

Estate No. 31-2013017

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF THE PROPOSAL OF  
1408998 ONTARIO INC.  
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

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**TRUSTEE'S REPORT ON COURT APPROVAL OF PROPOSAL**

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**ROSEN GOLDBERG INC.**  
5255 Yonge Street  
Suite 804  
Toronto, Ontario M2N 6P4

**Brahm Rosen**  
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Trustee in Bankruptcy

IN THE MATTER OF THE PROPOSAL OF  
1408998 ONTARIO INC. o/a PRO DISPOSAL  
OF THE CITY OF TORONTO, PROVINCE OF ONTARIO

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IN THE MATTER OF THE PROPOSAL OF  
1408998 ONTARIO INC  
OF THE CITY OF TORONTO, PROVINCE OF ONTARIO

**REPORT**

Rosen Goldberg Inc., the Trustee acting in the Proposal of 1408998 Ontario Inc. hereby reports to the Court as follows:

1. On July 7, 2015, 1408998 Ontario Inc. o/a Pro Disposal (the “Debtor” or “Pro”) filed a Notice of Intention to Make a Proposal (“NOI”) and Rosen Goldberg Inc. consented to act as Trustee (the “Trustee”). A copy of the NOI together with the affidavit of mailing is enclosed at **Tab “1”** to this report. Cash Flow Statements are enclosed at **Tab “2”** to this report.
2. Pro operates a waste disposal business. Pro supplies roll-off, front load and rear-load waste bins across the industrial spectrum. The Debtor recently experienced severe cash difficulties due primarily to the insolvency of one large customer and a dispute with another. In total these two customers represented \$900,000 of accounts receivable. In order to improve its business, Pro entered into a strategic relationship with Hulk Environmental Services Inc. (“Hulk”), whereby Hulk would provide management services and assist in building the customer base.
3. A Proposal was subsequently filed with the Official Receiver on August 6, 2015. A copy of the Proposal is enclosed at **Tab “3”** to this report. Under the terms of the Proposal, the Debtor agreed to pay \$550,000, which will be funded through on-going operations, as follows:
  - (a) The amount to satisfy certain mandatory payments and preferred claims to be paid within six months after court approval;
  - (b) An amount of \$70,000 to be paid no later than 30 days after the payment described above;
  - (c) The balance to be paid in seventeen equal monthly instalments commencing no later than 30 days after the payment of the amount described in (b) above.
4. On August 11, 2015, the Trustee did give notice to the Debtor, to the Superintendent, and to others whose names and addresses are enclosed at **Tab “4”** to this report, of the calling of the meeting of the creditors to be held on August 26, 2015 to consider the Proposal.



5. Included with the said notice was a Condensed Statement of Assets and Liabilities, the Proposal, a list of creditors affected by the Proposal as provided by the Debtor, showing the amounts of the claims, a form of proof of claim and proxy in blank and voting letter. Copies of the Report, Notice and Condensed Statement are enclosed at **Tab “5”** to this report.
6. Pursuant to Section 50(5) of the Bankruptcy and Insolvency Act, the Trustee investigated the affairs and property of the Debtor to enable the Trustee to estimate, with reasonable accuracy, the financial situation of the Debtor and the cause of the Debtor’s financial difficulties.
7. The said meeting of creditors, duly convened on August 26, 2015 was properly constituted and presided over by Brahm Rosen. The Trustee, who was designated as chairman of the meeting by the Official Receiver, declared the meeting properly convened and legally constituted and called the meeting to order, as there was a quorum of creditors present or represented. Based on the claims received, creditors present, and voting letters, the Trustee declared the Proposal to be accepted pursuant to the provision of Section 54 of the Bankruptcy and Insolvency Act. A copy of the minutes of the meeting is enclosed at **Tab “6”** to this report.
8. At the said meeting of creditors, eighty-eight percent of the creditors voted in favour of the proposal representing eighty percent of the dollar value of the respective claims.
9. The Trustee is of the opinion that:
  - (a) According to the condensed statement of assets and liabilities, the assets of the Debtor consist of:

	<b>Estimated Realizable Value</b>
• Accounts Receivable	222,000
• Vehicles	195,602
• Waste Disposal Bins	55,900

The assets referred to above are subject to the following encumbrances:

- Canada Revenue Agency has deemed trust claim, estimated at \$376,000.
- Norwood Financial, creditor in the approximate amount of \$14,100, holds first ranking security against the waste bins.



- Almira Holdings Ltd., a creditor in the approximate amount of \$23,850, holds a first charge against specific vehicles.

(b) The liabilities of the Debtor are as follows:

	<b>Per statement of affairs</b>	<b>Filed to date</b>
Secured	\$ 414,683	\$ 418,457
Preferred	\$ Nil	\$ Nil
Unsecured	\$ 2,610,461	\$ 2,366,738

10. The Trustee is of the opinion that:

(a) The causes of the Pro's insolvency are as follows:

(i) Poor cash flow due to significant bad debt and disputed accounts receivable.

(ii) Loss of customers due to loss of key employee.

(b) The conduct of the Debtor is not subject to censure, and

(c) There are no facts mentioned under Section 173 of the BIA that may be proved against Pro.

11. The Trustee is further of the opinion that the Debtor's Proposal is advantageous to creditors for the following reasons:

(a) The terms of Pro's proposal results in CRA recovering its trust claim and unsecured creditors receiving approximately \$0.057 on the dollar.

(b) In the event of bankruptcy, it is unlikely that the creditors would receive any distribution, due to nature of the industry and the assets, which would likely result in poor realizations.

12. On September 2, 2015, the Trustee caused to be sent to the Superintendent, the Debtor and to every creditor who has proved their claim, a Notice of the time and place of the hearing of the application to the Court to approve the Proposal. A copy of the Notice and a list of creditors to whom it was sent, with their addresses, is enclosed at **Tab "7"** to this report.

13. On September 11, 2015 the Trustee forwarded to the Superintendent, a copy of this Report.



ROSEN GOLDBERG  
INSOLVENCY & RESTRUCTURING

DATED AT TORONTO, Ontario, this 11<sup>th</sup> day of September, 2015

ROSEN GOLDBERG INC.  
Trustee

Per: Rosen Goldberg Inc.

TAB 1



Estate No. 31-2013017

**In the matter of the proposal of  
1408998 Ontario Inc. o/a Pro Disposal Services  
of the City of Toronto, in the Province of Ontario**

**To the creditors of 1408998 Ontario Inc. ( "1408998" )**

We are writing to advise you that on July 07, 2015, 1408998 Ontario Inc. commenced proposal proceedings pursuant to the provision of section 50.4(1) of the *Bankruptcy and Insolvency Act* ("BIA"), by filing a Notice of Intention to Make a Proposal ("NOI"). A copy of the NOI is enclosed. Rosen Goldberg Inc. has consented to act as Trustee under the NOI ("Trustee").

Although the NOI is pursuant to the BIA, it is important to note that 1408998 is not bankrupt.

At present, creditors are not required to file a proof of claim. The Trustee will provide you with further information and a proof of claim at a later date.

Please note that during the NOI proceedings:

- *No person may terminate or amend any agreement with Reynolds, or claim accelerated payment, or a forfeiture of the term, under any agreement with Reynolds, by reason only that Reynolds is insolvent or by any reason of the filing of the NOI, pursuant to section 65.1(1) of the BIA; and*
- *No creditor has any remedy against Reynolds or his property or shall commence or continue any action, execution, or other proceedings against Reynolds, pursuant to section 69(1) of the BIA;*

Yours very truly,

**Rosen Goldberg Inc.**

TRUSTEE

*enclosure*



District of:  
Division No. -  
Court No.  
Estate No.

