

RSM Richter Inc.

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**CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
No.: 500-11-041238-110**

**SUPERIOR COURT
(Commercial Division)
(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C. 1985,
c. C-36)**

**IN THE MATTER OF THE PLAN OF COMPROMISE
AND ARRANGEMENT WITH RESPECT TO:**

HART STORES INC. / MAGASINS HART INC., a legal person having its head office at 900 Place Paul-Kane, in the City and District of Laval, Province of Québec, H7C 2T2 and a place of business at 7852 Boulevard Champlain in the City and District of Montreal, Borough of LaSalle, Province of Quebec, H8P 1B3

Debtor

-and-

RSM RICHTER INC., a duly incorporated legal person having its principal place of business at 2 Place Alexis-Nihon, in the city and district of Montreal, Quebec, H3Z 3C2

Monitor

**REPORT OF THE MONITOR FOR THE PURPOSE OF THE SANCTION OF THE
AMENDED PLAN OF COMPROMISE AND ARRANGEMENT
February 21, 2012**

INTRODUCTION AND OVERVIEW

1. On August 30, 2011, Hart Stores Inc. (hereinafter referred to as “Debtor” or “Hart Stores”) filed with the Quebec Superior Court, a Motion for the Issuance of an Initial Order pursuant to Section 11 of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, C-36, as amended (the “CCAA”). In this regard, the Honorable Jean-Yves Lalonde, J.S.C. rendered the Initial Order appointing RSM Richter Inc. (“Richter”) as monitor (the “Monitor”).
2. The Initial Order authorized the Debtor to enter into an interim financing (the “DIP Financing”) with Wells Fargo Capital Corporation Canada (“Wells Fargo” or the “DIP Lender”) pursuant to the DIP commitment letter filed in support of the Initial Order (the “DIP Facility”) and created a charge in favour of the DIP Lender over the Debtor’s property (as more fully described in the Initial Order). As per the terms of the DIP Facility, which expires on March 14, 2012, all funds collected by the Debtor have been applied against the pre-filing Revolver Loan while disbursements were funded through the post-filing DIP Financing.
3. Since the issuance of the Initial Order, the Stay Period has been extended on four (4) occasions by the Court. In this regard, on January 20, 2012, the Court granted an Order extending the Stay Period until March 14, 2012 in order to grant the Debtor additional time to:
 - Hold the Creditors’ Meeting following the filing of the Plan of Compromise and Arrangement (the “Plan”) by the Debtor on January 20, 2012; and
 - Meet the conditions set out in the Firm Term Sheet of the Replacement Lender, as hereinafter defined, and complete the refinancing.
4. On October 19, 2011, the Honorable Jean-Yves Lalonde, J.S.C. rendered an Order authorizing the sale of the inventory located in the Closing Stores by Tiger Capital Group LLC (“Tiger”), the whole pursuant to the terms of an Agency Agreement negotiated with Tiger.
5. On November 28, 2011, the Court issued the Claims and Meetings Procedure Order which established the procedure for the review, determination and adjudication of all Claims as well as a Claims Bar Date of January 12, 2012 for Claims which arose up to and including August 30, 2011 and a Restructuring Claims Bar Date of January 31, 2012 for Claims which arose after August 30, 2011 with respect, inter alia, to contracts terminated in accordance with the provisions of the CCAA. The Order rendered on January 20, 2012 extended the Claims Bar Date to January 31, 2012.

6. On January 17, 2012, Hart Stores obtained a firm financing offer (“Firm Term Sheet”) from CIBC (the “Replacement Lender”) for a revolving line of credit of up to \$25 million conditional, amongst other things, on the acceptance of the Plan by the Affected Creditors (as defined in the Plan) and its approval by the Court.
7. On January 23, 2012, the Monitor mailed a Notice of the Amendment to the Claims Bar Date, a copy of the Plan, the Notice of Meeting of Creditors and Sanction Hearing, a proxy form and voting letter to all known creditors.
8. On February 3, 2012, the Monitor made available on his Web Site its report on the State of the Debtors’ Financial Affairs and the Plan of Arrangement (the “Monitor’s Report”) in order to provide information on Hart Stores and to assist the creditors and the Court in their review and assessment of the Plan.
9. A duly constituted Meeting of Creditors of the Debtor was held on February 15, 2012 during which the Amended Plan of Compromise and Arrangement (the “Amended Plan”) was submitted to the creditors (or their proxies) physically present at this meeting. The modifications to the Plan, as it appears from the Amended Plan, provide for the acceleration of the payment of the Distribution Amount and for the creation of the position of Chairman of the Creditor’s Committee and for members of that committee to receive compensation.
10. The Amended Plan was approved by the Required Majorities (as defined in the Amended Plan).
11. The Debtor will be filing with the Court a Motion to Sanction the Amended Plan of the Debtor, which is to be presented on February 27, 2012.

OUTLINE AND RESERVES

12. The purpose of this Report is to provide the Court with an overview of the compromise and arrangement pursuant to the Amended Plan. This report is subdivided as follows:
 - Background Information and Restructuring Measures;
 - Update on Claims Process;
 - Amended Plan of Compromise and Arrangement;
 - Meeting of Creditors and Vote; and
 - Monitor’s Recommendation to the Court.

13. All amounts are stated in Canadian dollars unless otherwise noted. Capitalized terms used herein and not defined herein shall have the meaning ascribed to them in the Amended Plan.
14. It should be noted that the Monitor has not conducted an audit or investigation of the books and records of the Debtor and that accordingly, no opinion is expressed regarding the accuracy or completeness of the information contained herein. The present information emanates from the Debtors' books and records that have been made available to the Monitor, as well as from discussions with its management.

BACKGROUND INFORMATION AND RESTRUCTURING MEASURES

15. For a comprehensive description of Hart Stores' corporate structure, background, operations, historical operating results, financial position, as well as a summary of the operational and financial restructuring initiatives undertaken by the Debtor's management, we refer you to the following Monitor's reports already filed with the Court:

- The First Report of the Monitor on the state of the Debtor's financial affairs dated September 27, 2011;
- The Second Report of the Monitor on the liquidation solicitation process dated October 18, 2011;
- The Third Report of the Monitor on the state of the Debtor's financial affairs dated November 3, 2011;
- The Fourth Report of the Monitor on the state of the Debtor's financial affairs dated January 19, 2012;
- The Report of the Monitor on the state of the Debtor's affairs and the Plan of Arrangement dated February 3, 2012; and
- The Updated Report of the Monitor on the state of the Debtor's affairs and the Plan of Arrangement dated February 15, 2012 (the "Updated Report").

For ease of reference, certain highlights of Hart Stores' corporate history and restructuring efforts are provided below.

16. The Debtor was constituted by a Certificate of Amalgamation issued pursuant to the *Canada Business Corporations Act* (the "CBCA") on October 25, 1984. Hart Stores, however, can trace its history to 1960, when Mr. Harry Hart founded the original Hart Department Stores in Rosemere, Quebec.

17. The Debtor is a Canadian public company, listed on the TSX Venture Exchange. The Debtor operated a chain of mid-sized department stores located in secondary and tertiary markets throughout Ontario, Quebec, Newfoundland and Labrador, New Brunswick and Nova Scotia under the names "Hart", "Géant des Aubaines" and "Bargain Giant", and continues to operate in most of these provinces.
18. As of the date hereof, the Debtor had approximately 969 active employees, including 861 sales associates in the stores, 60 warehouse employees and 48 head office staff.
19. The Debtor's 200,000 square foot head office and distribution center is located in Laval, Quebec and is leased from a wholly owned subsidiary.
20. Since the issuance of the Initial Order, the Debtor has, amongst other things, implemented or is in the process of implementing the following measures in order to restructure its financial affairs and operations:
 - Selected a Replacement Lender;
 - Closed 32 stores that were underperforming (the "Closing Stores");
 - Conducted a process for the sale/assignment of Closing Stores leases;
 - Sold Closing Stores furniture and fixtures;
 - Liquidated a portion of the Excess Inventory in the continuing stores;
 - Reduced its operating and overhead expenses; and
 - Proceeded to changes in merchandising and retailing.

