and Year of Adjustment: February 2012

Currency: CAD If applicable, Invoice Number: _____

WIP Fees - Incurred 36,098.00	WIP Exp - Incurred 6,192.68	Admin Fee	Taxes	Total Incurred w/Admin & Tax 49,183.00 Total Write-Up/Down (6,283.54) Total Billed 42,899.46 Total Realization 87.2% Total Write Up/Down % (12.6%)
Write-Up/Down - Fee (1,705.50)	Write-Up/Down - Exp (4,578.04)			
Fees Billed 36,398.50	Exp Billed 1,574.62	Admin Fee Billed	Taxes Billed 4,935.34	
Fee Realization 96.5%	Exp Realization 25.6%			
Write-Up/Down - % Fee (4.6%)	Write-Up/Down - % Exp (74.4%)			

Accounts Receivable

	Inv - 1	Inv - 2	Inv - 3	Inv - 4	Inv - 5
Invoice number(s):					
Total Billed:					
Recovery (Write-Off/Credit Memo)					
Fees					
Costs					
Admin Fee					
Taxes					
Total Recovery (Write-Off)					
Percentage of Billed:	0%	0%	0%	0%	0%

Adjustment Explanation (please use in RED for all adjustments, if more than one, please provide explanation in following box)
 010200.0015, period ending 02/05/12 - As per LOE, agreed to discounted rates. As per agreement with client, all expenses for J. Engen are being written off, this invoice contains \$693.47 automatic HST cost write off.

Approvals

- a. WIP Adjustments within the pre-approved accrual rates requires only Billing SMD approval. If the adjustment is greater than the accrual rate allowance, then additional approval may be required per the guidelines below. (You can attach an email of approval that contains the specifics of the invoiced/adjusted fees/expenses.)
- b. Billing SMDs can approve WIP Adjustments or AR write-offs less than 5% up to \$20,000.
- c. SMD and Regional SMD or Industry / Product leader approval is required for WIP Adjustments or AR write-offs less than 10% up to \$75,000.
- d. Approval of Sue Van Ness or Gary Richardson is required for WIP adjustments or AR write-offs of 10% or greater up to \$200,000 in addition to the preceding levels of approval.
- e. WIP Adjustments or AR write-offs greater than \$200,000 must be sent to both Robert Duffy & Kevin Levin for review. Approval from either/or will satisfy audit requirements.

Requested by: Ans Arevalo Date: February 8, 2012
 Name: _____ Date: _____
 SMD Approval: SEE ATTACHED APPROVAL Date: February 9, 2012
 Name: Paul Bishop Date: _____
 Regional / Industry / Product Leader Approval: _____ Date: February 9, 2012
 Name: Gregory Watson Date: _____
 CF Finance / Management Approval: SEE ATTACHED APPROVAL Date: February 9, 2012
 Name: Susan Van Ness Date: _____



Critical thinking at the critical time.™

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

February 15, 2012

Mr. Brian Cram
New Food Classics
1122 International Blvd., Suite 601
Burlington, ON L7L 6Z8

Re: FTI Job No. 010200.0015
Invoice # 29000174

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through February 12, 2012.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in black ink that reads "Paul Bishop".

Paul Bishop
Senior Managing Director

Enclosures



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Invoice Remittance

Mr. Brian Cram
 New Food Classics
 1122 International Blvd., Suite 601
 Burlington, ON L7L 6Z8

February 15, 2012
 FTI Invoice No. 29000174
 FTI Job No. 010200.0015
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through February 12, 2012

	CAD (\$)
Professional Services.....	\$67,364.50
Less Voluntary Reduction.....	-\$2,913.50
Net Professional Fees.....	\$64,451.00
Expenses.....	\$152.79
Total Fees and Expenses.....	\$64,603.79
HST Registration No. 835718024RT0001	\$8,398.49
Total Amount Due this Period.....	\$73,002.28
Previous Balance Due.....	\$0.00
Total Amount Due.....	\$73,002.28

Please Wire Transfer To:

Bank of Nova Scotia
 Scotia Plaza, 44 King Street West
 Toronto, ONT M5H 1H1
 Swift Code: NOSCCATT
 Bank Number: 002
 Beneficiary: FTI Consulting Canada Inc.
 Beneficiary account number: 476960861715



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Mr. Brian Cram
 New Food Classics
 1122 International Blvd., Suite 601
 Burlington, ON L7L 6Z8

Invoice Summary

February 15, 2012
 FTI Invoice No. 29000174
 FTI Job No. 010200.0015
 Terms Payment on Presentation

Current Invoice Period: Charges Posted through February 12, 2012

Name	Title	Rate	Hours	Total
Paul Bishop	Senior Managing Director	\$830.00	6.7	\$5,561.00
Jamie Engen	Managing Director	\$700.00	53.4	\$37,380.00
Jodi Porepa	Director	\$575.00	41.7	\$23,977.50
Daniel Magder	Senior Consultant	\$410.00	0.9	\$369.00
Ana Arevalo	Administrative Professional	\$110.00	0.7	\$77.00
Total Hours and Fees			103.4	\$67,364.50
Less Voluntary Reduction				-\$2,913.50
Total Net Fees				\$64,451.00
Mileage				\$106.29
Transportation				\$46.50
Total Expenses				\$152.79
HST Registration No. 835718024RT0001				\$8,398.49
Invoice Total for Current Period				\$73,002.28

Arevalo, Ana

From: Bishop, Paul
Sent: Tuesday, February 14, 2012 5:09 PM
To: Arevalo, Ana
Cc: Engen, Jamie; Porepa, Jodi
Subject: RE: NFC - CCAA - Draft bill to February 12, 2012

approved

From: Arevalo, Ana
Sent: Tuesday, February 14, 2012 4:59 PM
To: Bishop, Paul
Cc: Engen, Jamie; Porepa, Jodi
Subject: NFC - CCAA - Draft bill to February 12, 2012

Please find attached the New Food Classics invoice for period ending February 12, 2012.

Let me know if you want to make any changes.

Paul – If there are no changes, please reply with your approval to finalize the invoice and the write off for the rate discounts as per the attached file and/or below detail.

Accrual Rate	Month and Year of Adjustment	Month	Year
85%	February	February	2012
Currency: CAD	# applicable, Invoice Number		

VSP Fees - Incurred	VSP Fee - Incurred	Admin Fee	Taxes	Total Incurred w/ Admin & Tax
67,364.56	158.84			75,921.83
Write-Down Fee	Write-Down - Fee			Total Write-Down
(2,913.59)	(6.65)			(2,919.56)
Fees Billed	Fees Billed	Admin Fee Billed	Taxes Billed	Total Billed
64,451.00	152.79		6,368.49	73,002.28
Fee Realization	Fee Realization			Total Realization
95.7%	98.2%			96.2%
Write-Down-% Fees	Write-Down - % Fee			Total Write-Down %
(4.3%)	(3.8%)			(3.8%)

Regards,

Ana Arevalo
 Executive Assistant
FTI Consulting
 416.649.8052 direct
 416.428.0995 mobile
 416.649.8101 fax
ana.arevalo@fticonsulting.com

TD Waterhouse Tower
 79 Wellington Street West
 Suite 2010, P.O. Box 104
 Toronto ON M5K 1G8
www.fticonsulting.com

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Notification de confidentialité:

FTI CONSULTING

Corporate Finance

WIP ADJUSTMENT, A/R WRITE-OFF FORM and CREDIT NOTE

INSTRUCTIONS:

Please fill in applicable Yellow fields

Select Adjustment type: WIP Write-Down

Client / Matter Information

Matter Number (enter or select from drop down box): 010200.0015
 Client Name: Bank of Montreal
 Matter Description: NFC - CCAA
 Billing SMD name: Bishop, Paul
 Billing Department: 526 - FTI Canada
 Billing Office Location: 440 - LE024 Toronto, Canada
 Billing Office Industry: 000 - Core Services/Balance Sheet

Accrual Rate: 85% Month and Year of Adjustment: February 2012
 Currency: CAD If applicable, Invoice Number: _____

WIP Fees - Incurred 67,364.50 Write-Up/Down-Fee (2,913.50) Fees Billed 64,451.00 Fee Realization 96.7% Write-Up/Down-% Fees (4.3%)	WIP Exp - Incurred 158.84 Write-Up/Down - Exp (6.05) Exp Billed 152.79 Exp Realization 96.2% Write Up/Down) - % Exp (3.6%)	Admin Fee Admin Fee Billed	Taxes Taxes Billed 8,398.49	Total Incurred w/Admin & Tax 75,921.83 Total Write-Up/Down) (2,919.55) Total Billed 73,002.28 Total Realization 96.2% Total Write Up/Down) % (3.6%)
--	--	---	---	---

	Inv - 1	Inv - 2	Inv - 3	Inv - 4	Inv - 5
Invoice number(s):					
Total Billed:					
Recovery/(Write-Off/Credit Memo)					
Fees					
Costs					
Admin Fee					
Taxes					
Total Recovery/(Write-Off)					
Percentage of Billed:	0%	0%	0%	0%	0%

010200.0015, period ending 02/12/12. As per LOE, agreed to discounted rates; this invoice contains \$8.05 automatic HST write off.

Approvals

- a. WIP Adjustments within the pre-approved accrual rates requires only Billing SMD approval. If the adjustment is greater than the accrual rate allowance, then additional approval may be required per the guidelines below. (You can attach an email of approval that contains the specifics of the invoiced/adjusted fees/expenses.)
- b. Billing SMDs can approve WIP Adjustments or AR write-offs less than 5% up to \$20,000.
- c. SMD and Regional SMD or Industry / Product leader approval is required for WIP Adjustments or AR write-offs less than 10% up to \$75,000.
- d. Approval of Sue Van Ness or Gary Richardson is required for WIP adjustments or AR write-offs of 10% or greater up to \$200,000 in addition to the preceding levels of approval.
- e. WIP Adjustments or AR write-offs greater than \$200,000 must be sent to both Robert Duffy & Kevin Lavin for review. Approval from either/or will satisfy audit requirements.

Requested by: Ana Arevalo Name: _____ Date: February 14, 2012

SMD Approval: SEE ATTACHED APPROVAL Name: Paul Bishop Date: February 14, 2012

Regional / Industry / Product Leader Approval: Name: _____ Date: _____

CF Finance / Management Approval Name: _____ Date: _____



Critical thinking at the critical time.™

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

February 21, 2012

Mr. Brian Cram
New Food Classics
1122 International Blvd., Suite 601
Burlington, ON L7L 6Z8

Re: FTI Job No. 010200.0015
Invoice # 29000178

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through February 19, 2012.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in black ink that reads 'Paul Bishop'.