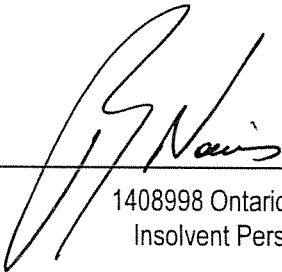
- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the matter of the proposal of  
1408998 Ontario Inc.  
of the City of Toronto, in the Province of Ontario

Take notice that:

1. I, 1408998 Ontario Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Rosen Goldberg Inc. of 5255 Yonge Street, Suite 804, Toronto, ON, M2N 6P4, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 7th day of July 2015.

  
\_\_\_\_\_  
1408998 Ontario Inc.  
Insolvent Person

To be completed by Official Receiver:

\_\_\_\_\_  
Filing Date

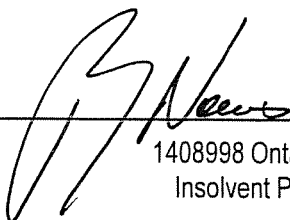
\_\_\_\_\_  
Official Receiver

District of:  
Division No. -  
Court No.  
Estate No.

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Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the matter of the proposal of  
1408998 Ontario Inc.  
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
2176163 Ontario Ltd.	29 Eden Valley Drive Toronto ON M9A4Z5		32,068.24
2264201 Ontario Inc.	9700 Ninth Line Markham ON M1S4A4		182,628.81
407 ETR	P.O.Box 407, Station "D" Scarborough ON M1R5J8		74,710.46
551403 Ontario Limited	4060 19th Avenue Markham ON L6C1M2		13,900.00
AAA Tec Machinery Movers	38 Copeland Road Brampton ON L6Y2S6		1,175.20
Almira Holdings Ltd.	4060 19th Avenue Markham ON L6C1M2		23,850.00
Auto Route Towing Inc.	2390 Homes Road, RR#2 Queensville ON L0G1R0		536.75
Automatic Compactors Waste & Recycling	75 Rodinea Road Maple ON L6A1R3		22,181.49
BFI Canada Inc	650 Creditstone Road Concord ON L4K5C8		5,000.00
BFI Canada Inc.	500 Rennie Street Hamilton ON L8H3P5		8,333.32
BFI Canada Inc. Creditstone	650 Creditstone Road Concord ON L4K5C8		10,796.37
BFI Canada Inc. -Lakeview Transfer	650 Creditstone Road Concord ON L4K5C8		69,496.79

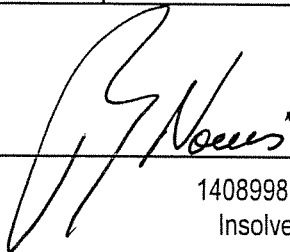
  
1408998 Ontario Inc.  
Insolvent Person

District of:  
Division No. -  
Court No.  
Estate No.

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(Subsection 50.4(1) of the Act)

In the matter of the proposal of  
1408998 Ontario Inc.  
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
BFI Canada-Freshway	650 Creditstone Road Concord ON L4K5C8		369.52
C.G. Construction	9700 Ninth Line Markham ON M1S4A4		166,500.00
Cable Craft Ltd.	480 Garyray Drive Weston ON M9L1P8		2,729.98
Canada Revenue Agency London Tax Service Office	Regional Intake Centre for Insolvency PO Box 5548, 451 Talbot Street London ON N6A 4R3	86895 8430 RT0001	446,210.55
Canada Revenue Agency London Tax Service Office	Regional Intake Centre for Insolvency PO Box 5548, 451 Talbot Street London ON N6A 4R3	86895 8430 RP0001	376,731.11
Cascades Recovery	66 SHorncliffe Road Toronto ON M8Z5K1		150,483.02
Corrado Gazze	9700 Ninth Line Markham ON M1S4A4		100,000.00
Cummins Hydraulics Ltd.	1250 Gorham Street Newmarket ON L3Y8W4		3,632.89
D.Gilsoul Trucking and Contracting	18 Coronation Drive Scarborough ON M1E2H1		5,717.80
Dependable Technical Connections	40 Ironside Crescent UNit 8-9 Scarborough ON M1X1G5		1,563.98
Durham Truck & Equipment Sales and Equip.	610 Finley Ave Ajax ON L1S2E3		10,214.80

  
1408998 Ontario Inc.  
Insolvent Person

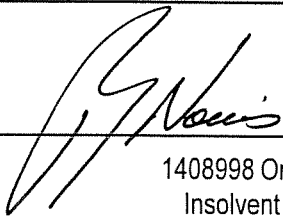
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In the matter of the proposal of  
1408998 Ontario Inc.  
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.

Creditor	Address	Account#	Claim Amount
Efficient Waste Management Services Inc	871 Equestrian Ct. Unit # 1 Oakville ON L6L6L7		2,868.08
Freshway Rail Services Inc.	10-B Freshway Drive Concord ON L4K1S3		75,158.10
Hunter Sunrise Mobile Wash	1555 Sandy Beach Road Pickering ON L1W3S2		3,166.83
Keele North Recycling Inc.	10525 Keele Street Maple ON L6A3Y9		287,184.29
Kelly Group Ltd.	5 Princeton Court Whitby ON L1M2M3		3,426.43
Kenco Construction	9700 Ninth Line Markham ON L6B1A8		320,000.00
Kirby Waste Transfer Solutions	7055 Kirby Road Vaughan ON L0J1C0		3,797.36
Lolimpin Gym Equipment Ltd.	71 Ridgetop Rd. Toronto ON M1R4Z7		1,197.03
M.J.M Tire Service	22486 Hwy # 48 Mt.Albert ON L0G1M0		4,310.83
Markham Auto Repair	16 Laidlaw Blvd Markham ON L3P1W7		8,235.50
Markham Spring Service Ltd.	21 Heritage Road Markham ON L3P1M4		6,317.70
McPherson Transfer Ltd.	15 Tidemore Ave. Etobicoke ON M9W7E9		6,211.52

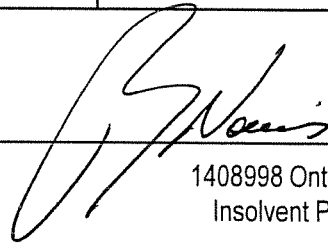
  
1408998 Ontario Inc.  
Insolvent Person

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Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the matter of the proposal of  
1408998 Ontario Inc.  
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Medulla Waste and Recycling Corp	63A Medulla Ave. Etobicoke ON M8Z5L6		276,232.55
Mid-Ontario Truck Centre	2400 Kirby Road Maple ON L6A4R6		2,709.22
Millennium Material Transfer Inc.	2440 Beryl Road Oakville ON L6J7X4		14,954.03
Norwood Financial	695 Markham Road Scarborough ON M1H 2A5		14,097.20
Platinum Car & Truck Repairs Ltd.	299 A Garyray Dr. Toronto ON M9L1P2		19,678.29
Progressive Waste Solutions Canada Inc.	1209 North Service Road East Oakville ON L6H1A7		2,651.23
Pronto Automotive Stouffville	138 Sandiford Drive Unit 2 Stouffville ON L4A7X5		1,085.01
Scarborough Transfer & Recovery	66 Shorncliffe Road Toronto ON M8Z5K1		197,833.77
Scarborough Truck Centre Inc.	1810 Markham Rd. Scarborough ON M1B2W2		9,980.12
Shipton Mechanical	3305 Concession 8 Road Ashburn ON L0B1A0		10,033.87
Silver Top Supply Limited	324 Sovereign Road London ON N6M1A8		1,118.70
Stan Tire	245 Creditstone Rd. Concord ON L4K1N6		2,586.12