Update on Refinancing

21. Following the issuance of the Initial Order, the Debtor re-initiated discussions with a number of chartered banks and asset based lenders with a view to refinance its business. Nine (9) lenders were approached by the Debtor and detailed financial and operational information was provided to those prospective replacement lenders with a view to assist them in assessing this refinancing opportunity.
22. On January 17, 2012, the Debtor accepted the Firm Term Sheet from the Replacement Lender. The Firm Term Sheet provides for a revolving line of credit of up to \$25 million and is conditional, amongst other things, on the acceptance of the Amended Plan by the Affected Creditors and its approval by the Court.
23. The legal due diligence process has been initiated and is expected to be completed by the end of February or early March 2012.

UPDATE ON CLAIMS PROCESS

24. On November 28, 2011, the Court issued the Claims and Meetings Procedure Order.
25. On December 1, 2011, in accordance with the terms of the Claims and Meetings Procedure Order, notice was given by the Monitor to all known creditors that any proof of claim must be filed with the Monitor no later than January 12, 2012 at 5:00 p.m., Eastern Standard Time, for Claims which arose up to and including August 30, 2011 (the "Claims Bar Date") and/or January 31, 2012 at 5:00 p.m., Eastern Standard Time, for Claims which arose after August 30, 2011 (the "Restructuring Claims Bar Date").
26. On December 1, 2011, the Monitor also published newspaper notices in La Presse (Montreal) and The Globe and Mail (Toronto), to advise any potential creditors of the Claims Bar Dates and of the Instruction Letter for the Claims Process.
27. On January 20, 2012, an Order was rendered extending the Claims Bar Date to January 31, 2012.
28. On January 23, 2012, the Monitor mailed to all known creditors a notice informing them that the Claims Bar Date had been extended to January 31, 2012.
29. As of January 31, 2012, 591 creditors representing 64% of the total number of creditors (928) filed Claims totaling approximately \$36.1 million, as indicated in the Monitor's Report dated February 3, 2012. It is important to note that the Debtor disagrees with numerous Claims filed by the Affected Creditors, in particular those of the landlords for damage claims. In this regard, the Debtor, with the assistance of the Monitor, has reviewed the major claims filed by the Affected Creditors and communicated with same in order to:
 - Prompt the Affected Creditors to amend their claims when discrepancies existed as compared to the Debtor's books and records, or alternatively;
 - Have the Monitor issue Notices of Revision or Disallowance or value the claims for voting purposes and notify the Affected Creditors accordingly.

30. Following the receipt of numerous amended claims, in particular those from the landlords for damage claims, and the issuance of Notices of Revision or Disallowance by the Monitor and the valuation adjustments of certain claims for voting purposes, the total value of the claims for voting purposes has been reduced from \$36.1 million to \$27 million, as summarized below:

Hart Stores Inc. Reconciliation of Claims for Voting Purposes (in millions)	
Proofs of claims received as at January 31, 2012	\$ 36.1
Amended Landlord claims	(4.3)
Notices of Revisions and Disallowances issued the Monitor and valuation adjustments of certain claims for voting purposes	(4.8)
Total Claims for voting purposes	\$ 27.0

31. Exhibit A presents a list of the proofs of claim that were received after the Claims Bar Date.
32. Included in that list are claims totaling approximately \$2.3 million from Compagnie Française d'Assurance pour le commerce Extérieur - Canada Branch ("COFACE"). In fact, these claims replace claims originally received from various suppliers that were disallowed prior to the Meeting of Creditors since each of those claims had been integrally assigned to COFACE.
33. The Monitor is in agreement with the Debtor's request to this Court that the Monitor be authorized to accept the claims listed in Exhibit A in light of the lack of prejudice to any stakeholder.
34. The Debtor and the Monitor have not completed the review and reconciliation of all claims filed and the Debtor still disagrees with several claims. In this regard, the value of the claims as per the Debtor's books and records totals approximately \$26.3 million.
35. **The ultimate quantum of the Claims recognized for distribution purposes will vary depending on the final results of the Claims Process.**

AMENDED PLAN OF COMPROMISE AND ARRANGEMENT

Summary of the Amended Plan

36. Please note that the following is only a summary of the terms of the Amended Plan and we refer the Court to the Amended Plan for complete details of its terms.
37. The Amended Plan provides that the Debtor will remit to the Monitor a total of \$6 million during the period spanning from September 2012 to February 2015, for distribution to Affected Creditors, which will be funded out of the Debtor's operating cash flow.
38. Affected Creditors constitute a single class under the Amended Plan for all purposes. Any Excluded Creditors and Secured Creditors were not entitled to vote at the Meeting of Creditors and shall not receive any distributions in respect of their Excluded Claims or Secured Claims.
39. The Amended Plan will be binding on Hart Stores and on all Persons affected by the Amended Plan.

Amounts to be Distributed to Affected Creditors

40. As previously highlighted, the Amended Plan provides for an acceleration of the payment of the Distribution Amount to be remitted by the Debtor to the Monitor as compared to the initial Plan, summarized as follows:

Hart Stores Inc.		
Distribution under the Plan of Arrangement (in 000's)	<u>Amended Plan</u>	<u>Initial Plan</u>
<u>Distribution Amount (Note 1)</u>		
September 14, 2012	\$ 1,000	\$ 1,000
February 3, 2013	1,000	1,000
September 14, 2013	500	-
February 2, 2014	1,500	1,500
September 14, 2014	500	-
February 1, 2015	-	1,500
February 28, 2015	1,500	1,000
	<u>\$ 6,000</u>	<u>\$ 6,000</u>

Note 1: Represents the dates on which the Debtor shall pay the instalments to the Monitor.

41. The Amended Plan provides for the Monitor to distribute the above-mentioned amount to the Affected Creditors within a reasonable time after its receipt as follows:
- At any time prior to August 14, 2012, any Affected Creditor may elect to receive the lesser of \$1,000 or the amount of its ordinary claim and for any excess be deemed to have irrevocably and unconditionally reduced their claim to \$1,000 (defined as an Electing Creditor). Electing Creditors will receive a one-time payment of a maximum of \$1,000 from the funds to be remitted by the Debtor to the Monitor on or before September 14, 2012. Thereafter, Electing Creditors shall not receive any further dividends;
 - Affected Creditors other than Electing Creditors will be entitled to receive their pro rata share of the balance of the \$6 million, after distributions to the Electing Creditors.

Other

42. The Amended Plan provides that Section 38 and 95 to 101 of the *Bankruptcy and Insolvency Act* (Canada) shall not apply to the Amended Plan.

Creditors' Committee

43. The Amended Plan provides for the creation of a committee which shall be comprised of, at most, three (3) individuals (the "Creditors' Committee"), one of whom shall be the Chairman of the Creditors' Committee, designated by the Affected Creditors at the Meeting of Creditors. The Creditors' Committee shall have the following powers:
- Receive information from time to time from the Monitor regarding the progress made in implementing the Amended Plan;
 - Extend, where applicable, the time period for payment to the Monitor of any sum to be distributed to the Affected Creditors beyond the delays provided for in the Amended Plan; and
 - Assist the Monitor in an advisory capacity in relation to the administration of the Amended Plan.
44. The Chairman of the Creditors' Committee will receive compensation for his services paid by the Debtor equal to that paid to the Debtor's external directors for their participation at meetings of the Debtor's board of directors. The other members of the Creditors' Committee will receive a reasonable compensation for their actual time and services rendered to the Creditors' Committee.

MEETING OF CREDITORS AND VOTE

45. On February 15, 2012, the Meeting of Creditors was duly convened and held to consider and approve the Amended Plan, the whole as more fully appears from a copy of the minutes of said meeting attached hereto as Exhibit B.
46. The Monitor chaired the Meeting of Creditors and representatives of the Debtor were also present to answer questions asked by the creditors.
47. A total of 46 creditors were present at the meeting either in person or by proxy and thus the quorum requirements were met.
48. The Monitor circulated to the creditors present at the Meeting of Creditors its Updated Report on the Plan (before amendments) providing updated information on the Claims Process and the estimated distribution to Affected Creditors under the Plan in comparison to an estimated distribution under a forced liquidation scenario. The Updated Report was made available on the Monitor's Web Site immediately thereafter.
49. The Monitor summarized the content of the Monitor's Report and the Updated Report and summarized the changes to the Plan initially filed with the Court as provided for in the Amended Plan (as previously described).