Paul Bishop
Senior Managing Director

Enclosures



Critical thinking at the critical time.™

Invoice Remittance

Mr. Brian Cram
 New Food Classics
 1122 International Blvd., Suite 601
 Burlington, ON L7L 6Z8

February 21, 2012
 FTI Invoice No. 29000178
 FTI Job No. 010200.0015
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through February 19, 2012

	CAD (\$)
Professional Services.....	\$84,718.50
Less Voluntary Reduction.....	\$3,926.00
Net Professional Fees.....	\$80,792.50
Expenses.....	\$0.00
Total Fees and Expenses.....	\$80,792.50
HST Registration No. 835718024RT0001.....	\$10,503.03
Total Amount Due this Period.....	\$91,295.53
Previous Balance Due.....	\$0.00
Total Amount Due.....	\$91,295.53

Please Wire Transfer To:

Bank of Nova Scotia
 Scotia Plaza, 44 King Street West
 Toronto, ONT M5H 1H1
 Swift Code: NOSCCATT
 Bank Number: 002
 Beneficiary: FTI Consulting Canada Inc.
 Beneficiary account number: 476960861715



Critical thinking at the critical time.™

Mr. Brian Cram
 New Food Classics
 1122 International Blvd., Suite 601
 Burlington, ON L7L 6Z8

Invoice Summary

February 21, 2012
 FTI Invoice No. 29000178
 FTI Job No. 010200.0015
 Terms Payment on Presentation

Current Invoice Period: Charges Posted through February 19, 2012

Name	Title	Rate	Hours	Total
Paul Bishop	Senior Managing Director	\$830.00	16.2	\$13,446.00
Jamie Engen	Managing Director	\$700.00	84.3	\$59,010.00
Jodi Porepa	Director	\$575.00	20.9	\$12,017.50
Ana Arevalo	Consultant	\$110.00	0.7	\$77.00
Gary W. Crawford	Manager, Applications and Development	\$280.00	0.6	\$168.00
Total Hours and Fees			122.7	\$84,718.50
Less Voluntary Reduction				-\$3,926.00
Total Net Fees				\$80,792.50
HST Registration No. 835718024RT0001				\$10,503.03
Invoice Total for Current Period				\$91,295.53

Arevalo, Ana

From: Van Ness, Susan
Sent: Friday, February 24, 2012 11:21 AM
To: Arevalo, Ana
Subject: RE: NFC (CCAA) WOFF - Please Approve

approved

From: Arevalo, Ana
Sent: Friday, February 24, 2012 9:56 AM
To: Van Ness, Susan
Subject: FW: NFC (CCAA) WOFF - Please Approve
Importance: High

Susan, please approve the write off for NFC - CCAA for period ending February 19, 2012, adjustment explanation is detailed in the attached file; Paul's approval is below and Greg has signed the attached WOFF.

Regards,

Ana Arevalo
 Executive Assistant
FTI Consulting
 416.649.8052 direct
 416.428.0995 mobile
 416.649.8101 fax
ana.arevalo@fticonsulting.com

From: Bishop, Paul
Sent: Tuesday, February 21, 2012 12:09 PM
To: Arevalo, Ana
Cc: Engen, Jamie; Porepa, Jodi
Subject: Re: NFC - CCAA - Draft bill to February 19, 2012

Approved

From: Arevalo, Ana
Sent: Tuesday, February 21, 2012 12:07 PM
To: Bishop, Paul
Cc: Engen, Jamie; Porepa, Jodi
Subject: NFC - CCAA - Draft bill to February 19, 2012

Please find attached the New Food Classics invoice for period ending February 19, 2012.

Let me know if you want to make any changes.

Paul – If there are no changes, please reply with your approval to finalize the invoice and the write off for the rate discounts as per the attached file and/or below detail.

Accrual Rate	Month	Year
85%	February	2012
Month and Year of Adjustment		
CUSTOMER	If applicable, Invoice Number	
CAD		

YWP Fees - Incurred	YWP Exp - Incurred	Admin Fee	Taxes	Total Incurred w/Admin & Tax
84,718.50	13,798.45			100,016.95
Write-Off/Down - Fee	Write-Off/Down - Exp			Total Write-Off/Down
(3,926.00)	(13,798.45)			(17,715.45)
Fees Billed	Exp Billed	Admin Fee Billed	Taxes Billed	Total Billed
80,792.50	-		16,500.00	91,292.50
Fee Realization	Exp Realization			Total Realization
95.4%	.0%			83.7%
Write-Off/Down - % Fees	Write-Off/Down - % Exp			Total Write-Off/Down %
(4.6%)	(100.0%)			(16.3%)

Regards,

Ana Arevalo
 Executive Assistant
FTI Consulting
 416.649.8052 direct
 416.428.0995 mobile
 416.649.8101 fax
ana.arevalo@fticonsulting.com

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FTI CONSULTING

Corporate Finance

WIP ADJUSTMENT, AIR WRITE-OFF FORM and CREDIT NOTE

INSTRUCTIONS:

Please fill in applicable allow fields.

Select Adjustment type: WIP Write-Down

Client / Matter Information

If matter is not listed, please fill in matter number or name and we will add to the list.

Matter Number (enter or select from drop down box)	016200.0015
Client Name:	Bank of Montreal
Matter Description:	NFC - CCAA
Billing SMD name:	Bishop, Paul
Billing Department:	528 - FTI Canada
Billing Office Location:	448 - LESB4 Toronto, Canada
Billing Office Industry:	800 - Core Services/Balance Sheet

WIP

Accrual Rate: 85% Month and Year of Adjustment: February 2012

Currency: CAD # applicable, Invoice Number

WIP Fees - Incurred	WIP Exp - Incurred	Admin Fee	Taxes	Total Incurred w/Admin & Tax
84,715.50	13,798.45			109,010.98
Write-UP/Down - Fee	Write-UP/Down - Exp			Total Write-UP/Down
(3,928.00)	(15,789.45)			(17,715.45)
Fees Billed	Exp Billed	Admin Fee Billed	Taxes Billed	Total Billed
80,787.50	-		10,503.03	91,290.53
Fee Realization	Exp Realization			Total Realization
95.4%	0%			83.7%
Write-UP/Down - % Fee	Write-UP/Down - % Exp			Total Write-UP/Down %
(4.6%)	(100.0%)			(16.3%)

Accounting Recoveries

	Inv - 1	Inv - 2	Inv - 3	Inv - 4	Inv - 5
Invoice number(s):					
Total Billed:					
Recovery (Write-Off/Credit Memo)					
Fees					
Costs					
Admin Fee					
Taxes					
Total Recovery (Write-Off)					
Percentage of Billed:	0%	0%	0%	0%	0%

Accounting Recoveries: 0% (0.00% of total billed) - 0% (0.00% of total billed) - 0% (0.00% of total billed) - 0% (0.00% of total billed) - 0% (0.00% of total billed) - 0% (0.00% of total billed)

016200.0015, period ending 02/19/12 - As per LOE, agreed to discounted rates. As per agreement with client, all expenses for J. Engart are being written off; this invoice contains \$1,514.18 automatic HST cost write off.

Approvals

- a. WIP Adjustments within the pre-approved accrual rates requires only Billing SMD approval. If the adjustment is greater than the accrual rate allowance, then additional approval may be required per the guidelines below. (You can attach an email of approval that contains the specifics of the invoiced/adjusted fees/expenses.)
- b. Billing SMDs can approve WIP Adjustments or AR write-offs less than 8% up to \$20,000.
- c. SMD and Regional SMD or Industry / Product leader approval is required for WIP Adjustments or AR write-offs less than 10% up to \$75,000.
- d. Approval of Sue Van Ness or Gary Richardson is required for WIP adjustments or AR write-offs of 10% or greater up to \$200,000 in addition to the preceding levels of approval.
- e. WIP Adjustments or AR write-offs greater than \$200,000 must be sent to both Robert Duffy & Kevin Levin for review. Approval from either/or will satisfy audit requirements.

Requested by:	<u>Ana Anisavic</u>	Date:	<u>February 21, 2012</u>
SMD Approval:	<u>SEE ATTACHED APPROVAL</u>	Date:	<u>February 21, 2012</u>
Regional / Industry / Product Leader Approval:	<u>Gregory Wilson</u>	Date:	<u>February 24, 2012</u>
CF Finance / Management Approval:	<u>SEE ATTACHED APPROVAL</u>	Date:	<u>February 27, 2012</u>

New Food Classics
Invoice # 29000153 - December 31, 2011

Date	Name	Hours	Amount	Narrative
12/28/11	Paul Bishop	1.80	1,494.00	Report review and edit
12/28/11	Paul Bishop	18.40	15,272.00	NFC re-allocation
12/28/11	Paul Bishop	-8.00	(6,640.00)	NFC re-allocation
12/29/11	Paul Bishop	0.90	747.00	Report review and edit
12/30/11	Paul Bishop	1.30	1,079.00	Report and call to RB
12/14/11	Jamie Engen	2.00	1,400.00	Discussion with BMO Meeting with [REDACTED] and [REDACTED]
12/15/11	Jamie Engen	2.50	1,750.00	Review of data room information
12/16/11	Jamie Engen	6.50	4,550.00	Discussion with BMO Meeting with [REDACTED] Discussion with respect to history of company Detailed requests for information
12/19/11	Jamie Engen	9.00	6,300.00	Meeting with [REDACTED], [REDACTED] and [REDACTED] to discuss cash flow Review of budgets for 2012 Discussion with [REDACTED] and [REDACTED]
12/20/11	Jamie Engen	11.00	7,700.00	Meeting with Company Discussions re cash flows and budgets Creation of sale scenarios with [REDACTED] and [REDACTED]
12/21/11	Jamie Engen	5.00	3,500.00	Meeting with [REDACTED] and [REDACTED] Conference call with BMO
12/23/11	Jamie Engen	6.00	4,200.00	Creation of report for BMO
TOTAL		56.40	41,352.00	

New Food Classics
Invoice #29000156 - January 12, 2012

Date	Name	Hours	Amount	Narrative
01/03/12	Ana Arevalo	0.40	44.00	Preparing draft invoice for period ending December 31, 2011.
01/05/12	Ana Arevalo	0.40	44.00	Finalizing invoice for period ending December 31, 2011.
01/03/12	Paul Bishop	2.40	1,992.00	Meet with lenders and company and Edgestone, prep for same and follow up
01/04/12	Paul Bishop	1.20	996.00	Calls with JE re cashflow, calls with BMO and counsel
01/05/12	Paul Bishop	0.70	581.00	Call with JE re cashflow and other matters
01/06/12	Paul Bishop	1.40	1,162.00	Multiple calls and emails re NFC
01/09/12	Paul Bishop	5.70	4,731.00	Multiple calls and emails with counsel, RB and Bank, review of D&O request, estimate of recovery under different scenarios
01/10/12	Paul Bishop	5.40	4,482.00	Multiple calls and emails on various matters, review of D&O charge, finalize same, review of cash requirements
01/11/12	Paul Bishop	3.10	2,573.00	Multiple calls and emails review of documents phone calls and emails re DIP and cashflow, review of same
01/12/12	Paul Bishop	2.50	2,075.00	Preparation for filing
01/13/12	Paul Bishop	2.50	2,075.00	Preparation for filing
01/16/12	Paul Bishop	3.00	2,490.00	Preparation for filing
01/09/12	Jamie Engen	11.00	7,700.00	Meeting with company to discuss production planning Numerous meetings with company to discuss revised cash flows Discussions with Bank with respect to alternatives Changes to Situation Analysis report Discussions with legal counsel and financial advisors Review of Cash flows and discussion of cash flows with Company Review of CIM sections with Company
01/10/12	Jamie Engen	12.00	8,400.00	Discussions with lawyers and financial advisors Discussion with Bank of Montreal Review of CCAA process with [REDACTED] Creation of Sales process Finalization of 13 week cash flow Discussions with legal counsel Discussion with various company personnel with respect to operations during CCAA Work on CIM with Company personnel Review of DIP lending agreement
01/11/12	Jamie Engen	11.00	7,700.00	Estimate of time for billing purposes
01/12/12	Jamie Engen	12.00	8,400.00	Estimate of time for billing purposes
01/13/12	Jamie Engen	10.00	7,000.00	Estimate of time for billing purposes
01/14/12	Jamie Engen	2.00	1,400.00	Estimate of time for billing purposes
01/15/12	Jamie Engen	2.00	1,400.00	Estimate of time for billing purposes
01/16/12	Jamie Engen	12.00	8,400.00	Estimate of time for billing purposes
01/03/12	Jamie Engen	8.00	5,600.00	Review of Company's revised budget Meeting with Bank Meeting with Bank, Company and Edgestone Creation of CIM Review of Company's Cash Flow Various meetings with Company Discussions with BMO Review of Company budget and business plan Review of cash flows Preparation of CIM Meeting with [REDACTED], [REDACTED] and [REDACTED] Meeting with Company and [REDACTED] Work on CIM Review of Cash Flow and discussions around strategic cash flow decisions
01/04/12	Jamie Engen	9.00	6,300.00	
01/05/12	Jamie Engen	9.50	6,650.00	