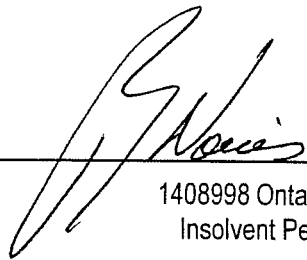
  
1408998 Ontario Inc.  
Insolvent Person

District of:  
Division No. -  
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- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the matter of the proposal of  
1408998 Ontario Inc.  
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Superior Door & Gate Systems Inc.	3210 American Drive Mississauga ON L4V1B3		1,073.50
Tor-Can Danville Recycling	6465 Danville Road Mississauga ON L5T2H7		5,895.06
Toronto Hydro Electric System	14 Carlton St. 8th Floor Toronto ON M5B1K5		623.86
Triple A Tire	2215 Midland Ave. Scarborough ON M1P3E7		11,680.02
Wastco Barrie	66 Welham Road Barrie ON L4N8Y4		9,606.41
Waste Container Services Inc.	106 Howden Road Scarborough ON M1R3E4		405.44
Wasteco	150 Orenda Road Brampton ON L6W1W3		3,270.05
Wasteco-Hamilton Wentworth Region	306 Lake Avenue Hamilton ON L8E3A2		8,541.53
<b>Total</b>			<b>3,024,760.73</b>

  
1408998 Ontario Inc.  
Insolvent Person


TAB 2

IN THE MATTER OF THE PROPOSAL OF  
1408998 Ontario Inc.  
of the City of Toronto, Province of Ontario

Statement of Projected Cash-Flow for the Period July 7, 2015 to October 6, 2015

	July 7 - August 6	August 7 - September 6	September 7 - October 6	Total
<b>Cash receipts</b>				
Collection of accounts receivable	185,000	195,000	340,000	720,000
<b>Total cash receipts</b>	185,000	195,000	340,000	720,000
<b>Cash disbursements</b>				
Dump fees - transfer station	110,000	120,000	115,000	345,000
Wages, salaries and benefits	50,000	52,000	52,000	154,000
Fuel	28,000	30,000	30,000	88,000
Repairs and maintenance	17,000	17,000	15,000	49,000
Rent	10,000	10,000	10,000	30,000
Insurance	8,000	8,000	8,000	24,000
Management fees	8,000	8,000	8,000	24,000
Equipment lease and rental	4,500	4,500	4,500	13,500
Telephone and utilities	3,500	3,500	3,500	10,500
Office and administration costs	1,100	1,100	1,100	3,300
<b>Total cash disbursements</b>	240,100	254,100	247,100	741,300
<b>Excess (deficiency) of receipts over disbursements</b>	(55,100)	(59,100)	92,900	(21,500)

1408998 Ontario Inc.  
per: Perry Novis

  
Rosen Goldberg Inc. - Trustee  
per: Joel Ross



IN THE MATTER OF THE PROPOSAL OF  
1408998 Ontario Inc.  
of the City of Toronto, Province of Ontario

**Notes to the Statement of Projected Cash-Flow  
for the period from July 7, 2015 to October 6, 2015**

**1. Basis of presentation of the statement of projected cash-flow**

This statement of projected cash-flow has been prepared solely for the purpose of completing a Proposal pursuant to Part III of the *Bankruptcy and Insolvency Act*. This statement is not intended, and therefore cannot be relied on by creditors in their independent determination of whether or not to extend any further credit to 1408998 Ontario Inc. (“140”).

This statement of projected cash-flow has been prepared for the period from July 7, 2015 to October 6, 2015.

**2. Hypothetical assumptions**

Hypothetical assumptions as defined in Standard of Professional Practice No. 99-5 of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that assume a set of economic conditions or courses of action that are not necessarily the most probable in the insolvent person’s judgment, but are consistent with the purpose of the cash-flow projection.

**3. Probable assumptions**

Probable assumptions as defined in accordance with Standard of Professional Practice No. 99-5 of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that the insolvent person believes reflects the most probable set of economic conditions and planned courses of action, are suitably supported, consistent with the plans of the insolvent person and proved a reasonable basis for the statement of projected cash-flow. The statement of projected cash-flow includes the following probable assumptions:

- a) Receipts - based on historical monthly cash receipts of 140.
- b) Disbursements - based on historical monthly cash disbursements of 140.
- c) Cash flow - cash deficiencies (if any) will be funded by Hulk Environmental Services Inc. (“Hulk”), the manager of 140.

Pursuant to an agreement dated June 1, 2015 between 140 and Hulk, operational management of 140 has been contracted to Hulk in exchange for a management fee. Cash flow deficiencies (if any) will be funded by Hulk.

**4. Stay period**

This cash-flow statement cannot be relied upon by creditors to determine if they will suffer any material prejudice to their respective positions during the stay period. The trustee must call the meeting of creditors to consider the Proposal, within 21 days from the date of filing the Proposal with the Official Receiver.

Creditors must make their own independent investigations to satisfy themselves as to their respective positions during the stay period.

TAB 3

IN THE MATTER OF THE PROPOSAL OF  
1408998 ONTARIO INC.  
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

**PROPOSAL**

1408998 Ontario Inc. (“140” or the “Debtor”), the above-named debtor, hereby submits the following Proposal under the *Bankruptcy and Insolvency Act*:

**PART 1  
INTERPRETATION**

1. In this Proposal, capitalized terms have the following meanings:
  - (a) “Act” means the *Bankruptcy and Insolvency Act*, as it may be amended from time to time;
  - (b) “Business Day” means any day other than a Saturday or a Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein;
  - (c) “Claim” means any indebtedness, liability, action, cause of action, suit, debt, due, account, bond, covenant, contract, counterclaim, demand, claim, right and obligation of any nature whatsoever of 140 to any person whether liquidated, unliquidated, fixed contingent, matured, legal, equitable, secured, unsecured, present, future, known or unknown, and whether by guarantee, surety or otherwise, incurred or arising or relating to the period prior to the Filing Date;
  - (d) “Court” means Superior Court of Justice, in Bankruptcy and Insolvency;
  - (e) “Court Approval Date” means the date on which the Court makes the Final Order;
  - (f) “Creditor” means any person who holds one or more Claims;
  - (g) “Creditors’ Meeting” means the special meeting of the Unsecured Creditors called for the purpose of considering and voting upon the Proposal;
  - (h) “Due Date” means the date upon which the personal income tax return, for the year in which the Proposal is filed and subsequent years as set out in the Income Tax Act;
  - (i) “Effective Date” means the date on which all conditions contained in Part X hereof have been satisfied;
  - (j) “Employees” means all of the employees of 140;
  - (k) “Event of Default” has the meaning given to it in Part VII;
  - (l) “Filing Date” means the date on which 140 filed its Notice of Intention to Make a Proposal under the Act, being July 7, 2015;

- (m) “Final Order” means an order of the Court approving this Proposal to be granted pursuant to the provisions of the Act, the appeal period having expired and no appeal having been filed, or any appeal therefrom having been dismissed and such dismissal having become final;
- (n) “Maturity Date” means the date on which all payments to the Proposal Trustee have been made, provided that no event of default has occurred that has not been cured or waived;
- (o) “Post Filing Goods and Services” means in respect of the Proposal the goods supplied, services rendered and other consideration given to 140 subsequent to the Filing Date;
- (p) “Preferred Creditor” means any Creditor entitled to receive payment of any amount owed to it in priority to other Creditors as provided in section 136 of the Act;
- (q) “Provisional Return” means a provisional return showing 140’s income tax debt for the period from the end of the last taxation years up to the date of filing of the Proposal
- (r) “Property” means the non-exempt assets of 140;
- (s) “Proposal” means this Proposal made pursuant to the Act, as further amended or supplemented from time to time;
- (t) “Proposal Period” means the period between the Final Order and the Maturity Date;
- (u) “Proposal Trustee” means Rosen Goldberg Inc., the trustee acting in this Proposal;
- (v) “Secured Creditor” means any Creditor who has valid security against various assets of the Debtor with respect to its Claim;
- (w) “Unsecured Creditor” means those persons with Claims, except for those Claims:
  - (i) that have been finally and conclusively disallowed;
  - (ii) that may be contingent or unliquidated and found by the Trustee or the Court (as may be applicable), not to be provable;
  - (iii) that are claims by Secured Creditors; or
  - (iv) that are claims by Preferred Creditors.