50. During the course of the Meeting of Creditors, the votes of the Affected Creditors were tabulated and are summarized as follows:

VOTES IN FAVOR			
Creditors voting	Dollar value of Claims	Percentage of votes in number	Percentage of votes in dollars
368	\$17,270,479	94.4%	81.7%

VOTES AGAINST			
Creditors voting	Dollar value of Claims	Percentage of votes in number	Percentage of votes in dollars
22	\$3,859,620	5.6%	18.3%

TOTAL VALUE OF VOTES			
Creditors voting	Dollar value of Claims	Percentage of votes in number	Percentage of votes in dollars
390	\$21,130,099	100%	100%

51. The Required Majorities of Affected Creditors voted in favor of the Amended Plan.
52. If the disputed Claims for voting purposes would have voted on the amount of their Claims, the effect on the results of the vote would have been the following:

PRO FORMA VOTES IN FAVOR			
Creditors voting	Dollar value of Claims	Percentage of votes in number	Percentage of votes in dollars
393	\$20,010,527	94.2%	81.7%

PRO FORMA VOTES AGAINST			
Creditors voting	Dollar value of Claims	Percentage of votes in number	Percentage of votes in dollars
24	\$4,497,117	5.8%	18.3%

PRO FORMA TOTAL VALUE OF VOTES			
Creditors voting	Dollar value of Claims	Percentage of votes in number	Percentage of votes in dollars
417	\$24,507,644	100%	100%

53. Therefore, based on the above pro forma vote results, the Amended Plan would still have been accepted by the Required Majorities of Affected Creditors.

MONITOR'S RECOMMENDATION TO THE COURT

54. The Debtor is now asking this Court to sanction the Amended Plan.
55. The Amended Plan was accepted by the statutory majority of the creditors.
56. The Monitor believes that the Amended Plan is fair and reasonable to the creditors and that it takes into account the financial capacity of the Debtor to meet the terms of the Amended Plan, which is dependent on the Debtor's ability to meet its projected financial performance.
57. The Monitor is of the opinion that the Amended Plan was prepared in a serious and diligent manner and that the approval of the Amended Plan will allow the Debtor to complete its financial restructuring, continue its business, remain a significant source of employment for its employees and a source of supply for many of its creditors.
58. It is the Monitor's belief that the Debtor's management and its Board of Directors have acted and continue to act in good faith, with diligence and have been cooperating with all stakeholders, including but not limited to the Monitor, the DIP Lender, as well as all other creditors.
59. The Monitor is of the opinion that if the Amended Plan is not sanctioned by the Court, the Debtor would have no alternative than to proceed with the immediate liquidation of its assets. Taking into account the risks and uncertainties inherent in a liquidation, it is estimated that the Affected Creditors would receive considerably less than what is being offered pursuant to the Amended Plan.
60. In addition, the sanction of the Amended Plan will allow the Debtor to satisfy a condition of the Firm Term Sheet submitted by the Replacement Lender, which is conditional, amongst other things, to the acceptance of the Amended Plan by the Affected Creditors and its approval by the Court. The Replacement Lender has reviewed the details of the Amended Plan and approved same.

61. Consequently, the Monitor is of the opinion that it is in the interest of all the Affected Creditors as well as the Debtor and the other stakeholders that the Amended Plan be sanctioned and approved by the Court and therefore respectfully recommends that the Motion for the Sanction of an Amended Plan of Compromise and Arrangement which is to be filed by the Debtor be granted.

Dated at Montreal, this 21st day of February, 2012.

RSM Richter Inc.
Court-Appointed Monitor

A handwritten signature in black ink, appearing to read 'B. Gingues', with a stylized flourish at the end.

Benoit Gingues, CA, CIRP

EXHIBIT A

Hart Stores Inc.**Exhibit A****Proof of Claims received after 5:00 pm - January 31, 2012****As at February 21, 2012**

<u>Miscellaneous Creditors</u>	<u>Amount</u>	
Canadian Linen & Uniform	\$ 168.90	
Cassidy's Transfer & Storage	1,695.00	
Construction des IIs Inc.	1,782.86	
Entreprises Yvon Blais & Fils Inc.	561.65	
Gestion Chevarie	791.76	
Idea Nuova Décor	47,957.87	
Indenticam	1,354.57	
Nutreco Canada	2,368.32	
Regie Intercommunale dechets de la lievre	425.00	\$ 57,105.93

<u>Coface</u>		
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re:1445868 Ontario /DBA Buyers Group	53,065.97	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re:158329 Canada Inc. DBA Clientele	20,714.73	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re: 4207602 Canada Inc. AKA Cameo Knitting	132,588.90	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re: 9147-5077 Quebec DBA Runners Clothing	114,504.91	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re: Amerella of Canada Ltd.	421,914.19	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re: Atlantic Promotions Inc.	72,345.09	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re: Atlantic Sportswear Mfg. Ltd.	147,645.19	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re: Creations! Las Vegas Inc.	233,141.34	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re: Curtis International	431,173.00	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re: For Kids Sake Fashion Ltd.	71,879.87	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re: Globe Electric Company Inc.	212,573.68	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re: Hamelin Enterprises	10,938.10	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re: Linen Corp. Inc.	30,544.77	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re: Memphis Blues / Ruby International Cie.	19,087.45	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re: Midway Industries Ltd.	118,531.22	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re: Mod- Atout Inc.	17,984.96	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re: MT2 Clothing AKA 7023316 Canada Inc.	21,522.09	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re: Splash Home AKA 3361781 Canada Inc.	17,857.69	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re: Ventes Domay Sales Inc.	43,721.56	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re: Vin rouge AKA 415332 Canada Inc.	19,689.62	
Compagnie Francaise d'Assurance pour le Commerce Exterieur - Canada Branch Re: Zero 11 60 Fashions Inc.	83,603.51	2,295,027.84

Total Proof of Claims Received after January 31, 2012 5:00 PM**\$ 2,352,133.77**

EXHIBIT B

CANADA
PROVINCE OF QUEBEC
DISTRICT OF QUEBEC
DIVISION NO.: 01-MONTREAL
COURT NO.: 500-11-041238-110
ESTATE NO.: 0000074-2011-QC

SUPERIOR COURT
(Commercial Division)

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. (1985), C-36 WITH
RESPECT TO:

Hart Stores Inc.

body politic and corporate, duly incorporated according to
law and having its head office and its principal place of
business at:
900 Place Paul-Kane
Laval QC H8P 1B3

Debtor

Minutes of the Meeting of Creditors held:

On February 15, 2012 at 10:00 a.m.
at The Omni Hotel, Printemps Room, 1050 Sherbrooke Street West, Montreal, Quebec

Chairman:
Benoit Gingues, CA, CIRP
Pursuant to the *Companies' Creditors Arrangement Act* ("CCAA")

ATTENDANCE

Were Present:

At the front of the room:

Mr. Benoit Gingues, CA, CIRP, of the Monitor's office
Mr. Robert Farah, President & Chief Operating Officer of Hart Stores Inc.
M^e Michael J. Hanlon, Heenan Blaikie, LLP, Hart Stores Inc.'s legal counsel
M^e Alain Tardif, McCarthy Tétrault, S.E.N.C.R.L., Monitor's legal counsel

In attendance:

Mr. Stéphane De Broux, CA, of the Monitor's office
Mrs. Mirella Pisciueneri, CA, of the Monitor's office
Mr. Jean-François Audet, CA, of the Monitor's office
Mr. Patrick Lareau, BAA, of the Monitor's office
Ms. Noemie Ouellet-Gendron, CA, of the Monitor's office
Mr. Karim Hasnaoui, CA, of the Monitor's office
Mrs. Carol O'Donnell, of the Monitor's office

and creditors, as per the attached attendance register (**Appendix A**).

QUORUM

Benoit Gingues acted as Chairman of the meeting and called the meeting to order.

The Chairman confirmed having received sufficient proofs of claim and with the individuals present, declared that quorum had been met and the meeting to be validly constituted at 10:35 a.m.

The Chairman announced that the start of the meeting was delayed by 35 minutes from its planned commencement time of 10:00 a.m. because Hart Stores Inc. (the “Debtor” or “Hart”) with the assistance of their legal counsel were preparing an Amended Plan which would provide for changes in the timing of the distribution payments and some other minor cosmetic changes to the Plan which would be presented later during the meeting.