New Food Classics
Invoice #29000156 - January 12, 2012

Date	Name	Hours	Amount	Narrative
01/06/12	Jamie Engen	7.00	4,900.00	Review of company cash flows Discussions with company regarding production plans Conference call with bank and counsel Conference call with all professionals Review of potential severance obligations Creation of CIM package
01/07/12	Jamie Engen	2.00	1,400.00	Review of cash flows and changes to production plan
01/08/12	Jamie Engen	2.50	1,750.00	Review of cash flows Correspondence with legal counsel and bank Work on CIM
01/04/12	Jodi Porepa	1.20	690.00	Overview of company.
01/04/12	Jodi Porepa	10.20	5,865.00	Discussions with Company. Update discussions with [REDACTED] and [REDACTED]. Review of product and customer detail. Draft portions of CIM. Review historic company presentations.
01/05/12	Jodi Porepa	11.00	6,325.00	Review and discussions with Company in respect of Cash flow forecast. Prepare 13 week forecast.
01/06/12	Jodi Porepa	2.60	1,495.00	Review and discussions with Company in respect of Cash flow forecast. Prepare communication plan. Begin to draft Pre-filing Report. Conference call with Bank of Montreal. Conference call with professionals.
01/07/12	Jodi Porepa	4.10	2,357.50	Review cash flow forecast provided by company.
01/09/12	Jodi Porepa	7.00	4,025.00	Review CFF. Discussions with Company regarding production plan and cash flow forecast.
01/10/12	Jodi Porepa	13.10	7,532.50	Review CFF. Discussions with Professionals. Discussions with Bank. Discussions with Company regarding production plan.
01/11/12	Jodi Porepa	9.00	5,175.00	Review CFF. Discussions with Professionals. Discussions with Bank. Discussions with Company regarding production plan. Prepare website, hotline, and communications for CCAA Filing. Prepare management rep letter for Pre-filing report.
01/12/12	Jodi Porepa	12.00	6,900.00	Review CFF. Discussions with Professionals. Discussions with Bank. Discussions with Company. Review initial order. Review affidavit. Review additional documentation.
01/13/12	Jodi Porepa	9.00	5,175.00	Review CFF. Discussions with Professionals. Discussions with Bank. Discussions with Company. Review initial order. Review affidavit. Review additional documentation.
01/14/12	Jodi Porepa	3.00	1,725.00	Review legal documents in preparation for court filing. Review CFF. Discussions with Professionals.
01/16/12	Jodi Porepa	12.00	6,900.00	Discussions with Bank. Discussions with Company. Review initial order. Review affidavit. Review additional documentation.
TOTAL		232.90	154,410.00	

New Food Classics
Invoice # 29000161 - January 25, 2012

Date	Name	Hours	Amount	Narrative
01/20/12	Paul Bishop	2.10	1,743.00	Attend court hearing re sales process
01/19/12	Paul Bishop	2.80	2,324.00	Meet with ██████████ and company, travel and prep for same
01/18/12	Paul Bishop	2.70	2,241.00	Numerous phone calls and emails re comeback hearing and other matters
01/17/12	Paul Bishop	4.60	3,818.00	Attend in court prep for same, follow up thereafter on notice and other issues
01/17/12	Gary W. Crawford	1.30	364.00	Requestor: Jodi Porepa Tasks: Publish NFC web site from staging server to production. Update main Corporate Finance Canada web site home page to include link to NFC web site Update text on status page (2 updates) Post documents to NFC web site Documents Post
01/18/12	Gary W. Crawford	0.80	224.00	Requestor: Jodi Porepa Tasks: Update Sales Process page to include sales process milestones and descriptions of three phases Change order of documents posted to Court Orders page Post documents to NFC web site Documents Posted: NFCServiceList_Jan18.pdfCredito
01/20/12	Gary W. Crawford	0.30	84.00	Requestor: Jodi Porepa Tasks: Post documents to NFC web site Documents
01/22/12	Jamie Engen	0.70	490.00	Posted:endorsement_20120120.pdfNFCServiceList_Jan20.pdf
01/21/12	Jamie Engen	1.60	1,120.00	Review of materials re warehouse issues
01/20/12	Jamie Engen	8.40	5,880.00	Review of materials from legal counsel Calculation of amounts owing to warehouses Discussions with prospective purchasers Negotiation of CA with prospective purchasers Sending of CIM to prospective purchasers Discussions with numerous suppliers Review of cash flow and wires
01/19/12	Jamie Engen	11.00	7,700.00	Discussions of sales process with prospective purchasers Discussions with numerous creditors Discussions with major customers Discussions with employees
01/18/12	Jamie Engen	10.00	7,000.00	Completion of CIM Correspondence and discussions with potential purchasers Meeting with ██████████ Discussions with numerous creditors Discussions with employees
01/17/12	Jamie Engen	14.00	9,800.00	Finalizing all matters for filing of CCAA application Working on CIM Developing list of potential purchasers Meetings with employees Discussions with creditors and suppliers
01/20/12	Golnaz Haghiri	1.00	100.00	Admin duties
01/19/12	Golnaz Haghiri	3.50	350.00	Administrative duties - Preparing and arranging the letters to send out to creditors
01/19/12	Golnaz Haghiri	1.50	150.00	Administrative duties - updating the call-log
01/18/12	Golnaz Haghiri	1.50	150.00	Administrative duties - updating call-log
01/18/12	Golnaz Haghiri	4.00	400.00	Administrative duties - Preparing and organizing the ads for publishing in the Globe and Mails.

New Food Classics
Invoice # 29000161 - January 25, 2012

Date	Name	Hours	Amount	Narrative
01/17/12	Golnaz Haghiri	3.00	300.00	Administrative Duties - Setting up the hotline, creating the call-log and updating regularly.
01/16/12	Golnaz Haghiri	3.00	300.00	Administrative duties - Organizing and arranging documents for setting up the new bank accounts.
01/16/12	Golnaz Haghiri	2.00	200.00	Administrative duties - Cost estimation of ads and Preparation for publishing the ads in the newspaper
01/21/12	Jodi Porepa	2.20	1,265.00	Dealing with creditors. Discussions with legal counsel regarding lien rights and go forward process for continued supply.
01/20/12	Jodi Porepa	9.20	5,290.00	Dealing with creditors. Dealing with supply being held up. Responding to enquiries from Suppliers and other creditors. Review Monitor's First Report.
01/19/12	Jodi Porepa	10.90	6,267.50	Dealing with creditors. Dealing with supply being held up. Responding to enquiries from Suppliers and other creditors. Review Monitor's First Report.
01/18/12	Jodi Porepa	9.40	5,405.00	Dealing with creditor inquiries. Reviewing and finalizing ads for newspaper, statutory letters to creditors, other statutory requirements. Reviewing company communication.
01/17/12	Jodi Porepa	10.10	5,807.50	Discussions with suppliers. Follow up on supply hold up. Filing. Meetings with employees. Website posting. Dealing with creditor inquiries. Reviewing and finalizing ads for newspaper, statutory letters to creditors, and other statutory requirements. Reviewing company communication.
TOTAL		121.60	68,773.00	

New Food Classics
Invoice # 29000167 - January 31, 2012

Date	Name	Hours	Amount	Narrative
01/23/12	Paul Bishop	1.90	1,577.00	Calls and emails re warehousemen, sales process and cashflow
01/24/12	Paul Bishop	1.20	996.00	Calls with JE and counsel review of EOI and other matters
01/25/12	Paul Bishop	1.90	1,577.00	Calls and emails with JE and counsel re sales process call with Edgestone re same, letter re Sales process
01/26/12	Paul Bishop	1.60	1,328.00	Calls with BMO re sales process, call with RK re sales process, call with TD re sales process
01/27/12	Paul Bishop	0.90	747.00	Calls and emails re lien holders
01/30/12	Paul Bishop	2.20	1,826.00	Meet with JED, review offers, review and comment on APA
01/31/12	Paul Bishop	2.30	1,909.00	Meet with company and Edgestone and counsel to review offer, follow up call with lenders and counsel
01/23/12	Gary W. Crawford	0.30	84.00	Requestor: Jodi Porepa Tasks: Post document to NFC web site Document Posted: DM_TOR-Endorsement-5.pdf
01/25/12	Gary W. Crawford	0.20	56.00	Requestor: Jodi Porepa Task: Post document to NFC web site Document Posted: EOIForm.doc
01/26/12	Gary W. Crawford	0.70	196.00	Requestor: Jodi Porepa Tasks: Create new Sales Process Details web page Migrate details from Sales Process page to Sales Process Details page Post document to NFC web site Document Posted: EOIForm.doc (update from 01/24/2012) Update discussion with Bank of Montreal
01/23/12	Jamie Engen	9.30	6,510.00	Creation of the Expression of Interest letter Calls and discussions with Westco and Millard re ongoing supply of warehousing and transportation Review of letter from Weber and response to letter Numerous calls and discussions Finalization of form of Expression of Interest letter Draft letter to Edgestone re sales process and their involvement Numerous calls and follow up with prospective purchasers re CA and CIM Negotiation with some prospective purchasers with respect to Confide
01/24/12	Jamie Engen	10.20	7,140.00	Discussion/update with company's insurance agent and underwriters Discussion with Bank of Montreal Meeting with senior [REDACTED] employees re plan for going forward during sales process Numerous calls and discussions with prospective purchasers, dealing with
01/25/12	Jamie Engen	9.70	6,790.00	Call with [REDACTED] re interest in NFC Calls with numerous prospective purchasers re potential interest in the sale process Negotiation of the CA with numerous parties Numerous calls with suppliers re ongoing supply Work on electronic data room for the sales process
01/26/12	Jamie Engen	9.40	6,580.00	