## **Headings**

2. The divisions of this Proposal into parts, paragraphs and subparagraphs, and the insertion of headings herein, is for convenience of reference only and is not to affect the construction or interpretation of this Proposal.

## **Number, etc.**

3. In this Proposal, where the context requires, a word importing the singular includes the plural and vice versa, and a word importing gender includes the masculine, feminine and neuter genders.

### **Date for Action**

4. In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

### **Successors and Assigns**

5. This Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, personal representatives, successors and assigns of all persons named or referred to herein including, without limitation, all Creditors.

### **Accounting Principles**

6. Accounting terms not otherwise defined have the meanings assigned to them in accordance with generally accepted Canadian accounting principles.

## **PART II PURPOSE AND EFFECT OF THIS PROPOSAL**

### **Purpose of Proposal**

7. The purpose of this Proposal is to provide the Unsecured Creditors with a greater dividend than would result from a forced liquidation of the Property and amends the terms of any and all agreements between 140 and the Unsecured Creditors existing at the Filing Date.

### **Persons Affected**

8. This Proposal will, as of the Effective Date, be binding on 140 and all Preferred Creditors and Unsecured Creditors of 140.

## **PART III SECURED CREDITOR CLAIMS**

9. The Claims of the Secured Creditors, if any, of 140 shall be dealt with in accordance with the arrangements made between 140 and its Secured Creditors.

## **PART IV UNSECURED CREDITOR CLAIMS**

### **Payment of Unsecured Claims**

10. Subject to paragraph 11 hereof, 140 will cause to be paid to the Proposal Trustee:
  - a) the sum of \$550,000 (the "Proposal Funds") to be paid as follows:
    - i. Claims, if any, in Part VI of this Proposal, to be paid within six (6) months

- after the Court Approval Date, and
- ii. The sum of \$70,000 to be paid no later than thirty (30) days following the amount paid in subsection (i) herein, and
- iii. The balance, representing the difference between the Proposal Funds and the total amounts paid in subsections (i) and (ii) herein, to be paid in seventeen (17) equal monthly instalments commencing no later than thirty (30) days following the payment of the amount noted in subsection (i) herein.

The funds to be received by the Proposal Trustee shall be paid as follows:

- b) the fees and costs of the Proposal Trustee;
- c) the claims, if any, in Part VI of this Proposal, in priority to the Unsecured Creditors;
- d) the full amount of the admitted claims of the Unsecured Creditors to be distributed pro-rata, less applicable levy of the Office of the Superintendent of Bankruptcy, without interest, and without penalty, among the Unsecured Creditors.

### **Effect of Payment**

- 11. Unsecured Creditors will accept the payments provided in Part IV of this Proposal, in complete satisfaction of all their Claims and all liens, certificates of pending litigation, executions or any other similar charges or actions or proceedings in respect of such Claims will have no effect in law or in equity against the property, assets and undertaking of 140. Upon the making of all payments provided for in this Part IV, any and all such clients, certificates of pending litigation, executions or other similar charges or actions will be discharged, dismissed or vacated without costs to 140.

## **PART V POST FILINGS**

- 12. 140 covenants and agrees to keep all filings, remittances and instalments, if any, to Canada Revenue Agency current for the post filing returns.

## **PART VI PREFERRED CLAIMS AND MANDATORY PAYMENTS**

### **Crown Claims**

- 13. Unless Her Majesty consents, 140 shall pay in full, within six months after the Court Approval Date, all amounts that were outstanding at the Filing Date that are of a kind that could be subject to a demand under:
  - (a) subsection 224(1.2) of the *Income Tax Act*;
  - (b) any provision of the Canada Pension Plan or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a

contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or

- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
  - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
  - (ii) is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

#### **Set Off**

- 14. 140 acknowledges that Her Majesty the Queen will have the right to exercise its right of set off with respect to any income tax or GST refunds pertaining to the period prior to the Proposal.

#### **Preferred Claims**

- 15. Preferred Claims, without interest, are to be paid in full in priority to all Claims of Unsecured Creditors including, without limitation, any entitlement of Unsecured Creditors to the payments to be made under Part IV of this Proposal.

#### **Payment of Fees**

- 16. All proper fees and expenses of the Proposal Trustee and reasonable legal and other professional fees of and incidental to the proceedings and transactions arising out of this Proposal and in connection with the preparation of this Proposal, and the administration of this Proposal, including advice to 140 in connection therewith, will be paid in addition to the Proposal Funds by the Debtor. The Proposal Trustee will be at liberty to withdraw and pay such fees from time to time subject to final approval by the Registrar in Bankruptcy upon completion of the Proposal.

#### **Employees' Claims**

- 17. All payments payable to former or current employees of 140, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the BIA if 140 became bankrupt on the Filing Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of traveling salesmen, disbursements properly incurred by those salesmen during the same period.

## **PART VII EVENTS OF DEFAULT**

18. The following events will constitute Events of Default for the purpose of section 63 of the Act and otherwise under this Proposal:
- (a) the non-payment of the amounts to the Proposal Trustee pursuant to paragraph 10; or
  - (b) the enforcement by any Secured Creditor of its security over all the assets of 140.

## **PART VIII TRUSTEE**

### **Confirmation of Appointment**

19. The Proposal Trustee shall be the trustee under this Proposal and all monies payable under this Proposal, unless otherwise provided herein, shall be paid over to the Proposal Trustee who shall make the payment of all dividends in accordance with the terms of this Proposal.
20. The Proposal Trustee is acting in its capacity as Proposal Trustee and not in its personal capacity and no officer, director, employee or agent of the Proposal Trustee shall incur any obligations or liabilities in connection with this Proposal or in connection with the business or liabilities of 140.
21. Any payments made by the Proposal Trustee to Creditors hereunder shall be made by the Proposal Trustee net of any levies payable or due under the Act.

## **PART IX INSPECTORS**

### **Appointment of Inspectors**

22. At the Creditors' Meeting, the Unsecured Creditors will be entitled to appoint one or more, but not exceeding five (5) inspectors in total. The inspectors will have the following powers, but will have no personal liability to 140 or other Creditors:
- (a) the power to extend the dates of payments provided under this Proposal;
  - (b) the power to waive any default in the performance of any provision of this Proposal;
  - (c) the power to advise the Proposal Trustee in respect of such matters as may be referred to the inspectors by the Proposal Trustee; and
  - (d) the power to advise the Proposal Trustee concerning any dispute that may arise to the validity of Claims of Preferred Creditors and Unsecured Creditors under this Proposal.



**PART X  
CONDITIONS PRECEDENT**

23. The performance of this Proposal by 140 shall be conditional upon the fulfillment or satisfaction of the following conditions within thirty (30) Business Days following the issuance of the Final Order:
- (a) all approvals and consents to the Proposal that may be required have been obtained;
  - (b) the Final Order has been issued and the time for bringing any appeal therefrom has expired;
  - (c) no order or decree restraining or enjoining the consummation of the transactions contemplated by this Proposal has been issued; and
  - (d) all agreements or instruments necessary to effect the intention and purpose of this Proposal have been received by 140 in a form satisfactory to him and the Proposal Trustee.

**PART XI  
RELEASE**

24. Upon the Effective Date, each and every present and former director of 140 (collectively, the "Released Parties"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action that arose before the commencement of the proceedings under the Act, in respect of the potential statutory liabilities of the former, present and future directors, and provided nothing herein shall release or discharge any of the Released Parties from claims that:
- (a) relate to contractual rights of one or more creditors arising from contracts with one or more directors;
  - (b) are based on allegations or misrepresentations made by directors to creditors or of wrongful or oppressive conduct by directors.
25. Sections 95-101 of the Act shall not apply to any dealings by 140 having taken place during the period prior to the Filing Date.