The Chairman re-iterated that the purpose of the meeting was to vote on the Amended Plan.

INTRODUCTION

The Chairman confirmed that the Monitor had sent by mail to the known creditors of the Debtor copies of the Notice of Meeting of Creditors accompanied by the Plan of Compromise and Arrangement (the “Plan”) with a form of Voting Letter and the Proxy on January 23, 2012. He also stated that the Report of the Monitor on The State of The Debtor’s Affairs and the Plan of Arrangement was made available on the Monitor’s website on Friday, February 3, 2012.

Mrs. Carol O’Donnell from the Monitor’s office distributed the Updated Report of the Monitor on the State of the Debtor’s Affairs and the Plan of Arrangement. The Updated Report provided an update on the following:

- The Claims Process; and
- The estimated distribution to creditors under the Plan in comparison to an estimated distribution under a forced liquidation (“FL”) scenario.

After a brief summary of the legal proceedings to date, the Chairman asked the Debtor to provide an update on the operations of Hart. Mr. Robert Farah, President and Chief Operating Officer (“COO”), summarized the events leading to the filing under the CCAA process, and the corrective measures implemented by Hart since the filing, including improvements to the shopping experience.

The COO thanked the creditors for their support on behalf of the 1,000 plus employees at Hart.

MONITOR’S REPORT AND PERIOD OF QUESTIONS

The Chairman summarized the elements that were considered by the Debtor in determining the Distribution Amount of \$6 million and the Monitor’s analysis of the FL scenario included in the Monitor’s Report dated February 3, 2012 and the Updated Report dated on February 15, 2012. It was mentioned that M^e Alain Tardif from McCarthy Tétrault had confirmed the validity of the security held by Wells Fargo Capital Corporation Canada.

A) Monitor’s Recommendation

The Chairman summarized the Amended Plan in comparison to the initial Plan.

The Chairman provided an update on the Claim Process, of the distributions under the Amended Plan and of the estimated distributions under an FL scenario, and reported the following to the creditors:

- As at the close of business on January 31, 2012, the Claims Bar Date (which had been extended to January 31, 2012 for all creditors) the Monitor had received proofs of claim totaling approximately \$36.1 million.

The Debtor with the assistance of the Monitor worked diligently to contact landlords and trade suppliers to try and reconcile the major discrepancies between the books and records of the Debtor and the amounts claimed in the proofs of claim received. The total amount of Claims was reduced by \$9.1 million to \$27 million for voting purposes, summarized as follows:

Hart Stores Inc. Reconciliation of Claims for Voting Purposes (in millions)	
Proofs of claims received as at January 31, 2012	\$ 36.1
Amended Landlord Claims	(4.3)
Notices of Revisions and Disallowances issued by the Monitor and valuation adjustments of certain Claims for voting purposes	(4.8)
Total Claims for voting purposes	\$ 27.0

- The Claims were reduced by \$4.8 million through the issuance of Notices of Revision and Disallowance broken down as follows:
 - \$1.8 million – trade claims;
 - \$2.2 million – landlord damage claims (Restructuring Claims); and
 - \$0.8 million – employee claims (Restructuring Claims).
- The payment of the \$6 million Distribution Amount was modified from the original Plan and will be paid as follows:
 - \$1.0 million – September 14, 2012;
 - \$1.0 million – February 3, 2013;
 - \$0.5 million – September 14, 2013;
 - \$1.5 million – February 2, 2014;
 - \$0.5 million – September 14, 2014; and
 - \$1.5 million – February 28, 2015.
- The Plan was amended to provide for the Chairman of the Creditors' Committee and the three members of the Creditors' Committee to receive compensation. The Chairman of the Creditors' Committee will be entitled to compensation similar to that of an independent member of the Debtor's Board of Directors for their participation at meetings of the Debtor's Board of Directors.
- The recovery under the Amended Plan is estimated to range between 19% and 23% of the estimated total Proven Claims. The revised estimate is higher than the original estimate of 18% to 21% reported in the Monitor's Report dated February 3, 2012;

- The revised recovery for the Affected Creditors in the context of a FL scenario is estimated to range between NIL and 9% (vs. NIL to 13% reported in the Monitor's Report dated February 3, 2012); and
- The recovery amounts are estimated and the final amount would change pending the completion of the Claims Process.

The Monitor maintained its recommendation to vote in favour of the Amended Plan.

B) Question Period

A question period followed and the Monitor and the Debtor addressed all the issues that were brought up.

VOTE ON THE PLAN

The Chairman called the Amended Plan to a vote and advised that the creditors who voted before the meeting may change their vote at this time should any choose to.

The meeting was adjourned at 12:00 p.m. in order to compile the results of the vote.

The meeting resumed at 12:15 p.m.

M^e Michael J. Hanlon made a clarification regarding the compensation of the Creditors' Committee members. He specified that the Chairman of the Creditors' Committee will be entitled to compensation similar to an independent member of the Debtor's Board of Directors for their participation at the meetings of the Debtor's Board of Directors, while the remaining two members will receive reasonable compensation for their time and services.

The results of the vote were as follows (**Appendix B**).

	<u>In value</u>	<u>Number of creditors</u>
<u>In favour:</u>	\$17,270,479 (or 81.7%)	368 (or 94.4%)
<u>Against:</u>	<u>\$3,859,620 (or 18.3%)</u>	<u>22 (or 5.6%)</u>
<u>Total</u>	<u>\$21,130,099 (100%)</u>	<u>390 (100%)</u>

The Chairman declared that the Amended Plan was accepted by the statutory majority of Creditors and that Court approval will be sought on February 27, 2012 as notified to Creditors in the mailing of January 23, 2012.

CREDITORS' COMMITTEE

The Chairman reminds the assembly that the Amended Plan provides for the appointment of a maximum of three (3) individuals to the Creditors' Committee and asked if any individual would like to form part of said Committee. Seven (7) individuals initially volunteered to be members of the Creditors' Committee, though two later retracted their candidacy. It was decided to add two (2) observers to the Committee. After discussions held between the Monitor and the individuals that volunteered, the appointment of members of the Committee was put to a vote. The Monitor voted the \$8.5 million in Claims for which he held proxies and the following three (3) Committee Members and two (2) observers were selected:

Committee Members

Mr. David Schachter, National Apparel Bureau

Mr. Arek Markarian, Ameco Paradisio Apparel Inc.

Mrs. Karina Pires, Media Transcontinental S.E.N.C.

Observers

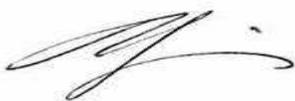
Mr. Kenny Moyse, Symax Sales Co Inc.

Mr. Tony Elisii, Elica Trading Inc.

The Monitor casted the deciding vote for the selection of the chairman of the Creditors' Committee. The Monitor selected Mr. David Shacter who represented the largest number of creditors and dollar value of Claims.

END OF MEETING

There not being any further business, the meeting was adjourned at 12:35p.m.



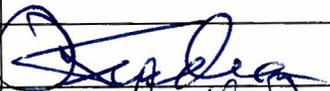
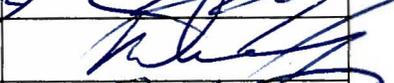
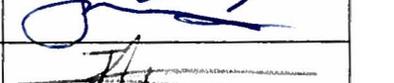
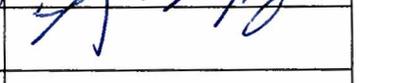
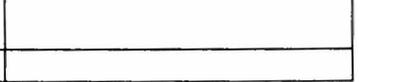
Benoit Gingues, CA, CIRP
Chairman of the Meeting of Creditors

APPENDIX A

Registre des présences à la première assemblée des créanciers / Attendance register at the First Meeting of Creditors

Dans l'affaire de la Loi sur les arrangements avec les créanciers des compagnies, L.R.C. (1985), ch. C-36, tel qu'amendé ("LACC") / In the matter of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended ("CCAA")

Magasins Hart Inc. / Hart Stores Inc.