New Food Classics
Invoice # 29000167 - January 31, 2012

Date	Name	Hours	Amount	Narrative
01/27/12	Jamie Engen	9.10	6,370.00	Discussions with Westco, company and counsel re lien rights and release of goods Discussions with prospective purchasers re CIM and process Discussions with company re cash flow Updating data room for due diligence
01/28/12	Jamie Engen	1.40	980.00	Discussion with prospective purchaser re information in CIM and process going forward Updating data room for due diligence Creation of management presentation for due diligence
01/30/12	Jamie Engen	10.80	7,560.00	Discussions with prospective purchasers re deadline for EOI of today Review of PSA first draft and discussions with counsel Discussions surrounding funding of insurance Meeting with Company to review EOI's Meeting with counsel, bank and Board reps to review summary of EOI's Discussions with parties who submitted EOI's Creating access to data room Scheduling of visits and meetings with prospective purchasers Update call with b
01/31/12	Jamie Engen	10.20	7,140.00	Administrative duties - Updating Call-log
01/31/12	Golnaz Haghiri	1.50	150.00	Administrative duties - Updating the Call-log
01/23/12	Golnaz Haghiri	1.00	100.00	Administrative duties - Preparing and arranging the notice letters to send out to creditors
01/24/12	Golnaz Haghiri	4.00	400.00	Administrative duties - Updating the Call-log
01/24/12	Golnaz Haghiri	0.50	50.00	Administrative duties - Updating the Call-log
01/25/12	Golnaz Haghiri	0.50	50.00	Administrative duties - Updating the Call-log
01/26/12	Golnaz Haghiri	0.50	50.00	Administrative duties - Updating the Call-log
01/27/12	Golnaz Haghiri	1.00	100.00	Administrative duties - Updating the Call-log
01/24/12	Daniel Magder	0.50	205.00	Telephone conference call with JP regarding call log work. Began calling back the list. Phone calls to numerous entities from the call log. Extensive discussions with certain customers and utilities regarding continuation of services. Telephone conference call with Enbridge and JP. Continued discussions with the utilities via phone call, emails, and faxes. interim discussions with JP about progress and directions on file.
01/25/12	Daniel Magder	3.30	1,353.00	Various creditor calls and emails. Dealing with trust documents. Dealing with insurance. Dealing with prepayment of meat. Review of variance analysis. Respond to creditor inquiry. Dealing with difficult suppliers. Review disbursements. Review variance analysis. Review expressions of interest. Deal with difficult suppliers. Review trust agreements and mechanics. Deal with insurance. Reviewing disbursements. Reviewing DIP request. Dealing with Suppliers. Returning voicemails and email enquiries. Discussions with NFC regarding protocol going forward with suppliers. Reviewing reconciliations. Review meat reconciliations in respect of pr
01/26/12	Daniel Magder	4.30	1,763.00	
01/31/12	Daniel Magder	0.70	287.00	
01/30/12	Jodi Porepa	8.40	4,830.00	
01/31/12	Jodi Porepa	10.40	5,980.00	
01/23/12	Jodi Porepa	8.60	4,945.00	

New Food Classics
Invoice # 29000167 - January 31, 2012

Date	Name	Hours	Amount	Narrative
01/24/12	Jodi Porepa	8.10	4,657.50	Reviewing disbursements. Reviewing DIP request. Dealing with Suppliers. Returning voicemails and email enquiries. Discussions with NFC regarding protocol going forward with suppliers. Reviewing reconciliations. Review variance analysis and review bank balance
01/25/12	Jodi Porepa	8.20	4,715.00	Reviewing disbursements. Dealing with Suppliers. Returning voicemails and email enquiries. Discussions with NFC regarding protocol going forward with suppliers. Reviewing reconciliations. Setting up trust account for go-forward protocol.
01/26/12	Jodi Porepa	5.90	3,392.50	Reviewing disbursements. Reviewing DIP request. Dealing with Suppliers. Returning voicemails and email enquiries. Discussions with NFC regarding protocol going forward with suppliers.
01/27/12	Jodi Porepa	8.10	4,657.50	Reviewing disbursements. Reviewing DIP request. Dealing with Suppliers. Returning voicemails and email enquiries. Discussions with NFC regarding protocol going forward with suppliers. Discussions regarding insurance. Discussions regarding storage facilities
TOTAL		158.80	97,051.50	

New Food Classics
Invoice # 29000173 - February 8, 2012

Date	Name	Hours	Amount	Narrative
02/03/12	Ana Arevalo	0.30	33.00	Finalizing invoice for period ending January 31, 2012.
02/01/12	Ana Arevalo	0.40	44.00	Preparing draft invoice for period ending January 31, 2012.
02/03/12	Paul Bishop	1.50	1,245.00	Call re liens and other matters, review of draft documents
02/02/12	Paul Bishop	1.40	1,162.00	Calls with counsel and review of APA and lien agreements
02/01/12	Paul Bishop	1.70	1,411.00	Review of APA and other documents, discussions with counsel
02/03/12	Jamie Engen	6.70	4,690.00	Conference call with legal counsels re Westco agreement Discussions and edits to Purchase and Sale Agreement Updates to Data Room Numerous discussions with prospective purchasers and their various representatives
02/02/12	Jamie Engen	10.70	7,490.00	Discussion with company and XXXXXXXXXX re continuing supply and discussions with XXXXXXXXXX for comfort Review and discussion re Purchase and Sale Agreement Creation of Schedules for PSA Continuing updates to data room Numerous discussions with prospective purchasers Creation of management presentation, discussion with management re same Meeting with XXXXXXXXXX for an update Review of cash flow variance statements
02/01/12	Jamie Engen	9.30	6,510.00	Discussion with BMO re progress of sales process and operations of company Numerous discussions with prospective
02/03/12	Golnaz Haghiri	1.00	100.00	Administrative duties - Updating call-log
02/03/12	Jodi Porepa	8.20	4,715.00	Dealing with Suppliers. Reviewing disbursements. Reviewing trust agreements. Reviewing management presentation. Reviewing...
02/02/12	Jodi Porepa	10.10	5,807.50	Dealing with Suppliers. Reviewing disbursements. Reviewing trust agreements. Reviewing management presentation. Reviewing meat reconciliations. Discussions with Torys. Discussions with Faskens.
02/01/12	Jodi Porepa	8.50	4,887.50	Finalize variance analysis. Deal with difficult suppliers. Review disbursements. Review forecast disbursements. Walk through meat reconciliation.
TOTAL		59.80	38,095.00	

New Food Classics
Invoice # 29000174 - February 15, 2012

Date	Name	Hours	Amount	Narrative
02/08/12	Ana Arevalo	0.70	77.00	Preparing and finalizing invoice for period ending February 5, 2012.
02/07/12	Paul Bishop	1.50	1,245.00	Update re warehousemen, and sales process
02/08/12	Paul Bishop	0.70	581.00	Review of report
02/09/12	Paul Bishop	1.80	1,494.00	Calls and emails re sales process review of report
02/10/12	Paul Bishop	1.30	1,079.00	Review of court reports, update re sales process and discussion re same
02/11/12	Paul Bishop	1.40	1,162.00	Review of report, emails re sales process and update re same
02/10/12	Jamie Engen	7.40	5,180.00	Creation and upload of information to Data Room Discussions with Prospective Purchasers Review of Cram Affidavit Review and discussions with respect to Monitors Report Discussion with BMO -- update Discussion with ██████████ and Company to assist in reaching a
02/09/12	Jamie Engen	11.30	7,910.00	Two management presentations to prospective purchasers Creation and uploading of information to the data room Discussion with company and their counsel with respect to Cram affidavit Creation of Monitors report Discussions and questions from prospective purchasers Creation and uploading of numerous documents to the data room Update meeting with ██████████
02/08/12	Jamie Engen	11.70	8,190.00	Discussions on letter agreement with ██████████ Discussions surrounding agreement with ██████████ box Numerous discussions with Prospective Purchasers Meetings with accountants Creation and uploading of numerous documents and information to Data Room Management meeting with potential purchaser Numerous calls with groups performing due diligence for purchasers Meetings with accountants performing on site due diligence Numerous discus
02/07/12	Jamie Engen	12.40	8,680.00	Numerous discussions with Prospective Purchasers Creation of management presentation for meetings with purchasers Creation and uploading of documents to Data Room Meetings with accountants doing on site due diligence for potential purchaser Discussions with s
02/06/12	Jamie Engen	10.60	7,420.00	Phone call from creditor and had a discussion regarding payment terms. sent over to jodi
02/06/12	Daniel Magder	0.30	123.00	Emails regarding error in phone number for the poultry trader. vmail from the trader regarding the same.
02/07/12	Daniel Magder	0.20	82.00	Phone call with direct energy regarding \$50k deposit requirement. walked through the initial order and sent the details to her as well as an email outlining FTI's request for a waiver.
02/08/12	Daniel Magder	0.40	164.00	

New Food Classics
Invoice # 29000174 - February 15, 2012

Date	Name	Hours	Amount	Narrative
02/06/12	Jodi Porepa	7.90	4,542.50	Review Bcram affidavit. Review and draft Monitor's 2nd report. Review CIMCO agreement. Review disbursements. Deal with suppliers. Follow up with Company regarding other items. Review disbursements. Discuss DIP request. Discuss variance analysis. Review and discuss meat reconciliations. Deal with difficult suppliers.
02/07/12	Jodi Porepa	9.10	5,232.50	Discussions with Fasken regarding court report. Discussions with Torys regarding difficult suppliers. Discussions
02/07/12	Jodi Porepa	0.50	287.50	Reading industry information.
02/08/12	Jodi Porepa	6.60	3,795.00	Review variance analysis. Review disbursements. Discussions with ██████████. Discussions with NFC.
02/09/12	Jodi Porepa	6.60	3,795.00	Review variance analysis. Review disbursements. Respond to creditor inquiries. Drafting court report. Review variance analysis.
02/10/12	Jodi Porepa	9.90	5,692.50	Review disbursements. Respond to creditor inquiries. Discussions with NFC regarding cash flow forecast and disbursements. Discussions regarding sales forecast and production forecast.
02/12/12	Jodi Porepa	1.10	632.50	Revising court report.
TOTAL		103.40	67,364.50	

New Food Classics
Invoice # 29000178 - February 21, 2012

Date	Name	Hours	Amount	Narrative
02/14/12	Ana Arevalo	0.40	44.00	Preparing draft invoice for period ending February 12, 2012.
02/15/12	Ana Arevalo	0.30	33.00	Finalizing invoice for period ending February 12, 2012.
02/14/12	Paul Bishop	3.20	2,656.00	Meet with company and bank plus counsel, review of offers
02/15/12	Paul Bishop	1.90	1,577.00	Update on offers discussions with JE
02/16/12	Paul Bishop	1.80	1,494.00	Calls and emails with JE re offers review of options
02/17/12	Paul Bishop	0.80	664.00	Updates with JE
02/18/12	Paul Bishop	2.30	1,909.00	Call with company, board and counsel subsequent follow up calls, multiple emails
02/19/12	Paul Bishop	6.20	5,146.00	Multiple calls, emails, review of draft report, review of draft order, teleconference with bank, teleconference with counsel, teleconference with company and board
02/13/12	Gary W. Crawford	0.30	84.00	Requestor: Jodi Porepa Task: Post Documents to NFC web site Documents Posted: v1-First_Report_of_the_Monitor.pdfv1-Second_Repo
02/16/12	Gary W. Crawford	0.30	84.00	Requestor: Jodi Porepa Tasks: Post Status Update to NFC website Post documents to NFC website Documents Posted: NFCEndorsement.pdfNFCOrder.pdf
02/13/12	Jamie Engen	11.40	7,980.00	Creation and uploading of information to the Data Room Numerous discussions with prospective purchasers re bidding process and information required to complete bids Meeting with Company to discuss process of bidding and planning for meetings with various gr
02/14/12	Jamie Engen	13.20	9,240.00	Meeting with the Company to review bids received Preparation of a summary of the bids for meetings Meeting with BMO and counsel to review and discuss the bids received Meeting with the Company BMO, TD and counsel to review and discuss bids received Numerous calls
02/15/12	Jamie Engen	11.70	8,190.00	Negotiation with Prospective Purchaser Creation of data and information for prospective purchaser Discussions with company re information for purchaser Review of purchase agreement Update Banks and lawyers with respect to status of negotiations Review of cash
02/16/12	Jamie Engen	11.20	7,840.00	Creation of info for data room Negotiations with Saskatoon landlord Numerous discussions with ██████████ Numerous discussions with ██████████ Discussions with the bank discussions with legal counsel Discussions with ██████████