**PART XII  
MISCELLANEOUS**

**Consents, Waivers and Agreements**

26. On the Effective Date, all Unsecured Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety. For greater certainty, each such Unsecured

Creditor will be deemed to have waived any default by 140 in any provision, express or implied, in any agreement existing between the Unsecured Creditor and 140 that has occurred on or prior to the Filing Date, and to have agreed that, to the extent that there is any conflict between the provisions of any such agreement and the provisions of the Proposal, the provisions of this Proposal take precedence and priority and the provisions of any such agreement are amended accordingly.

#### **Further Actions**

27. 140 and the Creditors will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated hereby.

#### **Performance**

28. All obligations of 140 under this Proposal will commence as of the Effective Date. All obligations of 140 under this Proposal will be fully performed for the purposes only of section 65.3 of the Act upon 140 having made the payments to the Proposal Trustee provided for herein.

#### **Binding Effect**

29. The provisions of this Proposal will be binding on the Creditors and 140, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Final Order after all appeal periods have expired.

### **PART XIII ANNULMENT OF PROPOSAL**

#### **Annulment**

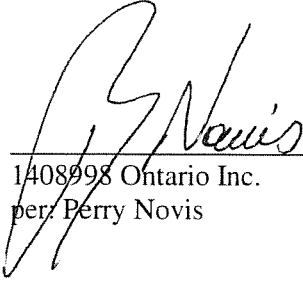
30. If this Proposal is annulled by an order of the Court, all payments on account of Claims made pursuant to the terms of this Proposal will reduce the Claims of Creditors.

### **PART XIV MODIFICATION**

31. 140 may propose amendments to the Proposal at any time prior to the conclusion of the Creditors' Meeting provided that any such amendment does not reduce the rights and benefits given to the Unsecured Creditors pursuant to the Proposal before such amendment and that any and all amendments shall be deemed to be a part of and incorporated into the Proposal.

1408998 Ontario Inc.  
Proposal  
Page 9

Dated at Toronto, Ontario, this 5<sup>th</sup> day of August 2015.



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1408998 Ontario Inc.  
per: Perry Novis

TAB 4

CANADA  
Province of Ontario  
District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2013017  
Estate No. 31-2013017

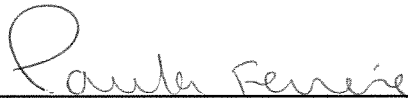
Affidavit of Mailing

In the matter of the proposal of  
1408998 Ontario Inc.  
of the City of Toronto, in the Province of Ontario

I, the undersigned, of the Trustee's office of Rosen Goldberg Inc., 5255 Yonge Street, Suite 804, Toronto, ON, M2N 6P4, hereby make oath (or solemnly affirm) and say:

That on the 11th day of August 2015, I did cause to be sent by prepaid ordinary mail to the known creditors of the above named debtor, whose names and addresses appear on the paper writing marked schedule "A" annexed hereto, a copy of: Notice of Proposal to Creditors, Proposal, Condensed Statement of Assets, and Liabilities, Listing of Creditors as at August 5, 2015, Proof of Claim Form, Voting letter and Proxy .

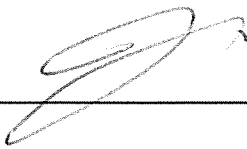
And that, on the 11th day of August 2015, I mailed to the debtor a copy of The Notice of Proposal to Creditors



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Paula Ferreira  
Phone: (416) 224-4200  
Fax: (416) 224-4330

SWORN (or SOLEMNLY DECLARED) before me in the City of Toronto in  
the Province of Ontario, this 11th day of August 2015.



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**Joel Martin Ross,**  
**a Commissioner, etc., Province of Ontario,**  
**for Rosen Goldberg Inc., Trustee in Bankruptcy.**  
**Expires July 3, 2016.**

## Creditor Mailing List

A

In the matter of the proposal of  
1408998 Ontario Inc.  
of the City of Toronto, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Court	Ontario Superior Court of Justice in Bankruptcy - Toronto		330 University Avenue, 7th Floor Toronto ON M5G 1R7	
Secured	• Almira Holdings Ltd.		4060 19th Avenue Markham ON L6C1M2	23,850.00
	• Canada Revenue Agency	London Tax Service Office	86895 8430 RP0001 Regional Intake Centre for Insolvency PO Box 5548, 451 Talbot Street London ON N6A 4R3 Fax: (519) 645-5397	376,731.11
	• Norwood Financial		695 Markham Road Scarborough ON M1H 2A5	14,100.00
	• Somerville National Leasing & Rentals Ltd.		75 Arrow Road Toronto ON M9M 2L4	1.00
	• VFS Canada Inc.		205 Industrial Pkwy N, Unit 5 Aurora ON L4G 4C4	1.00
Unsecured	• 1419768 Ontario Inc.		85016-561 Brant St Burlington ON L7R 2G6	
	• 2176163 Ontario Ltd.		29 Eden Valley Drive Toronto ON M9A4Z5	32,068.24
	• 2264201 Ontario Inc.		9700 Ninth Line Markham ON M1S4A4	182,628.81
	• 407 ETR		P.O.Box 407, Station "D" Scarborough ON M1R5J8	74,710.46
	• 551403 Ontario Limited		4060 19th Avenue Markham ON L6C1M2	13,900.00
	• AAA Tec Machinery Movers		38 Copeland Road Brampton ON L6Y2S6	1,175.20
	• Auto Route Towing Inc.		2390 Homes Road, RR#2 Queensville ON L0G1R0	536.75
	• Automatic Compactors Waste & Recycling		75 Rodinea Road Maple ON L6A1R3	22,181.49
	• BFI Canada Inc		650 Creditstone Road Concord ON L4K5C8	5,000.00
	• BFI Canada Inc.		500 Rennie Street Hamilton ON L8H3P5	8,333.32
	• BFI Canada Inc. -Lakeview Transfer		650 Creditstone Road Concord ON L4K5C8	69,496.79
	BFI Canada Inc. Creditstone		650 Creditstone Road Concord ON L4K5C8	10,796.37
	• BFI Canada-Freshway		650 Creditstone Road Concord ON L4K5C8	369.52
	• C.G. Construction		9700 Ninth Line Markham ON M1S4A4	166,500.00
	• Cable Craft Ltd.		480 Garyray Drive Weston ON M9L1P8	2,729.98
	Canada Revenue Agency	London Tax Service Office	86895 8430 RT0001 Regional Intake Centre for Insolvency PO Box 5548, 451 Talbot Street London ON N6A 4R3 Fax: (519) 645-5397	446,210.55
	Candiz Print Inc.		90 Venture Drive Unit 2 Toronto ON M1B3L6	237.30