Nom de l'individu Individual's Name	Nom de la compagnie Company's Name	Nom du créancier représenté Name of Creditor represented	Numéro de telephone Telephone Number	Signature
PLI Rudean	CABOCHOIS CHOISY	CAB. CHOISY Ltée	450 781 1624	
JONATHAN WARIN	LAVERY	Wells Fargo	514 8785616	
DAVID SCHACHTER	WAD	SEVENTH	514 483-6223	
IAN ROUNKOFF	NAB	attorney	514-575 6099	
MURRAY DALPEN	Commwealth	Commwealth	514 878 4433	
SALVATORE P. COLLINSE	SARIS	SARIS PULLINIS		
JOE LASTORIA		JOE LASTORIA	(514) 965-4566	
JONATHAN HART		JONATHAN HART	(514) 929-8853	
PORTER	GRANDREUILLON	KOZLOVSKY	450 667775	
TONY ELISII	ELICA TRADING		514-334-4200	
MURRAY WEBER	SARIS INC		514-344-7599	
SIMON DEUSLE	LES IMMEUBLES PUBISANCES INC.	DEVENU, BOURGEOIS, GAGNÉ HÉBERT, 3 ASSOCIÉS.	450-686 1122	
KERRY MOYSE	Symak	Symak	514-336-8780	
Joanne Plamondon	EDLER HENRIES	WAD	514 878 91650	
VANDEWISSE	Euler Hermes		" "	

Registre des présences à la première assemblée des créanciers / Attendance register at the First Meeting of Creditors

Dans l'affaire de la Loi sur les arrangements avec les créanciers des compagnies, L.R.C. (1985), ch. C-36, tel qu'amendé ("LACC") / In the matter of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended ("CCA")

Magasins Hart Inc. / Hart Stores Inc.

Nom de l'individu Individual's Name	Nom de la compagnie Company's Name	Nom du créancier représenté Name of Creditor represented	Numéro de telephone Telephone Number	Signature
R. FLETT	M+M	M+M Footwear	514-338-8210	
J. PESCHLOW	"	"	"	
J. PESCHLOW	STAFF			
LAUREN LAPALE	Papa Foods	Sam	514-334-6373	
MARTIN MURACK	LADY SANDRA	Martin	514-325-6715	
ELIO ANGELO	ARCO FABRICS		514-648-5457	
VINCENT SACCO	ARCO FABRICS		514-648-5457	
Sonia RENON	employee.		514-267-6744	
KARINA PIRPS	TRANSCONTINENTAL		514-339-2459	
PAUL NASSAK	UNIVERSAL		514-886-1111	
Armen Markarian	Crossroads		514-956-7788	
ALBERT SCHUSTER	AMERELLA			
JAMES MARKARIAN	CROSSROADS			
Fabrice Selvon	Groupe Lemur	LE	514-748-6234	
SAAD AINTABS	DURA HOUSEWARES INC			

Registre des présences à la première assemblée des créanciers / Attendance register at the First Meeting of Creditors

Dans l'affaire de la Loi sur les arrangements avec les créanciers des compagnies, L.R.C. (1985), ch. C-36, tel qu'amendé ("LACC") / In the matter of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended ("CCAA")

Magasins Hart Inc. / Hart Stores Inc.

Nom de l'individu Individual's Name	Nom de la compagnie Company's Name	Nom du créancier représenté Name of Creditor represented	Numéro de telephone Telephone Number	Signature
M.W. CLEMAN	H STORES			
RHARRITT	HART STORES			
H. MICHAELS	HART STORES			
M. Haulm	Heaven Bleeker			
Mary Maranda	HART			
Cathy Fenner	HART			
Daniel Reis	Hart			
VANT TASHCHIAN	URBAN RAGS.			
AREIK MARKARIAN	AMECO			
NEIL MARKARIAN	AMECO			
CARMELA PORRONGA	LA GARANTIE			
Stephen Velle	Heaven Bleeker			
UMESH MEHTA	Accord Financial			
PETER WONG	ACCORD FINANCIAL			

APPENDIX B

District of Quebec
 Division 01 - Montréal
 Court No. 500-11-041238-110
 Estate No. 0000074-2011-QC

Voting Summary

In the matter of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended
 ("CCAA")

Hart Stores Inc.
 Of the City of Laval
 In the Province of Quebec

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
	390	368	22	17,270,479.02	3,859,620.42	94.36	5.64	81.73	18.27	App.	App.

List of creditors

Class	Creditor Name	Type	Account #	\$ Admitted for Voting	Voted By	Vote
	152349 CANADA INC. (KONSULTEC)	U		6,483.78	Letter	For
	163453 CANADA INC.(CINE MAISON ROYALE)	U		52,220.74	Letter	For
	2013654 ONTARIO LTD O/A KIRKLAND LAKE INN	U		531.10	Letter	For
	2334-5150 QUEBEC INC.	U		288.79	Letter	For
	2983630 CANADA INC./EGO FASHION	U		123,984.81	Letter	For
	3651410 CANADA INC (REGAL CONFECTIONS INC.)	U		11,913.63	Letter	For
	4306732 CANADA INC	U		17,088.75	Letter	For
	4453166 CANADA INC (GREEN JEANS)	U		8,776.80	Letter	For
	4509200 CANADA INC.	U		343,952.65	Letter	For
	4REFUEL CANADA LP	U		35,042.00	Letter	For
	6021425 CANADA INC/ ANA GRANT	U		574.35	Letter	For
	671156 ONTARIO INC. (BEE-LINE DISPOSAL INC.)	U		1,782.70	Letter	Against
	792140 ONTARIO INC. PEMBROKE TRAVEL LODGE	U		124.24	Letter	For
	823656 ONTARIO LTD (CRYSTAL NORTH)	U		128.90	Letter	For
	9017-9953 QUEBEC INC.	U		827.34	Letter	For
	9103-7473 QUEBEC INC.	U		1,518.23	Letter	For
	9118-1990 QUEBEC INC.	U		6,351.47	Letter	For
	9118-4812 QUEBEC INC. (MADISON IMPORTS)	U		5,299.15	Letter	For

List of creditors

<i>Class</i>	<i>Creditor Name</i>	<i>Type</i>	<i>Account #</i>	<i>\$ Admitted for Voting</i>	<i>Voted By</i>	<i>Vote</i>
	9142-5660 QUEBEC INC.	U		6,015.24	Letter	For
	9151-1634 QC INC. (LES ENTREPRISES J.L.R.)	U		193.68	Letter	For
	9166-0670 QUEBEC INC. (DOMAINE DU PARC)	U		54,970.74	Letter	For
	9166-0670 QUEBEC INC. (GALERIE NICOLET)	U		35,100.44	Letter	For
	9175-6346 QUEBEC (GME ELECTRIQUE)	U		2,012.30	Letter	For
	9231-5290 QUEBEC INC.	U		11,910.27	Letter	For
	A & M ELECTRICAL & CONSTRUCTION LTD	U		3,289.26	Letter	For
	A-LINE ATLANTIC INC./TRANSCORP DIST	U		47,668.61	Letter	For
	A.G. METALWORK ENR	U		341.78	Letter	For
	ABLOY CANADA INC.	U		441.13	Letter	For
	ACCORD FINANCIAL LTD. RE: DORSEY MARKETING INC.	U		8,266.00	Letter	Against
	ACCORD FINANCIAL LTD RE: LES ALIMENTS MIDLON INC.)	U		43,368.60	Letter	Against
	ACCORD FINANCIAL LTD RE: DEBONAIRE CREATIONS INC.	U		4,730.28	Letter	Against
	ACCORD FINANCIAL LTD. RE : TRIO SELECTION INC. (COVET)	U		28,606.56	Letter	Against
	ACCORD FINANCIAL LTD. RE: IMPORTATION CASABAWA INC	U		8,891.09	Letter	Against
	ACCORD FINANCIAL LTD. RE: JAMMERS INTERNATIONAL APPAREL (2781794 CANADA INC.)	U		115,041.97	Letter	Against
	ACCORD FINANCIAL RE: KENING APPAREL	U		9,574.74	Letter	Against
	ADVANTAGE 2 RETAIL INC.	U		139,277.98	Letter	For
	AGENCES ANGELO D'ANELLO INC (LES)	U		1,268.79	Letter	For
	ALFA LAVE (30262821 CANADA INC.)	U		293.93	Letter	For
	ALIMENTS KRISPY KERNELS INC.	U		85,053.41	Letter	For
	ALIMENTS PAPCO INC. (LES)	U		75,764.56	Letter	For
	ALL COVER PORTABLE SYSTEMS INC. (OUTFRONT PORTABLE)	U		3,407.25	Letter	For
	AQUA TECH AQUARIUM SERVICES	U		244.91	Letter	For