New Food Classics
Invoice # 29000178 - February 21, 2012

Date	Name	Hours	Amount	Narrative
02/17/12	Jamie Engen	8.20	5,740.00	Numerous calls with [REDACTED] Numerous calls with various parties from [REDACTED] Numerous calls with [REDACTED] and other company employees Discussions with legal counsel Numerous calls with [REDACTED] calls with [REDACTED] Call with [REDACTED] Torys
02/18/12	Jamie Engen	9.30	6,510.00	Numerous discussions with [REDACTED] Conference call with NFC Board and counsel Numerous discussions with counsel Conference call with bank and counsel Conference call with Company Conference call with Board Numerous discussions with [REDACTED] Conference call with [REDACTED] Numerous discussions with counsel
02/19/12	Jamie Engen	13.10	9,170.00	Discussions with [REDACTED] Discussion with [REDACTED] Conference call with [REDACTED] Conference call with Bank and counsel
02/20/12	Jamie Engen	6.20	4,340.00	Conference call with Company and director Conference call with key employees Review of Receivership Order Review of Monitors 3rd report
02/13/12	Jodi Porepa	5.40	3,105.00	Review of disbursements. Review of variance analysis. Discussion with [REDACTED]. Discussions with NFC staff. Follow up with supplier enquiries.
02/14/12	Jodi Porepa	4.50	2,587.50	Review of disbursements. Review of variance analysis. Discussion with [REDACTED]
02/15/12	Jodi Porepa	5.40	3,105.00	Status updates discussion. Variance analysis review. Review of disbursements. Review of DIP request. Dealing with suppliers. Reviewing supplemental report.
02/16/12	Jodi Porepa	2.10	1,207.50	Review disbursements. Respond to inquiries. Discussions with Torys for [REDACTED]
02/17/12	Jodi Porepa	3.50	2,012.50	Review disbursements. Respond to inquiries. Discussions with Torys/company regarding right of set off. Follow up with [REDACTED]. Review correspondence from NFC employees. Review of employee listing. Identify key employees.
TOTAL		122.70	84,718.50	

APPENDIX “J”

Court File No.: CV12-9554-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF NFC ACQUISITION GP INC., NFC
ACQUISITION CORP. AND NFC LAND HOLDINGS CORP.

AFFIDAVIT OF EDMOND F.B. LAMEK
(Sworn March 22, 2013)

I, EDMOND F. B. LAMEK, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am formerly a partner in the law firm of Fasken Martineau DuMoulin LLP (“**Fasken Martineau**”), solicitors to FTI Consulting Canada Inc. (“**FTI**”), in its capacity as monitor (the “**Monitor**”) of NFC Acquisition GP Inc., NFC Acquisition Corp., NFC Acquisition L.P., New Food Classics and NFC Land Holdings Corp. While at Fasken Martineau, I was the partner responsible for the services rendered to the Monitor discussed herein. Accordingly, I have knowledge of matters hereinafter deposed to.

2. Attached hereto collectively as **Exhibit “A”** are redacted copies of the Statements of Account of Fasken Martineau in respect of services rendered to FTI in respect of the within proceedings for the periods ending February 21, 2012. During the period from January 5 to February 21, 2012 (the “**Billing Period**”), the total fees billed by Fasken Martineau were \$232,589.50, plus disbursements of \$2,125.75 and applicable taxes of \$30,488.21, for an aggregate amount of \$265,203.46.


3. As set out in the following table, 452.10 hours were incurred by Fasken Martineau personnel during the Billing Period, resulting in an average hourly rate of \$514.50 (exclusive of applicable taxes):

Name	Total Hours	Hourly Rate (\$)
E.F.B. Lamek	216.9	800.00
P.A. McCallum	7.6	875.00
P.V. Cassuccio	1.6	775.00
R.G. Phoenix	3.4	450.00
C. Hunter	15.0	475.00
C. O'Neill	5.0	425.00
C. Fell	190.9	320.00
J. Meadowcroft	1.4	290.00
David Fox	.20	600.00
Graham Hood	.80	200.00
Marc Rodrigue	.70	200.00
Merilyn Thompson	.20	290.00
Corporate Search Clerk	8.4	100.00

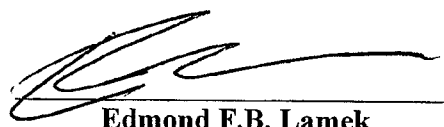
4. The activities detailed in the statements of account attached as Exhibit "A" accurately reflect the services provided by Fasken Martineau (the "**Fasken Accounts**") and the rates charged are the standard hourly rates of those individuals at the firm at the time they were incurred.

5. Fasken Martineau has been paid in full in respect of the fees and disbursements (and applicable taxes) of the Fasken Accounts.

6. I swear this affidavit in support of a motion for, *inter alia*, approval of the fees and disbursements of Fasken Martineau and for no other or improper purpose.

SWORN BEFORE ME at the)
City of Toronto, in the)
Province of Ontario, this)
22nd day of March, 2013)


A Commissioner for taking affidavits, etc.
JAMES SZUMSKI



Edmond F.B. Lamek

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

416 366 8381 Telephone
416 364 7813 Facsimile

**FASKEN
MARTINEAU** 

Date: January 24, 2012
Matter #: 290110.00001
Invoice #: 622766
HST #: 87937 6127 RT0001

FTI Consulting Canada Inc.
TD Waterhouse Tower, 79 Wellington Street West
Toronto Dominion Centre, Suite 2010
P.O. Box 104
Toronto ON M5K 1G8

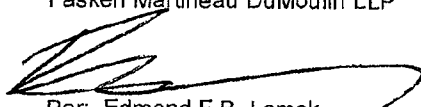
Attention: Paul Bishop


For Professional Services rendered through 01/20/2012 in connection with this matter:

Re: New Food Classics

Total Fees	\$ 82,340.00
Total Disbursements	532.80
Total Taxes	10,773.47
Total Amount Owing This Bill	CAD \$ 93,646.27

Fasken Martineau DuMoulin LLP


Per: Edmond F.B. Lamek
E. & O. E.

This is Exhibit A referred to in the
affidavit of Edmond F.B. Lamek
sworn before me, this 22nd
day of March 2012

A COMMISSIONER FOR TAKING AFFIDAVITS

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 1.3% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

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 Matter #: 290110.00001
 Invoice #: 622766
Re: **New Food Classics**

- 01/05/12 Meeting with E. Lamek and David Cohen of Gowlings for background info on NFC financial situation and possible paths moving forward.
Caitlin E. Fell 0.50 hrs.
- 01/05/12 Email exchanges and meeting with David Cohen of Gowlings for background info on NFC financial situation and possible paths moving forward.
Edmond F.B. Lamek 0.70 hrs.
- 01/06/12 Conference call with [REDACTED], Tory's, Gowlings's, Jamie Engen, regarding D&O Charge amount, cash flow requirements, Sales process timing, CCAA filing timing, etc; discussing Sask. storage lien and employee liability issue with E. Lamek.
Caitlin E. Fell 1.50 hrs.
- 01/06/12 Conference call with [REDACTED], Tory's, Gowlings, Jamie Engen, regarding D&O Charge amount, cash flow requirements, Sales process timing, CCAA filing timing, etc; follow up call with Paul Bishop to update him on the call; discussing Sask. storage lien and employee liability issue with Caitlin Fell.
Edmond F.B. Lamek 2.50 hrs.
- 01/09/12 Conference call with D. Bishop, D.Cohen and E. Lamek re: DIP terms, cash flows and conditions to DIP beyond \$3.5million; email exchanges with FTI regarding background company info, etc.
Caitlin E. Fell 4.30 hrs.
- 01/09/12 Telephone discussion with Paul Bishop regarding cash flow requests, D&O Charge and involving the major customers; further calls with Paul Bishop regarding D&O funding, cash flow, pre v post filing director's liabilities and scope of D&O Charge; conference call with Bishop/Cohen/Fell re DIP terms, cash flows and conditions to DIP beyond \$3.5million; email exchanges with Engen and Porepa regarding background company info, etc.
Edmond F.B. Lamek 5.80 hrs.
- 01/10/12 Conference call regarding DIP terms and cashflow; numerous email exchanged regarding timing; process; DIP; pre-filing report. Calls with FTI regarding pre filing report, cash flows, sales process; components of the D&O Charge.
Caitlin E. Fell 4.10 hrs.
- 01/10/12 Conference call regarding DIP terms; calls with FTI regarding pre filing report, cash flows, sales process and components of the D&O Charge; commenting on sales process timeline; discussions regarding Priming Court Charges; contacting TD Mezz re the priming charges and service of the CCAA proceedings; numerous email exchanges regarding timing, process, DIP, pre-filing report.
Edmond F.B. Lamek 5.00 hrs.

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 Matter #: 290110.00001
 Invoice #: 622766
Re: New Food Classics

01/11/12	Emails with FTI regarding components of the cash flow; commenting on DIP term sheet draft; emails with Sask Counsel to act for Monitor; reviewing Sask Storage Lien issue with C O'Neill; discussing Pre-filing report issues with C Fell and providing her with my comments of precedent reports. Edmond F.B. Lamek	5.50 hrs.
01/11/12	Reviewing lending agreement. R. Graham Phoenix	1.00 hrs.
01/12/12	Draft Pre-Filing Report; emails and conversations with E. Lamek and FTI. Caitlin E. Fell	4.80 hrs.
01/12/12	Instructions from E. Lamek; researched Commercial Liens Act; reviewed Westco contracts; briefed E. Lamek; Conor O'Neill	2.50 hrs.
01/12/12	Working most of the day on FTI pre-filing report; several calls with Bishop/Engen; several calls with Gowlings regarding DIP Terms and Prior Lien claims; calls and email exchanges with Ian Sutherland of McDougall Gauley of Sask; 9pm conference call with Tory's, Gowlings re disputes over DIP terms and related matters. Edmond F.B. Lamek	7.00 hrs.
01/13/12	Draft confidentiality agreement; emails with FTI; continue to revise pre-filing report; telephone calls with J. Porepa; conversations with E. Lamek re: instruction and next steps. Caitlin E. Fell	6.10 hrs.
01/13/12	Working on revisions to draft FTI pre-filing report; 2 conference calls with Tory's/Gowlings regarding DIP Term Sheet revisions; reviewing company pension/DPSP/Group RRSP issues and discussing with P McCallum; several discussions with C Fell regarding pre filing report; discussing security review with RG Phoenix; discussing Sask repair lien issue with C O'Neill; commenting on draft Confidentiality Agt. Edmond F.B. Lamek	6.50 hrs.
01/13/12	Discussion with E. Lamek re pension issues; review collective agreement; check CCWIPP court decision. Peggy A. McCallum	2.00 hrs.
01/14/12	Many email exchanges throughout the day regarding comments on the draft court materials, DIP, etc. and exchanges regarding CRO engagement and costs. Edmond F.B. Lamek	2.00 hrs.
01/15/12	Continue to amend Pre-Filing Report. Caitlin E. Fell	1.90 hrs.
01/15/12	Conference call with Tory's and Gowlings regarding comments on draft affidavit	

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Matter #: 290110.00001
Invoice #: 622766Re: **New Food Classics**