## Creditor Mailing List

In the matter of the proposal of  
1408998 Ontario Inc.  
of the City of Toronto, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Cascades Recovery		66 SHorncliffe Road Toronto ON M8Z5K1	150,483.02
	• Corrado Gazze		9700 Ninth Line Markham ON M1S4A4	100,000.00
	• Cummins Hydraulics Ltd.		1250 Gorham Street Newmarket ON L3Y8W4	3,632.89
	• D.Gilsoul Trucking and Contracting		18 Coronation Drive Scarborough ON M1E2H1	5,717.80
	• Dependable Technical Connections		40 Ironside Crescent UNit 8-9 Scarborough ON MIX1G5	1,563.98
	• Durham Truck & Equipment Sales and Equip.		610 Finley Ave Ajax ON L1S2E3	10,214.80
	• Efficient Waste Management Services Inc		871 Equestrian Ct. Unit # 1 Oakville ON L6L6L7	2,868.08
	• Freshway Rail Services Inc.		10-B Freshway Drive Concord ON L4K1S3	75,158.10
	• Hunter Sunrise Mobile Wash		1555 Sandy Beach Road Pickering ON L1W3S2	3,166.83
	• Keele North Recycling Inc.		10525 Keele Street Maple ON L6A3Y9	287,184.29
	• Kelly Group Ltd.		3463 Glorene Court Mississauga ON L4Y 3K4	3,426.43
	• Kenco Construction		9700 Ninth Line Markham ON L6B1A8	320,000.00
	• Kirby Waste Transfer Solutions		7055 Kirby Road Vaughan ON L0J1C0	3,797.36
	• Lolimpin Gym Equipment Ltd.		71 Ridgetop Rd. Toronto ON M1R4Z7	1,197.03
	• M & M Disposal		1552 3rd Line N. Dummer Douro-Dummer ON K0L2H0	141.63
	• M.J.M Tire Service		22486 Hwy # 48 Mt.Albert ON L0G1M0	4,310.83
	• Markham Auto Repair		16 Laidlaw Blvd Markham ON L3P1W7	8,235.50
	• Markham Spring Service Ltd.		21 Heritage Road Markham ON L3P1M4	6,317.70
	• McPherson Transfer Ltd.		15 Tidemore Ave. Etobicoke ON M9W7E9	6,211.52
	• Medulla Waste and Recycling Corp		63A Medulla Ave. Etobicoke ON M8Z5L6	276,232.55
	• Mid-Ontario Truck Centre		2400 Kirby Road Maple ON L6A4R6	2,709.22
	• Millennium Material Transfer Inc.		2440 Beryl Road Oakville ON L6J7X4	14,954.03
	• Platinum Car & Truck Repairs Ltd.		299 A Garyray Dr. Toronto ON M9L1P2	19,678.29
	• Progressive Waste Solutions Canada Inc.		1209 North Service Road East Oakville ON L6H1A7	2,651.23
	• Pronto Automotive Stouffville		138 Sandiford Drive Unit 2 Stouffville ON L4A7X5	1,085.01
	• Scarborough Transfer & Recovery		66 Shorncliffe Road Toronto ON M8Z5K1	197,833.77

## *Creditor Mailing List*

In the matter of the proposal of  
1408998 Ontario Inc.  
of the City of Toronto, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Scarborough Truck Centre Inc.		1810 Markham Rd. Scarborough ON M1B2W2	9,980.12
	• Shipton Mechanical		3305 Concession 8 Road Ashburn ON L0B1A0	10,033.87
	• Silver Top Supply Limited		324 Sovereign Road London ON N6M1A8	1,118.70
	• Stan Tire		245 Creditstone Rd. Concord ON L4K1N6	2,586.12
	• Superior Door & Gate Systems Inc.		3210 American Drive Mississauga ON L4V1B3	1,073.50
	• Tor-Can Danville Recycling		6465 Danville Road Mississauga ON L5T2H7	5,895.06
	• Toronto Hydro Electric System		14 Carlton St. 8th Floor Toronto ON M5B1K5	623.86
	• Triple A Tire		2215 Midland Ave. Scarborough ON M1P3E7	11,680.02
	• Wastco Barrie		66 Welham Road Barrie ON L4N8Y4	9,606.41
	• Waste Container Services Inc.		106 Howden Road Scarborough ON M1R3E4	405.44
	• Wasteco		150 Orenda Road Brampton ON L6W1W3	3,270.05
	• Wasteco-Hamilton Wentworth Region		306 Lake Avenue Hamilton ON L8E3A2	8,541.53



TAB 5



ROSEN GOLDBERG  
INSOLVENCY & RESTRUCTURING

**Court File No. 31-2013017**

**TO THE CREDITORS OF  
1408998 Ontario Inc. o/a Pro Disposal (hereinafter referred to as “140” or the “Debtor”)**

Enclosed is a copy of a Proposal under Part III, Division 1 of the *Bankruptcy and Insolvency Act* (“BIA”), dated August 5, 2015, lodged with Rosen Goldberg Inc. (the “Trustee”) and filed with the Official Receiver on August 6, 2015. A Notice of Intention to Make a Proposal (“NOI”) was previously filed with the Official Receiver in respect of the Debtor.

Enclosed are the following documents:

- Notice of Proposal to Creditors
- Proposal
- Condensed Statement of Assets and Liabilities
- Listing of Creditors as at August 5, 2015
- Proof of claim form
- Voting letter
- Proxy

The following is an outline of the salient information that should be of assistance to creditors in considering their position with respect to the Proposal.

**Section A Introduction and Background**

The Debtor operates a waste disposal business. The Debtor supplies roll-off, front-load and rear-load waste bins to customers across the industrial spectrum.

The Debtor has recently experienced cash flow difficulty stemming from the insolvency of a significant customer, and from a dispute which resulted in the non-payment of the account of another significant customer. Together, amounts owed to the Debtor by the two customers total approximately \$900,000, the non-payment of which have resulted in the Debtor’s inability to pay its own debts generally as they become due. In addition, approximately one year ago, the Debtor lost a sales broker who had previously brought significant business to it.

The Debtor is presently without the resources to satisfy its obligations to its creditors in full. As an alternative to bankruptcy, the Debtor has elected to make a proposal to its creditors.



ROSEN GOLDBERG

INSOLVENCY & RESTRUCTURING

Prior to filing the NOI, the Debtor entered into an agreement with Hulk Environmental Services Inc. (“Hulk”), whereby Hulk, as agent for the Debtor, agreed to manage all of the operations of the Debtor.

## **Section B Summary of Proposal**

This section contains a brief summary of the Proposal, the terms of which would be effective only if:

- all classes of creditors affected by the Proposal vote for acceptance of the Proposal by a majority in number and two-thirds in value of each class of creditor present personally or by proxy, at both the meeting and voting on the resolution; and
- the Proposal is approved by the Court, in accordance with the provisions of the BIA.

The Proposal includes, *inter alia*, the following provisions:

- The Debtor will cause to be paid to the Trustee the sum of \$550,000 (the “Proceeds”) to be paid as follows:
  - i. Certain mandatory payments and preferred claims to be paid within six (6) months after the Court Approval Date, and
  - ii. The sum of \$70,000 to be paid no later than thirty (30) days following the amount paid in subparagraph (i) above, and
  - iii. The balance, representing the difference between the Proceeds and the total amounts paid in subparagraphs (i) and (ii) above, to be paid in seventeen (17) equal monthly instalments commencing no later than thirty (30) days following the payment of the amount noted in subparagraph (i) above.

The Proceeds received by the Trustee shall be paid, as follows:

- the fees and costs of the Proposal Trustee;
- preferred claims and other mandatory payments will be paid in priority to all claims of ordinary unsecured creditors;
- the full amount of the admitted claims of the unsecured creditors to be distributed pro-rata, less applicable levy of the Office of the Superintendent of Bankruptcy, without interest, and without penalty, among the unsecured creditors.

For greater detail, creditors are referred to and should review the Proposal itself.



**Section C Financial position and evaluation of assets**

According to the Statement of Affairs, the Debtor's assets consist of:

	<b>Estimated Realizable Value</b>
• Accounts receivable (Note)	\$ 222,000
• Vehicles (Note)	195,602
• Waste disposal bins (Note)	55,900

**Notes**

The Trustee has obtained appraisals of the vehicles and waste disposal bins under a liquidation approach. The Trustee has estimated the realization of the accounts receivable on the basis of discussions with management of the Debtor and historical experience. Actual realization may differ from the estimates provided.

The Debtor's assets are secured by a trust claim in favour of the Canada Revenue Agency in the approximate amount of \$376,000. In a bankruptcy, the trust claim would be payable in priority to the claim of any other creditor.

**Section D Interim Receiver**

Not applicable.