List of creditors

<i>Class</i>	<i>Creditor Name</i>	<i>Type</i>	<i>Account #</i>	<i>\$ Admitted for Voting</i>	<i>Voted By</i>	<i>Vote</i>
	ARCHAMBAULT, MELANIE	U		2,665.00	Letter	For
	AROC ELECTRONICS INTL. INC.	U		14,965.62	Letter	For
	ASSET INC.	U		1,682.62	Letter	For
	ATLANTIC WASTE MANAGEMENT LTD.	U		542.40	Letter	For
	AUBERGE DU DRAVEUR	U		2,250.02	Letter	For
	AURORA CORP. OF AMERICA	U		13,114.79	Letter	For
	AUTOCARS ORLEANS EXPRESS(EXPEDIBUS)	U		108.50	Letter	For
	AXESO-MODE INTERNATIONAL IMPORTS LTD	U		8,372.82	Letter	For
	AZ TRADING CO. LTD (AZ HOME AND GIFTS)	U		12,947.73	Letter	For
	B2 FASHIONS INC.	U		11,363.31	Letter	For
	B2 INTERNATIONAL	U		4,139.17	Letter	For
	BACCALIEU CLEANERS	U		9,672.80	Letter	For
	BALLONS GRANGER BALLOONS INC.	U		5,685.46	Letter	For
	BANYO CANADA INC	U		665.62	Letter	For
	BENOIT BAILLARGEON INC	U		1,144.95	Letter	For
	BESSETTE, NORMAND	U		9,984.00	Letter	Against
	BEST SOURCE INTERNATIONAL INC	U		40,807.13	Letter	For
	BLANCHETTE, MARIO	U		4,200.00	Letter	Against
	BOUFFARD PLUMBING & HEATING INC.	U		191.44	Letter	For
	BOUFFARD SANITAIRE INC.	U		1,626.29	Letter	For
	BR ELECTRIQUE INC.	U		302.60	Letter	For
	BRUIN ENTERPRISES (KLEAN-ALL CLEANING)	U		904.00	Letter	For
	C. DUGUAY PLOMBERIE INC.	U		226.00	Letter	For
	CAMBRIDGE TOWEL CORP.	U		1,047.82	Letter	For
	CAN-JAN INC	U		3,942.94	Letter	For
	CANADELLE INC.	U		97,913.51	Letter	For
	CANADIAN AUSTIN GROUP HOLDINGS ULC	U		22,827.43	Letter	For
	CAP SALES MARKETING AGENCY INC.	U		99,463.90	Letter	For
	CAPITAL BUSINESS CREDIT LLC RE: IDM GROUP LLC.	U		51,596.38	Letter	For
	CAPITAL BUSINESS CREDIT LLC. RE: PANTIES PLUS INC.	U		118,804.85	Letter	For

List of creditors

<i>Class</i>	<i>Creditor Name</i>	<i>Type</i>	<i>Account #</i>	<i>\$ Admitted for Voting</i>	<i>Voted By</i>	<i>Vote</i>
	CARMICHAEL ENGINEERING LTD.	U		4,081.50	Letter	For
	CARREFOUR DE L'ESTRIE HOLDINGS INC.	U		467,518.68	Letter	For
	CARRY' S COMPANY (DIV.OF 2797836 CDA INC.)	U		567.35	Letter	For
	CEI 1776773 ONTARIO INC.	U		9,051.32	Letter	For
	CELEBRITY WATCH INT'L INC.	U		32,317.83	Letter	For
	CHATEAU LINGERIE MFG INC	U		136,215.07	Letter	For
	CITE COURRIER	U		573.55	Letter	For
	CITOYEN OPTIMUM S.E.C.	U		2,235.38	Letter	For
	CLIMATISATION CONFORT COURTOIS INC.	U		6,477.07	Letter	For
	CLIMATISATION ROGER DEMERS INC	U		3,935.50	Letter	For
	CNW GROUP	U		734.82	Letter	For
	COBY ELECTRONICS CORPORATION	U		97,472.18	Letter	For
	COLLECTION TUFF AVENUE INC.	U		91,960.26	Letter	For
	COLLECTIONS DE STYLES R.D INTERNATINAL ES LTEE (LES)	U		171,415.14	Letter	For
	COLUMBIA FRAME INC.	U		16,546.85	Letter	For
	COMITE DE RECL.A ENTREES CONTINUES	U		400.00	Letter	For
	COMMONWEALTH HOME FASHIONS INC	U		267,237.31	Letter	For
	COMPLETE CLEANING	U		988.75	Letter	For
	COMPLETE PLUMBING	U		437.13	Letter	For
	COMPUTERSHARE	U		5,035.94	Letter	For
	CONCIERGERIE S.D.B.	U		4,961.45	Letter	For
	CONNELLY COMMUNICATION CORP. (CJTT-FM)	U		901.95	Letter	For
	CONSULTANTS GILBERT INC. (LES)	U		2,941.29	Letter	For
	CONTEX INTERNATIONAL IMPORTS INC.	U		97,939.44	Letter	For
	CORPORATION FIRST CAPITAL (DELSON) CORP.	U		320,035.87	Letter	For
	COSMO COMMUNICATIONS CANADA INC.	U		97,170.00	Letter	For
	COURRIER FRONTENAC	U		5,790.85	Letter	For
	CREATIONS CINDY ANN INC.	U		15,649.69	Letter	Against
	CROISIERES AML INC	U		8,954.76	Letter	For

List of creditors

<i>Class</i>	<i>Creditor Name</i>	<i>Type</i>	<i>Account #</i>	<i>\$ Admitted for Voting</i>	<i>Voted By</i>	<i>Vote</i>
	DAILY OBSERVER (THE)	U		8,300.50	Letter	For
	DANSON DECOR INC.	U		60,836.28	Letter	For
	DARINNA HOME FURNISHINGS INC.	U		10,388.22	Letter	For
	DATA GROUP OF COMPANIES	U		1,951.39	Letter	For
	DAY & ROSS INC	U		156,873.93	Letter	Against
	DELOITTE & TOUCHE LLP	U		40,510.60	Letter	For
	DESHAIES CYCLES & SPORTS INC.	U		5,203.59	Letter	For
	DEVILLE CENTRE HOTELIER	U		127.60	Letter	For
	DIAMOND MAINTENANCE LTD.	U		2,599.00	Letter	For
	DIFFUSION COMMUNAUTAIRE DES ILES INC. (CFIM 92,7)	U		1,751.93	Letter	For
	DOMINION CUTTING SERVICE INC..	U		45,984.40	Letter	For
	DORFIN INC.	U		12,935.51	Letter	For
	DOT-LINE DESIGN LTD	U		52,094.50	Letter	For
	DRAKKAR RESSOURCES HUMAINES	U		5,067.96	Letter	For
	DUMAK INDUSTRIES	U		10,984.65	Letter	For
	DURA HOUSEWARES INC.	U		197,793.32	Letter	For
	E.S. FOX LTD.	U		937.90	Letter	For
	ECLAIRAGE QUEBEC	U		4,925.79	Letter	For
	ECLIPSE INT L FASH. CANADA INC	U		28,606.56	Letter	For
	ECO 11 MANUFACTURING INC.	U		31,287.90	Letter	For
	ECO ENTREPRISES QUEBEC (EEQ)	U		184,560.98	Letter	For
	EDGECOMBE PROPERTY MANAGEMENT	U		1,123.44	Letter	For
	EDGECOMBE PROPERTY MANAGEMENT INC. / PLACE LASALLE PROP. CORP	U		532.37	Letter	For
	EDITIK ENR.	U		884.83	Letter	For
	EDITIONS GATINEAU LTEE (LES)	U		3,318.38	Letter	For
	EFCO ENTERPRISES LTD	U		154.64	Letter	For
	ELECTRO 1983 INC.	U		627.56	Letter	For
	ELECTROPAGE S.C.C.	U		814.56	Letter	For
	ELICA TRADING INC	U		296,127.39	Letter	For
	EMBERLEY'S TRANSPORT LIMITED	U		1,768.40	Letter	For
	ENCORE SALES	U		7,366.25	Letter	For
	ENSEIGNES F.X. BOISVERT INC.	U		481.90	Letter	For