- and initial order; follow up email exchanges regarding process issues, cash flows, and [REDACTED] role/fee; amending pension/DPSP language of PF Report.
Edmond F.B. Lamek 3.00 hrs.
- 01/16/12 Continue to make revisions to pre-filing report; emails to P. Bishop and J. Porepa; Telephone call with C. Prophet and D. Cohen; emails and instruction from E. Lamek; email serve D. Cohen, D. Bish and S. Tundy.
Caitlin E. Fell 6.10 hrs.
- 01/16/12 Review information relating to New Food Classics and property in Alberta; review credit agreement with Bank of Montreal for information relating to properties and corporate structure
Carole Hunter 0.80 hrs.
- 01/16/12 Working most of day on finalizing Pre-filing report of Proposed Monitor and commenting on CCAA Application materials; being on various conference calls and partaking in lengthy email exchanges regarding all of the foregoing.
Edmond F.B. Lamek 6.50 hrs.
- 01/16/12 Email from E. Lamek; consider possible indalex issues; email to E. Lamek.
Peggy A. McCallum 0.80 hrs.
- 01/16/12 Discussion with C. Fell re service of pre-filing report; sourcing precedent.
R. Graham Phoenix 0.10 hrs.
- 01/17/12 Prepare for court; finalize pre-filing report; attend court. Draft affidavit of service; review order and endorsement; review sales advertisement.
Caitlin E. Fell 6.20 hrs.
- 01/17/12 Numerous emails regarding Union Pension plan issues for CCAA hearing; reviewing and commenting on all Monitor and company communications to stakeholders and employees, etc.; preparing for and attending at hearing of CCAA Application of NFC; working on Sales Process notification process per Justice Morawetz's endorsement.
Edmond F.B. Lamek 7.20 hrs.
- 01/17/12 Emails from and to E. Lamek re pension, RRSP and DPSP issues; review collective agreement.
Peggy A. McCallum 1.00 hrs.
- 01/18/12 Draft first report of the Monitor; calls with Paul Bishop and J. Porepa; revisions of first report incorporating comments; assemble appendices; review contractual agreement with Pinty's re: restrictive covenant.
Caitlin E. Fell 7.50 hrs.
- 01/18/12 Emails with E. Lamek; review sales process and pre-filing report of the monitor; draft non-binding expression of interest

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Matter #: 290110.00001
Invoice #: 622766Re: **New Food Classics**

	Carole Hunter	2.50 hrs.
01/18/12	Beginning working on FTI First Report regarding distribution of Sales hearing Notice and responses to same; discussion with C. Fell; emails with C. Hunter regarding draft EOI and draft Supplier letter; commenting on proposed revisions by recipient to form of CA; comments on CIM; reviewing Westco and Millard contracts, ██████████ Contracts, PMSI issues and Pintys Purchase Agreement restrictive covenant.	
	Edmond F.B. Lamek	5.50 hrs.
01/18/12	Reviewing security disc package; discussion with E. Lamek re same; email to C. Fell re same and instructions.	
	R. Graham Phoenix	0.60 hrs.
01/19/12	Review contractual agreements with ██████████ telephone call with J. Porepa; review security documents in preparation for drafting of security opinion; order relevant corporate searches.	
	Caitlin E. Fell	5.50 hrs.
01/19/12	Emails with G. Phoenix and E. Lamek; review security binder for BMO security; review affidavit of ██████████; review initial order and post-filing supply provisions; draft letter to post-filing suppliers	
	Carole Hunter	2.50 hrs.
01/19/12	PPSA, Bankruptcy, Bank & Certificate of Status and Cert. LP Report - New Food Classics NFC Acquisition GP Inc. NFC Acquisition Corp. NFC Land Holdings Corp. NFC Acquisition L.P. VAP Holdings L.P. VAP Holdings GP Inc. per C. Fell Corp. Search 1	6.30 hrs.
01/19/12	Working much of day on First Report of the Monitor and incorporating many parties' comments; numerous calls regarding Report, Warehouse, EOI, security reviews and sales Process participation.	
	Edmond F.B. Lamek	6.80 hrs.
01/19/12	Emails from and to Edmond Lamek. Instructions. Attendance to conducting subsearch of Seapark Drive property, St. Catharines. Attendance to obtaining copies of PINs comprising property and registered application to annex restrictive covenants. Email to Edmond Lamek confirming results of subsearch. Attendance to file.	
	Joanne Meadowcroft	0.70 hrs.
01/20/12	Prepare for court; finalize report; attend court. Review correspondence from Millard and Westco; telephone calls with J. Porepa. Review and provide comments on confidentiality agreement; email J. Engen re: agreement; email and review correspondence with I. Sutherland; edit letter to Westco.	
	Caitlin E. Fell	7.10 hrs.
01/20/12	Emails with L. Forrest on property searches	

Re: **New Food Classics**

Carole Hunter 0.10 hrs.

01/20/12 Attending court hearing to revisit the Sales Process approval; afternoon calls regarding warehouse lien claimants and arrangements for protecting their post filing supply of Services; reviewing and commenting on various parties comments on Conf Agts; email exchanges with lawyers for Millard and reviewing emailed language from him;

Edmond F.B. Lamek 5.70 hrs.

Professional Summary

<u>Professional</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
Peggy A. McCallum	875.00	3.80	3,325.00
Edmond F.B. Lamek	800.00	69.70	55,760.00
Carole Hunter	475.00	5.90	2,802.50
R. Graham Phoenix	450.00	1.70	765.00
Conor O'Neill	425.00	2.50	1,062.50
Caitlin E. Fell	320.00	55.60	17,792.00
Joanne Meadows	290.00	0.70	203.00
Corp. Search 1	100.00	6.30	630.00
Total		146.20	CAD 82,340.00

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 Matter #: 290110.00001
 Invoice #: 622766
Re: **New Food Classics**

Our Fees	\$ 82,340.00
HST	10,704.20
Total Taxes on Fees	\$ 10,704.20
Total Fees Including Taxes	\$ 93,044.20
Disbursements	
<u>Taxable</u>	
Printing/Copies	532.80
Total Disbursements	532.80
HST	69.27
Total Taxes on Disbursements	\$ 69.27
Total Disbursements Including Taxes	\$ 602.07
Total Fees, Disbursements and Taxes	CAD \$ 93,646.27
Tax Summary	
HST	10,773.47
Total Taxes Included in This Bill	10,773.47

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents



333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

416 366 8381 Telephone
416 364 7813 Facsimile

Date: January 24, 2012
Matter #: 290110.00001
Invoice #: 622766
HST #: 87937 6127 RT0001

FTI Consulting Canada Inc.
TD Waterhouse Tower, 79 Wellington Street West
Toronto Dominion Centre, Suite 2010
P.O. Box 104
Toronto ON M5K 1G8

REMITTANCE COPY
Please return with your payment

For Professional Services rendered through 01/20/2012 in connection with this matter:

Re: New Food Classics

Total Fees	\$ 82,340.00
Total Disbursements	532.80
Total Taxes	<u>10,773.47</u>
Total Amount Owning This Bill	<u>CAD \$ 93,646.27</u>

Tax Summary

HST	<u>10,773.47</u>
Total Taxes Included in This Bill	<u>10,773.47</u>

SCOTIABANK, 20 Queen Street West, 4th Floor, Toronto, Ontario, M5H 3R3
Account Name: Fasken Martineau DuMoulin LLP
CAD\$ Account No: 476961041614, Transit No. 47696
SWIFT code: NOSCCAT

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

416 366 8381 Telephone
416 364 7813 Facsimile

**FASKEN
MARTINEAU** 

Date: January 31, 2012
Matter #: 290110.00001
Invoice #: 625142
HST #: 87937 6127 RT0001

FTI Consulting Canada Inc.
TD Waterhouse Tower, 79 Wellington Street West
Toronto Dominion Centre, Suite 2010
P.O. Box 104
Toronto ON M5K 1G8

Attention: Paul Bishop

For Professional Services rendered through 01/31/2012 in connection with this matter:

Re: **New Food Classics**

Total Fees	\$ 59,487.50
Total Disbursements	595.46
Total Taxes	7,807.16
Total Amount Owing This Bill	<u>CAD \$ 67,890.12</u>

Fasken Martineau DuMoulin LLP



Per: Edmond F.B. Lamek
E. & O. E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 1.3% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Page 2

 Matter #: 290110.00001
 Invoice #: 625142
Re: New Food Classics

- 01/21/12 Conference call with FTI and NFC management regarding facts relating to Millard and Westco warehouse issues and claims; follow up emails re same; two calls with lawyer for Millard (Alex Ilchenko of McMillan).
Edmond F.B. Lamek 2.80 hrs.
- 01/22/12 Drafting Millard/Westco warehouse letter agreements; numerous email exchanges regarding people's comments on same over the course of the afternoon.
Edmond F.B. Lamek 3.50 hrs.
- 01/23/12 Draft and revise EOI, draft email to J. Porepa [REDACTED], review PPSA searches, review loan documents in preparation for security review; conversations and meetings with E. Lamek re: further instructions. Telephone call with D. Cohen and C. Prophet re: priority of RSLA.
Caitlin E. Fell 5.10 hrs.
- 01/23/12 Emails with G. Phoenix; review debentures for Alberta real property; email to L. Forrest re real property descriptions
Carole Hunter 0.30 hrs.
- 01/23/12 Meeting with G. Phoenix and C. Fell re multi-jurisdictional security review; precedents to C. Fell for security review; meeting with C. Fell;
Conor O'Neill 1.00 hrs.
- 01/23/12 Conference call regarding Millard and Westco arrangements; several calls and emails with Alex Ilchenko re Millard letter; Dealing with [REDACTED] issues; drafting [REDACTED] their member on NFC BoD; call with [REDACTED] regarding terms of [REDACTED] dealing with [REDACTED] re Westco; finalizing form of Expression of Interest document.
Edmond F.B. Lamek 6.50 hrs.
- 01/23/12 Discussion with C. Fell re security documentation; reviewing same; emails with C. Hunter re same.
R. Graham Phoenix 1.50 hrs.
- 01/24/12 [REDACTED] make revisions of same based on comments; emails to J. Porepa; obtain documents from D. Cohen re: security opinion; revise confidentiality provisions of EOI and email to working group.
Caitlin E. Fell 3.20 hrs.
- 01/24/12 Review security relating to real property in Alberta; review real property searches; draft security review
Carole Hunter 5.50 hrs.
- 01/24/12 Several calls and email exchanges regarding form of EOI; calls regarding bidders' comments on form of Conf Agt; finalizing [REDACTED] letter

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Matter #: 290110.00001

Invoice #: 625142

Re: New Food Classics

	Edmond F.B. Lamek	3.50 hrs.
01/25/12	Review and revise confidentiality agreements with ██████████ and ██████████ ██████████ review EOI based on comments received, telephone call with ██████████ re: confidentiality agreement, telephone call with ██████████ re: confidentiality agreement; continue to draft security opinion and review searches.	
	Caitlin E. Fell	6.10 hrs.
01/25/12	Emails with E. Lamek; draft and review security review; draft agreement of purchase and sale for going concern sale of business	
	Carole Hunter	4.80 hrs.
01/25/12	NFC Acquisition GP Inc., NFC Acquisition Corp. & BN Report - New Food Classics per C. Fell	
	Corp. Search 1	0.60 hrs.
01/25/12	Dealing with Millard and Westco issues; call with Harvey Chaiton (for Westco); discussing security review issues with C. Fell; various calls with FTI regarding Millard and Westco dollar amounts and Monitor's trust account issues; email re Confidentiality Agreements.	
	Edmond F.B. Lamek	4.30 hrs.
01/25/12	Teraview subsearches for ownership and title information.	
	Merilyn Thompson	1.60 hrs.
01/26/12	Draft security opinion; correspondence with I. Sutherland and C. Hunter re: same; edit and revise letters to Westco and Millard.	
	Caitlin E. Fell	3.10 hrs.
01/26/12	Draft and revise going-concern asset purchase agreement	
	Carole Hunter	5.30 hrs.
01/26/12	Telephone call with H Chalton regarding Westco letter agreement; emails with Alex Ilichenko regarding Millard letter; revising form of letters; emails with TD Bank re same; calls with Jodi and Jamie regarding practicalities of wire transfers and releasing shipments; call with Jodi re ██████████	
	Edmond F.B. Lamek	4.80 hrs.
01/27/12	Draft and revise going concern agreement of purchase and sale; draft and revise agreement of purchase and sale for real property in Calgary; emails to E. Lamek	
	Carole Hunter	4.20 hrs.
01/27/12	Calls with J Engen and H Chaiton regarding Westco product release protocol, cash flow issues and and pre and post filing Lien Amounts.	
	Edmond F.B. Lamek	2.70 hrs.
01/29/12	Draft security opinion.	