**Section E Conduct of the Debtor**

The Trustee is currently conducting a review of the affairs and the financial situation of the Debtor to identify any transactions which could be considered preferences or transfers at undervalue. The Trustee will report its findings to the meeting of creditors.

According to the terms of the Proposal, sections 95-101 of the BIA do not apply in the event that the Proposal is accepted by creditors and receives Court approval.



## **Section F Creditors' Claims**

According to the Statement of Affairs, creditors consist of:

	<b>Amount</b>
• Secured / trust	\$ 414,683
• Preferred	Nil
• Unsecured	2,610,461

## **Section G Prior business dealings with the Debtor**

The Trustee confirms that it has not provided previous services to the Debtor in any capacity other than as Trustee under the Proposal. The Trustee further confirms that it does not have knowledge of any conflict of interest situation with respect to this appointment.

## **Section H Informal Meeting with Major Creditors**

Not applicable.

## **Section I Remuneration of Trustee**

The fees and expenses, including legal fees of the Trustee, on and incidental to the proceedings arising out of the Proposal, including advice to the Debtor and the preparation of this Proposal, shall be paid from the Proposal funds in priority to the claims of all creditors.

## **Section J Cash-flow Statement Prepared by the Proponent**

In accordance with the BIA, a cash flow statement was prepared by the Debtor and filed along with the Notice of Intention to Make a Proposal.

## **Section K Estimated Realization and Recommendation**

If the Proposal is either rejected by the creditors or is not approved by the Court, the Debtor will be deemed to have filed an assignment in bankruptcy.

The following is a comparison of the estimated realization under both a Proposal and Bankruptcy scenario.



	<b>Proposal</b>	<b>Bankruptcy</b>
<b>Payments:</b>		
Payments under terms of Proposal	\$ 550,000	\$ N/A
<b>Realization of Assets (Note 1):</b>		
- Accounts receivable	N/A	222,000
- Vehicles	N/A	195,600
- Waste disposal bins	<u>N/A</u>	<u>55,900</u>
	550,000	473,500
<b>Less:</b>		
Claims of trust creditors (Note 2)	(376,000)	(376,000)
Trustee's estimated fees and costs	<u>(25,000)</u>	<u>(40,000)</u>
Maximum distribution to Unsecured Creditors	<u>149,000</u>	<u>57,500</u>
Unsecured Creditors per Statement of Affairs	\$ 2,610,461	\$ 2,610,461
Estimated distribution to Unsecured Creditors	<u>5.71 %</u>	<u>2.20%</u>

**Notes to Comparison:**

Note 1: The Trustee has obtained appraisals of the vehicles and waste disposal bins under a liquidation approach. The Trustee has estimated the realization of the accounts receivable in a bankruptcy scenario on the basis of discussions with management of the Debtor and historical experience. Actual realization may differ from the estimates provided.

Note 2: The Canada Revenue Agency has a trust claim in the estimated amount of \$376,000, payable within 6 months after court approval of the Proposal. In a bankruptcy, the trust claim would be payable in priority to the claim of any other creditor.

**On the basis of the foregoing, the unsecured creditors would receive a more favourable return by accepting the Proposal than they would if they rejected the proposal. The Trustee therefore recommends the acceptance of the Proposal by the unsecured creditors.**



**Section L      Procedures for dealing with the Proposal**

Creditors with claims arising prior to July 7, 2015 should submit proofs of claim for amounts owing at that date.

Accounts subsequent to that date should not be included as parties must make their own arrangements with the Debtor for all transactions subsequent to that date.

It is expressly noted and should be clearly understood that the Trustee, Rosen Goldberg Inc., assumes no personal liability for any claims against the Debtor either before or after the filing of the Proposal.

Creditors may attend, in person or by proxy, the meeting to consider the Proposal which will be held on Wednesday, August 26, 2015 at 10:00 AM, at the office of the Trustee, Rosen Goldberg Inc., 5255 Yonge Street, Suite 804, Toronto, Ontario, M2N 6P4.

**Please note, that in order for your vote to count in connection with the Proposal, it is necessary that you complete and submit the enclosed documents prior to the meeting to consider the Proposal.**

Creditors who do not wish to attend or be represented at the meeting but who wish to vote, may forward their proofs of claim, attached statements and voting letters by mail to the Trustee, so as to be received prior to the meeting.

Dated at Toronto, Ontario, this 10<sup>th</sup> day of August 2015.

**Rosen Goldberg Inc.**

**ROSEN GOLDBERG INC.**  
**Trustee**

IN THE MATTER OF THE PROPOSAL OF  
1408998 ONTARIO INC.  
OF THE CITY OF TORONTO, PROVINCE OF ONTARIO

**Condensed Statement of Assets and Liabilities**

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**Assets**

	<b>Estimated To Realize</b>
1. Accounts receivable (See note)	\$ 222,000
2. Vehicles (See note)	195,600
3. Waste disposal bins (See note)	55,900

**Liabilities**

4. Secured / trust (See note)	414,683
5. Unsecured	2,610,461

**Note:**

The Trustee has obtained appraisals of the vehicles and waste disposal bins under a liquidation approach. The Trustee has estimated the realization of the accounts receivable on the basis of discussions with management of the Debtor and historical experience. Actual realization may differ from the estimates provided.

The Debtor's assets are secured by a trust claim in favour of the Canada Revenue Agency in the approximate amount of \$376,000. In a bankruptcy, the trust claim would be payable in priority to the claim of any other creditor.



TAB 6

District of        ONTARIO  
Division No.     09 - Toronto  
Court No.        31-2013017  
Estate No.       31-2013017

IN THE MATTER OF THE PROPOSAL OF  
1408998 ONTARIO INC.  
OF THE CITY OF TORONTO, PROVINCE OF ONTARIO

Minutes of the meeting of creditors of 1408998 Ontario Inc. held at the office of the Trustee, on August 26, 2015 at 10:00 in the forenoon.

Present: See attached attendance sheet.

Mr. Rosen occupied the chair. The chairman declared the meeting to be properly convened and validly constituted.

The chairman noted that prior to the meeting, it received a request from the Canada Revenue Agency, a proven creditor with unsecured claims in the amount of \$465,434, to seek an adjournment of the meeting until September 8, 2015. The Trustee was appointed as a limited proxy for the Canada Revenue Agency in respect of the adjournment request. The chairman advised the meeting of the adjournment request and proceeded to call for a vote on the adjournment request. By ordinary resolution, the meeting resolved to reject the adjournment and to proceed with the scheduled meeting.

The chairman thereafter discussed the financial situation of the debtor, and opened up the meeting to questions.

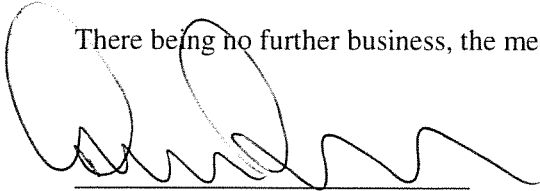
There being no questions, the chairman proceeded to call for a vote on the proposal by the proven creditors present, in person or by proxy, and voting letters received prior to the commencement of the meeting.

On the basis of claims received, creditors present, and voting letters (summarized hereunder), the trustee declared the proposal to be accepted pursuant to the provisions of Section 54(2)d of the Act.

	Claims	Dollar value	Percentage
In favour	15	\$1,524,358.81	80.29%
Against	2	374,127.57	19.71%

Dwayne Gilsoul, Jon Lewis and Vinnie Ussia, and were appointed inspectors of the estate.

There being no further business, the meeting was adjourned with the consent of those present.