List of creditors

<i>Class</i>	<i>Creditor Name</i>	<i>Type</i>	<i>Account #</i>	<i>\$ Admitted for Voting</i>	<i>Voted By</i>	<i>Vote</i>
	ENTREPRISES ARSENEAULT	U		308.17	Letter	For
	ENTRETIEN CHARTEAU LTEE	U		91,188.79	Letter	For
	EQUIPEMENT DU NORD N.S. INC.	U		599.59	Letter	For
	EQUIPEMENTS SANITAIRES G.G. LT	U		256.33	Letter	For
	EQUIPMENT MCF INC.	U		4,878.09	Letter	For
	ETIQUETTE NATIONAL INC.	U		1,871.65	Letter	For
	ETIQUETTES PROFFECTA LABELS INC.	U		19,778.32	Letter	For
	EXECUTIVE CLEANERS	U		1,273.51	Letter	For
	EXPRESS HAVRE ST-PIERRE	U		1,334.06	Letter	For
	EXTERMINATION DE L'ILE	U		256.34	Letter	For
	F & G ELECTRIC	U		2,288.25	Letter	For
	F.W. CONNOLLY ELECTRICAL LTD	U		6,254.55	Letter	Against
	FAMOUS HOME FASHIONS	U		24,094.54	Letter	For
	FANCY LINENS & DOMESTICS LTD.	U		610.99	Letter	For
	FERNAND BRETON 1975 INC.	U		456.23	Letter	For
	FOOTWEAR IMPORTS 2001 INC.	U		78,591.94	Letter	For
	FREUDENBERG HOUSEHOLD PRODUCTS	U		23,836.21	Letter	For
	FRUIT OF THE LOOM INC.	U		74,197.25	Letter	For
	G. LIPTON SALES LTD (LND SALES)	U		53,697.60	Letter	For
	GALERIES CHARLESBOURG INC. (LES)	U		2,899.77	Letter	For
	GALERIES DE LA CAPITALE HOLDING INC. (LES)	U		503,763.54	Letter	For
	GAUDREAULT, DIANE	U		4,688.00	Letter	For
	GAUDREAULT, LINE	U		4,288.00	Letter	For
	GAULD ELECTRIC COMPAGNY LTD.	U		2,456.38	Letter	For
	GAZ METRO INC.	U		1,893.40	Letter	For
	GENCA SALES	U		678.00	Letter	For
	GENERAL NOLI CANADA INC.	U		204,084.00	Letter	For
	GEORGIE GIRL LTD	U		16,332.98	Letter	For
	GERSTAT INC.	U		718.92	Letter	For
	GESTION JACQUES SIROIS	U		2,175.97	Letter	For

List of creditors

<i>Class</i>	<i>Creditor Name</i>	<i>Type</i>	<i>Account #</i>	<i>\$ Admitted for Voting</i>	<i>Voted By</i>	<i>Vote</i>
	GESTION RENE GOYETTE INC.	U		8,456.79	Letter	For
	GESTION RENE GRENIER INC.	U		21,264.14	Letter	For
	GET-R-DUMPT	U		2,154.18	Letter	For
	GILLES CORMIER ELECTRIC INC.	U		321.82	Letter	For
	GOLDOR	U		9,474.00	Letter	For
	GRACIOUS LIVING INDUSTRIES INC	U		72,502.77	Letter	For
	GROSNOR DISTRIBUTION AJAX INC.	U		29,762.78	Letter	Against
	GROUPE LEMUR INC.	U		856.15	Letter	For
	GT PLUMBING AND HEATING	U		833.06	Letter	For
	GUARANTEE COMPANY OF NORTH AMERICA	U		20,222.45	Letter	For
	GUARANTEE COMPANY OF NORTH AMERICA	U		108,679.38	Letter	For
	GUARANTEE COMPANY OF NORTH AMERICA	U		261,268.23	Letter	For
	GUY DIONNE ELECTRICIEN ENR.	U		1,408.11	Letter	For
	H.B. HELLER FASHION TEAM INC.	U		6,454.80	Letter	For
	H/M LE Q'ARTIER DES ILES INC. (LE CHATEAU)	U		4,889.56	Letter	Against
	HAMILTON BEACH BRANDS CDA INC.	U		165,611.38	Letter	For
	HART, JONATHAN HILLEL	U		1,500.00	Letter	Against
	HASBRO CANADA CORPORATION	U		648,837.02	Letter	For
	HEENAN BLAIKIE LLP	U		15,599.97	Letter	For
	HOLIDAY GROUP INC.	U		141,485.45	Letter	For
	HOLIDAY INN STEPHENVILLE	U		293.68	Letter	For
	HOTEL & SUITES LE DAUPHIN QUEBEC	U		341.49	Letter	For
	HOTEL BAIE SAINT-PAUL	U		324.68	Letter	For
	HRISTOV, TODOR	U		3,648.00	Letter	For
	IMMEUBLES PLAISANCE INC.(LES)	U		85,546.98	Letter	For
	IMPORTATION FEN-NELLI INC.	U		20,189.68	Letter	For
	IMPORTATIONS APR LTEE	U		145,612.58	Letter	For
	IMPORTATIONS CJS	U		2,867.63	Letter	For
	IMPORTATIONS RESISTANCE INC.	U		44,555.84	Letter	For
	INDEPENDENT ENERGY SERVICE CO. LTD	U		3,847.72	Letter	For
	INDUSTRIES BECO LTEE (LES)	U		362,428.82	Letter	For

List of creditors

<i>Class</i>	<i>Creditor Name</i>	<i>Type</i>	<i>Account #</i>	<i>\$ Admitted for Voting</i>	<i>Voted By</i>	<i>Vote</i>
	INDUSTRIES FOAMEXTRA INC (LES)	U		79,164.91	Letter	For
	INFOSAC DISTRIBUTORS INC.	U		5,232.26	Letter	For
	INST. ELECTRIQUES GADI INC.(LES)	U		131.59	Letter	For
	INTERNATIONAL VISUAL CORPORATION	U		4,399.71	Letter	For
	INTIMO MONDO COLLECTIONS INC.	U		8,927.16	Letter	For
	INVESTIGATION D.J. INC	U		2,278.50	Letter	For
	IRVING CONSUMER PRODUCTS	U		92,451.51	Letter	For
	J.P.J. NETTOYEUR ENR.	U		2,769.18	Letter	For
	J.W. HVAC SERVICES LIMITED	U		1,872.76	Letter	For
	J.Y MOREAU ELECTRIQUE INC.	U		4,511.59	Letter	For
	JEAN H HENLE INC.	U		11,537.11	Letter	For
	JEAN-GUY BROWN ELECTRIQUE LTEE	U		303.92	Letter	For
	JOHNSON MOVING & STORAGE LTD	U		3,208.34	Letter	For
	JOLIE INTIMATES	U		7,114.37	Letter	For
	JOUETS JRC TOYS	U		30,907.85	Letter	For
	KAMAX INC.	U		968.36	Letter	For
	KAOS CONNECTION (7301022 Canada Inc.)	U		85,833.31	Letter	For
	KARMIN INDUSTRIES	U		67,992.04	Letter	For
	KARMIN INDUSTRIES(IMPORTS)	U		884,739.38	Letter	For
	KINGSWAY TRANSPORT	U		447.52	Letter	For
	KLEER -VU DELUXE ALBUM INC.	U		5,765.04	Letter	For
	KOHUT ELECTRIC LTD.	U		763.88	Letter	For
	KRB MECHANICAL LTD	U		836.20	Letter	For
	KVD HATZLOCHA SSS IND.	U		218,719.20	Letter	For
	KYLE DISPOSALS LIMITED	U		5,284.80	Letter	For
	L. SIMARD TRANSPORT LTD	U		109,778.06	Letter	For
	LA CIE DE TISSUS ARCO LTEE	U		560,398.26	Letter	For
	LABORATOIRES CHOISY LTEE.	U/P		13,395.36	Letter	Against
	LADY SANDRA HOME FASHIONS INC.	U		64,047.12	Letter	For
	LANART RUG INC.	U		30,614.77	Letter	For
	LARRY W. MITCHELL	U		1,130.00	Letter	For
	LASTORIA, JOE	U		12,328.00	Letter	Against
	LE GEORGESVILLE	U		399.87	Letter	For