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Matter #: 290110.00001

Invoice #: 625142

Re: New Food Classics

	Caitlin E. Fell	5.50 hrs.
01/29/12	Revising Chaiton draft of Westco letter; revising draft Asset Purchase Agreement; discussing security opinion memo issues with C Fell. Edmond F.B. Lamek	3.20 hrs.
01/30/12	Continue to draft security opinion. Caitlin E. Fell	7.60 hrs.
01/30/12	Emails with C. Fell and [REDACTED] review corporate, PPSA and Bank Act searches Carole Hunter	0.30 hrs.
01/30/12	Obtaining six Certificates of Status electronically from Alberta Corporate Registry respecting NFC Acquisition GP Inc., NFC Acquisition Corp., NFC Land Holdings Corp., NFC Acquisition LP, New Food Classics and Centennial Land Holdings Ltd.; forwarding the certificate to Ms. Hunter; Denice Vandale-Raybur	1.30 hrs.
01/30/12	Conducting six Bank Act searches for NFC Acquisition GP Inc., NFC Acquisition Corp., NFC Land Holdings Corp., NFC Acquisition LP, New Food Classics and Centennial Land Holdings Corp.; forwarding search results to Ms. Hunter; Denice Vandale-Raybur	0.80 hrs.
01/30/12	Conducting six electronic corporate searches under the Alberta Corporate Registry for NFC Acquisition GP Inc., NFC Acquisition Corp., NFC Land Holdings Corp., NFC Acquisition LP, New Food Classics and Centennial Land Holdings Corp.; forwarding search results to Ms. Hunter; Denice Vandale-Raybur	0.80 hrs.
01/30/12	Conducting six electronic searches under the Personal Property Security Act (Alberta) for NFC Acquisition Gp Inc., NFC Acquisition Corp., NFC Land Holdings Corp., NFC Acquisition Lp, New Food Classics and Centennial Land Holdings Corp.; forwarding search results to Ms. Hunter; Denice Vandale-Raybur	0.80 hrs.
01/30/12	Revising Westco and Millard letters; dealing with Insurance funding issue; discussing security review with C Fell; commenting on [REDACTED] and [REDACTED] letters; various calls and email exchanges with FTI re Draft APA. sales Process; EOIs, Insurance funding, email exchanges with Chaiton, Ilchenko, Cohen. Edmond F.B. Lamek	4.30 hrs.
01/31/12	Continue to draft security opinion, attend meeting to discuss submitted EOIs. Coordinate with C. Hunter and I. Sutherland re: opinions. Coordinate with search clerks re: same. Meetings with E. Lamek; research re: commercial liens in Saskatchewan. Caitlin E. Fell	7.30 hrs.

Page 5

Matter #: 290110.00001
Invoice #: 625142**Re: New Food Classics**

- 01/31/12 Emails with C. Fell; draft consent forms for name searches in Land Titles Offices; review and revise security review memorandum; review and summarize PPSA, corporate, Bank Act and real property searches
Carole Hunter 5.20 hrs.
- 01/31/12 Profile, Certificate of Status, LP Report & Execution - New Food Classics (AB), NFC Acquisition L. P. (MN)(EX - MN&TO), NFC Acquisition Corp., & NFC Acquisition GP Inc. (TO Ex) & Profile & Certificate of Compliance - NFC Land Holdings Corp. per C. Fell
Corp. Search 1 2.50 hrs.
- 01/31/12 PPSA(V&C) - Centennial Land Holdings Corp. per C. Fell
Corp. Search 1 0.50 hrs.
- 01/31/12 Attending meeting at FTI to go over EOIs received and to discuss funding of insurance issue; discussing Millard letter and Insurance funding with David Cohen; emails with Alex Ichenko re execution; several calls with [REDACTED] regarding terms of shipping contracts and scope of Westco shipping lien; calls and emails with NFC/FTI re same.
Edmond F.B. Lamek 5.30 hrs.

Professional Summary

<u>Professional</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
Edmond F.B. Lamek	800.00	40.90	32,720.00
R. Graham Phoenix	475.00	1.50	712.50
Carole Hunter	475.00	25.60	12,160.00
Conor O'Neill	425.00	1.00	425.00
Caitlin E. Fell	320.00	37.90	12,128.00
Merilyn Thompson	290.00	1.60	464.00
Denice Vandale-Rayburn	140.00	3.70	518.00
Corp. Search 1	100.00	3.60	360.00
Total		115.80	CAD 59,487.50

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 Matter #: 290110.00001
 Invoice #: 625142
Re: **New Food Classics**

Our Fees	\$ 59,487.50
HST	7,733.38
	<hr/>
Total Taxes on Fees	\$ 7,733.38
	<hr/>
Total Fees Including Taxes	\$ 67,220.88
	<hr/> <hr/>
Disbursements	
<u>Non-Taxable</u>	
Title Search	28.00
<u>Taxable</u>	
Fax	2.50
Telephone Charges	0.20
Binding	11.24
Corporate Search	7.57
Printing/Copies	503.95
Document Scan	5.00
Title Search	37.00
	<hr/>
Total Disbursements	595.46
HST	73.78
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Total Taxes on Disbursements	\$ 73.78
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Total Disbursements Including Taxes	\$ 669.24
	<hr/> <hr/>
Total Fees, Disbursements and Taxes	CAD \$ 67,890.12
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Tax Summary	
HST	7,807.16
	<hr/>
Total Taxes Included in This Bill	7,807.16
	<hr/> <hr/>

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents



333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

416 366 8381 Telephone
416 364 7813 Facsimile

Date: January 31, 2012
Matter #: 290110.00001
Invoice #: 625142
HST #: 87937 6127 RT0001

FTI Consulting Canada Inc.
TD Waterhouse Tower, 79 Wellington Street West
Toronto Dominion Centre, Suite 2010
P.O. Box 104
Toronto ON M5K 1G8

REMITTANCE COPY

Please return with your payment

For Professional Services rendered through 01/31/2012 in connection with this matter:

Re: **New Food Classics**

Total Fees	\$ 59,487.50
Total Disbursements	595.46
Total Taxes	<u>7,807.16</u>
Total Amount Owing This Bill	<u><u>CAD \$ 67,890.12</u></u>

Tax Summary

HST	<u>7,807.16</u>
Total Taxes Included in This Bill	<u><u>7,807.16</u></u>

SCOTIABANK, 20 Queen Street West, 4th Floor, Toronto, Ontario, M5H 3R3
Account Name: Fasken Martineau DuMoulin LLP
CAD\$ Account No: 476961041614, Transit No. 47696
SWIFT code: NOSCCATT

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents



333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

416 366 8381 Telephone
416 364 7813 Facsimile

Date: February 21, 2012
Matter #: 290110.00001
Invoice #: 628854
HST #: 87937 6127 RT0001

FTI Consulting Canada Inc.
TD Waterhouse Tower, 79 Wellington Street West
Toronto Dominion Centre, Suite 2010
P.O. Box 104
Toronto ON M5K 1G8

Attention: Paul Bishop

For Professional Services rendered through 02/21/2012 in connection with this matter:

Re: New Food Classics

Total Fees	\$ 90,762.00
Total Disbursements	997.49
Total Taxes	<u>11,907.58</u>
Total Amount Owing This Bill	<u><u>CAD \$ 103,667.07</u></u>

Fasken Martineau DuMoulin LLP



Per: Edmond F.B. Lamek
E. & O. E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 1.3% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

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 Matter #: 290110.00001
 Invoice #: 628854
Re: **New Food Classics**

01/05/12	Profile - FTI Consulting Inc. per E. Lamek Corp. Search 1	0.20 hrs.
02/01/12	Continue to draft security opinion; emails with C. Hunter re: same; discuss search results with real estate clerk; emails with I. Sutherland re: local counsel opinion; obtain consent to search Alberta land titles registry from D. Bish; log into NFC data room to ensure that property search results were uploaded. Caitlin E. Fell	7.90 hrs.
02/01/12	Review signed consents from the debtors; draft email to L. Forrest re land titles searches Carole Hunter	0.10 hrs.
02/01/12	Updating schedule for Personal Property Security Act opinion. Marc Rodrigue	0.70 hrs.
02/02/12	Continue to draft security opinion; emails with B. Cram re: RBC masterlease agreement; emails with C. Hunter and I. Sutherland. Meetings with E. Lamek re: further instructions. Caitlin E. Fell	6.80 hrs.
02/02/12	Emails with C. Fell re RBC leases Carole Hunter	0.10 hrs.
02/02/12	Call with FTI to discuss comments on APS; email exchanges with Harvey Chaiton re Westco draft; revising APS; revising Westco letter and circulating' discussing with Cram and FTI; emails re discussions with [REDACTED] several emails with Cohen and Bish regarding Westco draft letter and BMO/Tory's concerns. Edmond F.B. Lamek	5.80 hrs.
02/02/12	Reviewing Westco contracts and bills of lading; emails with FTI re same; working on revisions to current Westco latter; emails with Harvey Chaiton re same; finalizing Millard agreement; emails with Jodi regarding implementation of Millard arrangement. Edmond F.B. Lamek	3.80 hrs.
02/02/12	Telephone call to Caitlin Fell. Merilyn Thompson	0.20 hrs.
02/03/12	Continue to draft security opinion; review [REDACTED] master lease agreement; summarize and review priorities agreement; emails to C. Hunter; calls with J. Porepa re: Confederated Freezers; conference call with D. Bish, D. Cohen re: westco; review PPSA summaries. Caitlin E. Fell	6.90 hrs.

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 Matter #: 290110.00001
 Invoice #: 628854
Re: New Food Classics

02/03/12	Emails with C. Fell; review and revise security opinion; review information from Land Titles Office; draft application for name changes; discuss searches with V. Osborne Carole Hunter	2.00 hrs.
02/03/12	Speak with E. Lamek re: matter. David Fox	0.20 hrs.
02/03/12	Discussing sales tax issues regarding Sask and St Catharines sale with Casuccio; conference call regarding Westco letter revisions; emails with Chaiton re same; emails regarding Millard deposit; emails with Tory's regarding draft APS; emails regarding payment of [REDACTED] amount with BMO Consent; obtaining BMO consent. Edmond F.B. Lamek	5.00 hrs.
02/03/12	Meeting and email from Ed Lamek; review and amending agreement re sales tax matters. Paul V. Casuccio	0.70 hrs.
02/05/12	Continue to draft security opinion; begin drafting the Second Report of the Monitor. Caitlin E. Fell	4.50 hrs.
02/05/12	Email exchange with Harvey Chaiton regarding Friday version of Westco Letter; emails with C Fell regarding security opinion and RBC lease issues. Edmond F.B. Lamek	0.50 hrs.
02/06/12	Draft first report of the Monitor; telephone call with H. Chaiton; telephone call with J.Porepa; discussions with E. Lamek. Caitlin E. Fell	7.50 hrs.
02/06/12	Review name searches from the Land Titles Office; review list of real property in security review; email to C. Fell Carole Hunter	0.20 hrs.
02/06/12	Reviewing Tory's revisions to Saskatoon/St Catharines draft APS; discussing tax aspects with Paul Casuccio; call with Patrick Gannon re labour issues; meeting with Harvey Chaiton regarding his comments/concerns regarding latest draft of Westco letter; call with Cohen, Slavens and FTI regarding same; drafting proposed addenda and circulating for comment; reviewing, revising and commenting on draft security review memorandum and discussing my questions/comments with C Fell; discussing topics to go into Monitor's Second Report with C Fell. Edmond F.B. Lamek	6.80 hrs.
02/06/12	Meeting with Ed Lamek re Tory's amendments; review and considering same; drafting further amendments to agreement re same; emails, vmails and call with Ed Lamek re same. Paul V. Casuccio	0.90 hrs.

