

I. Customers

Frequently Asked Questions - Customers

1. What is the CCAA?

- The Companies' Creditors Arrangement Act, or "CCAA" is a federal statute that enables companies to restructure their financial affairs under the supervision of the Courts.
- As part of the CCAA proceedings, the Court grants a "stay of proceedings" in favour of the Company which prevents creditors from taking action against the company, giving it the time and stability to enable it to restructure while continuing its day-to-day operations.

2. Is the company bankrupt?

- No. Under Canadian insolvency and restructuring laws, "bankruptcy" is a specific type of proceeding under which an insolvent company's operations are terminated and its assets are sold or "liquidated".
- The CCAA proceedings, amongst other things, prevents creditors from forcing the company into bankruptcy. For this reason, CCAA proceedings are sometimes referred to as "bankruptcy protection".

3. Why did the company file CCAA?

- The company's financial performance has been adversely affected by a number of factors including declining year over year sales, the capital requirements of its current franchising structure and significant obligations under its lending agreements. The company was due to make an interest payment on December 31 and failed to make this payment which was a breach of its lending covenants. In addition, a significant principle repayment of its senior lending facility was due on December 31, 2010 and this payment was not made. While we have been working to try and avoid a CCAA filing, we ultimately decided that a CCAA filing was the best option available and enable us to complete our financial restructuring in a stable and structured environment and protect the long-term viability of the company and its employees.
- Management has been working directly with its senior lenders to secure additional financial support during the CCAA filing.
- Management is evaluating all the options available to the Company and is currently pursuing:
 - A sale of the BC and Ontario markets to Soul Foods; and
 - A marketing process to sell all of the stores to new parties.

- Until these sales are completed management cannot be certain what the final result for the company will be but is committed to providing additional details and updates as they become available.

4. What happens in a CCAA filing?

- The company is given time to develop and propose a “plan of arrangement” under which the financial affairs of the company are restructured. During that time, a “stay of proceedings” is in place to prevent creditors from taking actions that could destabilize the company or force it into bankruptcy.
- Subject to the oversight of the Court, the company remains in control of its business and operations and can take steps to complete its financial restructuring and improve its long-term viability.
- Once a plan of arrangement has been developed, creditors will vote on the plan. If it is approved by the creditors and the Court, the company implements the plan and “emerges” from CCAA, completing the process.
- The Court appoints a Monitor to oversee the activities of the company and assist stakeholders with the CCAA process. FTI Consulting has been appointed as Monitor.

5. How long will the CCAA proceeding take to complete?

- At this time, it is not possible to say how long the proceedings will take to complete. However, as we have disclosed to the Court, we have a signed agreement of purchase and sale in respect of the British Columbia and Ontario locations with an expected closing date of April 18, 2011 and we have started a court approved marketing process that is expected to form the basis of our restructuring plan, so we expect the proceedings to be relatively short.
- The Court has granted a stay of proceedings of 30 days, which is the maximum allowed by law on an initial application under the CCAA, and the company is entitled to request extensions of that time.

6. What is a CRO? I heard they appointed one.

- A CRO or Chief Restructuring Officer is the person responsible for making strategic decisions for the Company while it restructures. Appointing a CRO helps to provide stability and bring leadership to a Company during transition.

7. What is the Monitor?

- The Monitor is an officer of the Court whose responsibilities include assisting the company with its restructuring, reporting to the Court from time to time on the progress of the proceedings and, ultimately, providing

a recommendation on the plan of arrangement. In this case, FTI Consulting has been appointed as Monitor.

- The company will be giving its full co-operation to the Monitor.

8. Who is now in charge of the company?

- The Chief Restructuring Officer (“CRO”) and the executive management team remain in control of the company and its operations, subject to the specific requirements of the CCAA Order.

9. What does the filing mean for the company’s operations?

- For the most part, it will be business as usual and we anticipate continuing with our existing marketing and sales development programs.

10. Does the company have sufficient financing to continue operations?

- Yes. As part of the CCAA proceedings, the Company is in the process of arranging and obtaining Court approval of new financing called “debtor-in-possession” or “DIP” financing to provide additional liquidity in case of unforeseen events.
- In addition, we have been provided financial concessions by our franchisor in the form of a deferral of royalties.

11. What impact will the CCAA filing have on the products that I receive from you?

- For the most part, it will be business as usual and nothing will change.

12. How will I be kept informed of developments during the proceedings?

- We will provide periodic updates on the progress of the restructuring and any key developments. In addition, court materials, including Monitor’s reports, will be available on the internet at <http://cfcanda.fticonsulting.com/priszm>

13. What do I do if I have other questions?

- For questions relating to the CCAA proceedings, you can call our hot-line at 416 739 2920 or 1 855 492 6215.