  
Chairman

ATTENDANCE LIST MEETING OF CREDITORS

Estate Name: 1408998 Ontario Inc. File No. 31-2013017 Date: August 26, 2015

No.	Signature	Name (print)	Representing	Amount of Claim	Remarks
1)		Brahm Rosen	Trustee	N/A	
2)		Joel Ross	Trustee	N/A	
3)		WAYNE GILSON	D. Gilson Trucking		
4)		VINODHISSA	K. R. B. J. W. A. S. T. E. Transport Solutions		
5)		PERRY NOVIS	1408998 ONT INC	N/A	
6)		Don Lewis	Medulla WMB		
7)		Canada Revenue Agency	- by proxy		
8)		Voting letters	- see attached.		
9)					
10)					
11)					
12)					
13)					
14)					
15)					
16)					
17)					
18)					
19)					
20)					

District of Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2013017  
 Estate No. 31-2013017

### Voting Summary

In the matter of the proposal of  
 1408998 Ontario Inc.  
 of the City of Toronto, in the Province of Ontario

Insolvency Date: 07-Jul-2015

Estate Number: 31-2013017

### Result of Voting

Class	Total #			Dollar Value of Claims		Percentage by Votes		Percentage by Value		Result	
	Votes	Yes	No	Yes	No	Yes	No	Yes	No	By Votes	By Value
	17	15	2	1,524,358.81	374,127.57	88.24	11.76	80.29	19.71	App.	App.

### List of creditors

Class	Creditor Name	Type	Account #	\$ Admitted for Voting	Voted By	Vote
	2264201 Ontario Inc.	U		182,628.81	Letter	For
	Auto Route Towing Inc.	U		536.75	Letter	For
	Automatic Compactors Waste & Recycling	U		22,181.49	Letter	For
	C.G. Construction	U		166,500.00	Letter	For
	Cascades Recovery	U		348,142.24	Letter	Against
	Corrado Gazze	U		100,000.00	Letter	For
	D.Gilsoul Trucking and Contracting	U		66,604.46	In Person	For
	Durham Truck & Equipment Sales and Equip.	U		10,148.53	Letter	For
	Hunter Sunrise Mobile Wash	U		3,268.53	Letter	For
	Keele North Recycling Inc.	U		339,433.23	Letter	For
	Kenco Construction	U		320,000.00	Letter	For
	Kirby Waste Transfer Solutions	U		5,029.72	In Person	For
	Markham Auto Repair	U		8,235.50	Letter	For
	Markham Spring Service Ltd.	U		11,581.24	Letter	For
	Medulla Waste and Recycling Corp	U		276,232.55	In Person	For
	Multibobcat Services Ltd.	U		11,978.00	Letter	For
	Wasteco	U		25,985.33	Letter	Against

TAB 7

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2013017  
Estate No. 31-2013017

FORM 40.1  
Notice of Hearing of Application for Court Approval of Proposal  
(Paragraph 58(b) of the Act)

In the matter of the proposal of  
1408998 Ontario Inc.  
of the City of Toronto, in the Province of Ontario

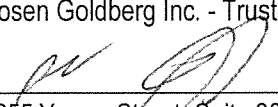
In Ontario Superior Court of Justice in Bankruptcy - Toronto.

In the matter of the proposal of 1408998 Ontario Inc., a debtor.

Take notice that an application will be made to the court, at 330 University Avenue, 7th Floor, Toronto, Ontario, on the 22nd day of September 2015, at 10:00 AM, to approve the proposal of 1408998 Ontario Inc., accepted by the creditors at a meeting held on the 26th day of August 2015.

Dated at the City of Toronto in the Province of Ontario, this 2nd day of September 2015.

Rosen Goldberg Inc. - Trustee



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5255 Yonge Street, Suite 804  
Toronto ON M2N 6P4  
Phone: (416) 224-4200 Fax: (416) 224-4330

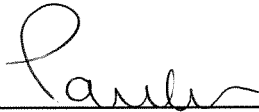
CANADA  
Province of Ontario  
District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2013017  
Estate No. 31-2013017

Affidavit of Mailing

In the matter of the proposal of  
1408998 Ontario Inc.  
of the City of Toronto, in the Province of Ontario

I, the undersigned, of the Trustee's office of Rosen Goldberg Inc., 5255 Yonge Street, Suite 804, Toronto, ON, M2N 6P4, hereby make oath (or solemnly affirm) and say:

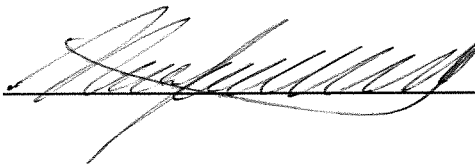
That on the 3rd day of September 2015, I did cause to be sent by prepaid ordinary mail to all proven creditors, whose names and addresses appear on the paper writing marked schedule "A" annexed hereto, a copy of: Notice of hearing of application for court approval of proposal.



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Paula Ferreira  
Phone: (416) 224-4200  
Fax: (416) 224-4330

SWORN (or SOLEMNLY DECLARED) before me in the City of Toronto in the Province of Ontario, this 3rd day of September 2015.



**Steven Warren Howard Goldberg,**  
**a Commissioner, etc., Province of Ontario,**  
**for Rosen Goldberg Inc., Trustee in Bankruptcy.**  
**Expires September 25, 2017.**

## Creditor Mailing List

In the matter of the proposal of  
1408998 Ontario Inc.  
of the City of Toronto, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Secured	● Norwood Financial		695 Markham Road Scarborough ON M1H 2A5	14,100.00
Unsecured	● 2264201 Ontario Inc.		9700 Ninth Line Markham ON M1S4A4	182,628.81
	● Auto Route Towing Inc.		2390 Homes Road, RR#2 Queensville ON L0G1R0	536.75
	● Automatic Compactors Waste & Recycling		75 Rodinea Road Maple ON L6A1R3	22,181.49
	● C.G. Construction		9700 Ninth Line Markham ON M1S4A4	166,500.00
	● Cascades Recovery	Jennifer Corbett	c/o Himelfarb Proszanski 480 University Avenue, Suite 1401 Toronto ON M5G 1V2	150,483.02
	● Corrado Gazze		9700 Ninth Line Markham ON M1S4A4	100,000.00
	● Cummins Hydraulics Ltd.		1250 Gorham Street Newmarket ON L3Y8W4	3,632.89
	● D.Gilsoul Trucking and Contracting		18 Coronation Drive Scarborough ON M1E2H1	5,717.80
	● Durham Truck & Equipment Sales and Equip. Hunter Sunrise Mobile Wash		610 Finley Ave Ajax ON L1S2E3 1555 Sandy Beach Road Pickering ON L1W3S2	10,214.80 3,166.83
	● Keele North Recycling Inc.		10525 Keele Street Maple ON L6A3Y9	287,184.29
	● Kenco Construction		9700 Ninth Line Markham ON L6B1A8	320,000.00
	● Kirby Waste Transfer Solutions		7055 Kirby Road Vaughan ON L0J1C0	3,797.36
	● Markham Auto Repair		16 Laidlaw Blvd Markham ON L3P1W7	8,235.50
	● Markham Spring Service Ltd.		21 Heritage Road Markham ON L3P1M4	6,317.70
	● Medulla Waste and Recycling Corp		63A Medulla Ave. Etobicoke ON M8Z5L6	276,232.55
	● Multibobcat Services Ltd.		62 Boticelli Way Vaughan ON L4H 0J5	11,978.00
	● Wasteco		150 Orenda Road Brampton ON L6W1W3	3,270.05



IN THE MATTER OF THE PROPOSAL OF  
1408998 ONTARIO INC.

ESTATE NO. 31-2013017

*ONTARIO*  
SUPERIOR COURT OF JUSTICE

Proceeding Commenced at Toronto

TRUSTEE'S REPORT ON COURT APPROVAL OF  
PROPOSAL

ROSEN GOLDBERG INC.  
5255 Yonge St. Suite 804  
Toronto ON M2N 6P4

Tel: 416-224-4200

Fax: 416-224-4330

Trustee in Bankruptcy