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Matter #: 290110.00001

Invoice #: 628854

Re: New Food Classics

- 02/07/12 Continue to draft first report of the Monitor' update security opinion; calls with H. Chaiton, David Bish and David Cohen.; review [REDACTED] calls with J. Porepa re: same.
Caitlin E. Fell 8.50 hrs.
- 02/07/12 Email exchanges with Harvey Chaiton and David Cohen regarding re-wording addenda; call with Harvey Chaiton regarding additional drafting comments; revising, blacklining and circulating final Westco letter and follow up email exchange regarding same; discussing security review issues with C Fell; emails with I Sutherland of MacDougall Gauley regarding Saskatchewan component of security review; reviewing [REDACTED] revising draft form of Cgy Real Property Agreement of Purchase and Sale; reviewing draft of Monitors Second Report with C Fell; reviewing CIMCO agreement.
Edmond F.B. Lamek 6.30 hrs.
- 02/08/12 Continue to draft first report; discussions with E. Lamek re: further instructions; correspondance with I. Sutherland re: Saskatcehwan security opinion;
Caitlin E. Fell 4.50 hrs.
- 02/08/12 Commenting on draft Order and Westco language; working on 2nd Report; email exchanges with Jamie regarding offers and supplement to 2nd Report; drafting response letter to lawyer for [REDACTED] discussions with Chaiton and Slavens regarding relative rank of Westco Lien Charge.
Edmond F.B. Lamek 4.50 hrs.
- 02/09/12 Review and revise First Report of the Monitor; review security opinion provided by I. Sutherland; emails to working group re: first report; revise Ontario security opinion; telephone call with J. Engen re: prospective purchasers.
Caitlin E. Fell 4.10 hrs.
- 02/09/12 Reviewing and commenting on draft stay extension motion court materials, second report draft; calls and emails regarding Westco and [REDACTED]
Edmond F.B. Lamek 4.30 hrs.
- 02/10/12 Continue to draft, edit and revise Second Report of the Monitor; research partnership registration provisions in the PPSA for Security Opinion; finish and revise security opinion; emails to D. Bish, D. Cohen, A. Slavens and C. Prophet re: comments to second report; emails to FTI: re: second report and security opinion.
Caitlin E. Fell 4.60 hrs.
- 02/10/12 Calls and email regarding sale process, stay extension, bid deadline, Cgy Lands agreement.
Edmond F.B. Lamek 2.70 hrs.
- 02/11/12 Review comments to First Report of the Monitor from FTI; email to E. Lamek re: same.
Caitlin E. Fell 0.60 hrs.

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Matter #: 290110.00001

Invoice #: 628854

Re: New Food Classics

- 02/12/12 Revise second report of the Monitor based on comments received from J. Engen, P. Bishop and J. Porepa Emails to J. Porepa; J. Engen and P. Bishop re: same; assemble appendices as well as compendium of orders and compendium of reports of the monitor.
Caitlin E. Fell 4.10 hrs.
- 02/12/12 Various emails regarding comments on 2nd Report
Edmond F.B. Lamek 0.50 hrs.
- 02/13/12 Edit and amend second report to the court; revisions re: same based on comments received; telephone call with J. Porepa re: revisions to report; emails to J. Porepa, J. Engen and P. Bishop re: comments; prepare, serve and file second report and compendiums; discussion with E. Lamek re: next instructions; draft confidential supplemental report to the second report;
Caitlin E. Fell 5.10 hrs.
- 02/13/12 Review suggested revisions to purchase agreement for Calgary lands; discuss issues with Alberta Land Titles Office; emails with E. Lamek
Carole Hunter 0.50 hrs.
- 02/13/12 Discussing 2nd report with C Fell; commenting on revised 2nd report; reviewing company record for stay extension; call with Engen regarding [REDACTED] discussing disclosure obligation with Fell; emails with Jodi and H Chaiton re Monday in Westco Agt.
Edmond F.B. Lamek 2.80 hrs.
- 02/13/12 Corresponding with C. Fell re materials to be filed with the Superior Court of Justice, Commercial List, at 330 University Avenue, 7th floor; and traveling to said location to file same.
Graham Hood 0.80 hrs.
- 02/14/12 Research re: misrepresentation and material adverse change; review final offers submitted with BMO, NFC and the Monitor; email to A. Slavens re: Asset Purchase Agreement; finalize confidential report.
Caitlin E. Fell 5.20 hrs.
- 02/14/12 Review vm from A. Bedford
Carole Hunter 0.10 hrs.
- 02/14/12 Attending meeting at FTI with BMO to review terms of three final proposals received; calls and emails re [REDACTED] emails and pricing; attending second meeting at FTI with Edgestone to review final proposals; drafting supplier comfort email and follow up emails re same; discussing contents of confidential supplement with C Fell.
Edmond F.B. Lamek 6.80 hrs.
- 02/15/12 Finalize supplemental report; telephone call with J. Engen re: treatment of prospective bidders; circulate confidential report for comments; prepare schedules

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 Matter #: 290110.00001
 Invoice #: 628854
Re: New Food Classics

	to report. Caitlin E. Fell	4.30 hrs.
02/15/12	Discuss issues relating to Calgary real property with [REDACTED] Carole Hunter	0.20 hrs.
02/15/12	Call with Ramie E regarding revisions to Selected Bid; making revisions to ASP; discussing with JE; discussing supplement to 2nd report with C Fell; call with Paul Bishop re receivables collection structure; revise conf supplement. Edmond F.B. Lamek	5.80 hrs.
02/16/12	Email confidential report to D. Cohen and D. Bish; attend court for motion. Caitlin E. Fell	2.00 hrs.
02/16/12	Call with J Engen regarding [REDACTED] comments on draft APS; attend court hearing for stay extension; drafting Lease Amendment agreement; revisions to same; various calls with Jamie Engen regarding [REDACTED] negotiations and issues arising there from; calls regarding re-engaging with [REDACTED] Edmond F.B. Lamek	6.50 hrs.
02/17/12	Several calls regarding status of [REDACTED] and [REDACTED] with Loblaws and impact on their offers. Edmond F.B. Lamek	2.20 hrs.
02/18/12	Email exchanges re [REDACTED] eColi. Edmond F.B. Lamek	0.50 hrs.
02/19/12	Call with FTI. Caitlin E. Fell	1.00 hrs.
02/19/12	8am conference call with FTI and BMO to discuss [REDACTED] deal terms and likely liquidation scenario; 10 am conf call with FTI, [REDACTED], NFC to discuss [REDACTED] status and BMO response; follow up call with Bishop and Engen re calling [REDACTED] and preparing soft landing cash flow. Edmond F.B. Lamek	3.70 hrs.
02/20/12	Conference call with working group re: next steps and orderly shut down; edit and revise Third Report to the Court. Caitlin E. Fell	2.10 hrs.
02/20/12	8am conference call with FTI, BMO; Drafting Monitor's Third Report to Court; calls with Engen, Bishop; call with Gowlings; drafting Receivership Order and revising Third Report; circulating to Tory's, Gowlings. Edmond F.B. Lamek	9.00 hrs.

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Matter #: 290110.00001
Invoice #: 628854Re: **New Food Classics****Professional Summary**

<u>Professional</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
Edmond F.B. Lamek	800.00	77.50	62,000.00
Paul V. Casuccio	775.00	1.60	1,240.00
David Fox	600.00	0.20	120.00
Carole Hunter	475.00	3.20	1,520.00
Caitlin E. Fell	320.00	79.70	25,504.00
Graham Hood	200.00	0.80	160.00
Marc Rodrigue	200.00	0.70	140.00
Marilyn Thompson	290.00	0.20	58.00
Corp. Search 1	100.00	0.20	20.00
Total		164.10	CAD 90,762.00

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 Matter #: 290110.00001
 Invoice #: 628854
Re: **New Food Classics**

Our Fees	\$ 90,762.00
HST	11,799.06
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Total Taxes on Fees	\$ 11,799.06
	<hr/>
Total Fees Including Taxes	\$ 102,561.06
	<hr/> <hr/>
Disbursements	
<u>Non-Taxable</u>	
Certificate of Status/Compliance	78.00
Corporate Search	56.00
Title Search	29.00
<u>Taxable</u>	
Binding	2.04
Certificate of Status/Compliance	30.00
Corporate Search	65.00
Printing/Copies	626.45
Online Search Expense	56.00
Title Search	55.00
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Total Disbursements	997.49
HST	108.52
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Total Taxes on Disbursements	\$ 108.52
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Total Disbursements Including Taxes	\$ 1,106.01
	<hr/> <hr/>
Total Fees, Disbursements and Taxes	CAD \$ 103,667.07
	<hr/> <hr/>
Tax Summary	
HST	11,907.58
	<hr/>
Total Taxes Included in This Bill	11,907.58
	<hr/> <hr/>

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents



333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

416 366 8381 Telephone
416 364 7813 Facsimile

Date: February 21, 2012
Matter #: 290110.00001
Invoice #: 628854
HST #: 87937 6127 RT0001

FTI Consulting Canada Inc.
TD Waterhouse Tower, 79 Wellington Street West
Toronto Dominion Centre, Suite 2010
P.O. Box 104
Toronto ON M5K 1G8

REMITTANCE COPY
Please return with your payment

For Professional Services rendered through 02/21/2012 in connection with this matter:

Re: New Food Classics

Total Fees	\$ 90,762.00
Total Disbursements	997.49
Total Taxes	<u>11,907.58</u>
Total Amount Owning This Bill	<u>CAD \$ 103,667.07</u>

Tax Summary

HST	<u>11,907.58</u>
Total Taxes included in This Bill	<u>11,907.58</u>

SCOTIABANK, 20 Queen Street West, 4th Floor, Toronto, Ontario, M5H 3R3
Account Name: Fasken Martineau DuMoulin LLP
CAD\$ Account No: 476961041614, Transit No. 47696
SWIFT code: NOSCCATT

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED**

Court File No.: CV12-9554-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NFC ACQUISITION GP INC., NFC ACQUISITION CORP. AND
NFC LAND HOLDINGS CORP.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

MOTION RECORD

(RETURNABLE APRIL 9, 2013)

BORDEN LADNER GERVAIS LLP
Edmond Lamek (LSUC No. 33338U)
Tel: (416) 367-6311
Fax: (416) 361-2436

Scotia Plaza
40 King Street West
Toronto, Ontario
M5H 3Y4

OSLER, HOSKIN & HARCOURT LLP
Caitlin Fell (LSUC #60091H)
Tel: 416 862 6690
Fax: 416 362 2111

1 First Canadian Place
Toronto, Ontario
M5X 1B8

Solicitors for FTI Consulting Canada Inc., in
its capacity Court-appointed Receiver