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	LES DIST. F. LEVASSEUR INC.	U		12,919.02	Letter	For
	LETTRAGE RICHARD INC.	U		108.23	Letter	For
	LEZNOFF ENTERPRISES LTD.	U		17,349.48	Letter	For
	LINGERIE HAGO INC.	U		75,610.41	Letter	For
	LITERIE DORMATEX INC	U		65,620.80	Letter	For
	LITERIES UNIVERSELLES PAGA INC.	U		460,671.47	Letter	For
	LOCATION AUTO HAUTERIVE LTEE	U		583.64	Letter	For
	LOCATION LAUZON	U		1,328.26	Letter	For
	LOCATION PARK AVENUE (LEASE)	U		4,897.75	Letter	For
	M & M FOOTWEAR INC.	U		376,389.21	Letter	For
	MADDEN ELECTRIC INCORPORATED	U		101.70	Letter	For
	MADRAG FASHIONS INC.	U		5,468.40	Letter	For
	MAGID BROTHERS DISTRIBUTION INC.	U		8,435.95	Letter	For
	MALEX DIVISION DE TRANSPORT TFI 18 SEC	U		1,466.59	Letter	For
	MANDY EVANS & CO.	U		25,643.60	Letter	For
	MANTORIA INC.	U		173,077.00	Letter	For
	MAPLE DISPLAY FIXTURES LTD.	U		1,479.00	Letter	For
	MARCEL LEBLANC & FILS INC	U		137.66	Letter	For
	MARITIME BROADCASTING SYSTEM LTD	U		1,755.46	Letter	For
	MARTIN ROY TRANSPORT	U		61,218.24	Letter	For
	MASDEL GROUP INC.	U		28,967.82	Letter	For
	MATCO RAVARY (DIV 7577010 CANADA INC)	U		624.77	Letter	For
	MATTEL CANADA INC.	U		49,934.43	Letter	For
	MB MARKETING	U		2,904.05	Letter	For
	MERCER CANADA LIMITEE	U		1,503.82	Letter	For
	METAFORE TECHNOLOGIES	U		541.47	Letter	For
	MICHEL GRENIER - ORLANDO SHOE INC.	U		18,776.66	Letter	For
	MIKE WITHERELL MECHANICAL LTD	U		384.20	Letter	For
	MIL-IDEE INC.	U		32,752.32	Letter	For
	ML SECURITE CENTALE	U		2,030.14	Letter	For
	MLH FIRE PROTECTION LTEE	U		432.92	Letter	For
	MODA AT HOME INC.	U		793.48	Letter	For
	MODE AMECO & PARADISIO	U		2,358,241.58	Letter	Against

List of creditors

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	MODES CHIVAS PLUS INC	U		3,319.48	Letter	For
	MOMENTUM 2000 INC.	U		574.60	Letter	For
	MONARCH SPECIALTIES INC.	U		451,753.37	Letter	For
	MOTECH GROUP	U		1,810.50	Letter	For
	MOTEL ADAMS	U		403.68	Letter	For
	MOTEL CHANDLER	U		237.02	Letter	For
	MOTEL LES PIGNONS VERTS	U		160.65	Letter	For
	MOTEL LOUISE INC.	U		350.89	Letter	For
	N.I.M DISPOSALS LIMITED	U		1,018.99	Letter	For
	NADEAU REFRIGERATION INC.	U		1,764.87	Letter	For
	NASRI FRERES INTERNATIONAL	U		9,306.32	Letter	For
	NATE'S TRUCKING LTD.	U		623.76	Letter	For
	NB POWER DISTRIBUTION & CUSTOMER SERV. CORP.	U		24,918.31	Letter	For
	NB SOLUTION HUMAINE INC.	U		51,867.77	Letter	For
	NEATFREAK GROUP INC.	U		9,920.24	Letter	For
	NEWCAP RADIO INC. CHNO-FM	U		6,700.05	Letter	For
	NIAGARA THIS WEEK A DIV.OF METROLAND MEDIA INC	U		432.92	Letter	For
	NIKOL POULIN INC	U		21,202.80	Letter	For
	NORFOLK POWER DISTRIBUTION INC.	U		9,365.36	Letter	For
	NORTH BAY NUGGET (THE)	U		6,374.72	Letter	For
	NORTHERN NEWS	U		1,085.52	Letter	For
	NORTHERN ONTARIO WIRES INC.	U		4,348.08	Letter	For
	NOVATEK ELECTRIQUE INC.	U		489.88	Letter	For
	NOVAVISION TELECOM INC.	U		27,485.35	Letter	For
	NOVEXCO INC./BURO PLUS	U		6,988.12	Letter	Against
	NUVATEK DISTRIBUTION	U		3,087.15	Letter	For
	ONE 2 ONE LINGERIE INC.	U		340.41	Letter	For
	OPTIKOS DESIGNS LTD.	U		13,869.86	Letter	For
	OPTIMUM TALENT INC.	U		5,811.55	Letter	For
	OTTAWA RIVER POWER CORP.	U		6,137.22	Letter	For
	OVERRUNZ INTERNATIONAL	U		77,499.93	Letter	For
	PAPIER COAST	U		2,071.86	Letter	For

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	PCO SERVICES CORPORATION	U		9,028.06	Letter	For
	PCT VINYL CORP.	U		6,360.34	Letter	For
	PENN REFRIGERATION LTD.	U		2,282.60	Letter	For
	PETE ROY/PRO GLASS	U		1,638.50	Letter	For
	PHIPPEN WASTE MANAGEMENT	U		1,577.31	Letter	For
	PJJ PRODUCTIONS INC.	U		804.96	Letter	For
	PLAYMOBILE CANADA	U		148,297.30	Letter	For
	PLOMBERIE GHISLAIN PORLIER INC.	U		219.26	Letter	For
	PORTER, LINDA	U		3,554.40	Letter	For
	PORTES DE GARAGE CITADELLE LTEE	U		1,015.63	Letter	For
	PRIME WARRANTY	U		4,812.31	Letter	For
	PRIMO INTERNATIONAL	U		36,741.86	Letter	For
	PRODUITS DE CUIR SAYAN INC.	U		26,069.11	Letter	For
	PROFLASH	U		6,069.92	Letter	For
	PROTECTION INCENDIE VIKING INC	U		13,214.42	Letter	For
	QUALITY INN MATANE	U		134.64	Letter	For
	R.D. COOKSON DISPOSAL LTD.	U		666.56	Letter	For
	RADIO-TEMISCAMINGUE INC.	U		282.19	Letter	For
	RADIOCORP INC.	U		2,090.50	Letter	For
	RAYNALD CYR ELECTRIQUE INC.	U		164.98	Letter	For
	REBOX CORP.	U		8,839.67	Letter	For
	RECUPERATION MAURICIE	U		122.49	Letter	For
	RELIABLE HOSIERY INC	U		9,921.40	Letter	For
	RENFRO CANADA INC.	U		57,763.04	Letter	For
	RENON-CHEVRIER, SONIA	U		16,153.85	Letter	Against
	RIVERSIDE ENTERPRISES	U		745.80	Letter	For
	ROADRUNNER APPAREL INC.	U		212,022.49	Letter	For
	ROBERT KENNEDY CONSTRUCTION LTD.	U		16,763.87	Letter	For
	ROLLS RUFINA LINGERIE	U		17,112.19	Letter	For
	ROSENBLOOM GROUP	U		12,408.68	Letter	For
	RUNNORTH INC.	U		998,741.12	Letter	For
	S.COTE ELECTRIQUE INC.	U		276.84	Letter	For
	S.R. POTTEN LTEE.	U		45,114.30	Letter	For
	SAFDIE & CO. INC.	U		603,829.51	Letter	For
	SALTON CANADA	U		454,444.10	Letter	For
	SANIMOS INC.	U		1,024.20	Letter	For
	SCAN AGAIN INC	U		256.33	Letter	For

List of creditors

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	SCARVES & ALLIED ARTS INC.	U		16,692.30	Letter	For
	SCOTTISH TRADERS CLOTHING	U		115,511.09	Letter	For
	SEBAS ELECTRIQUE INC.	U		3,083.18	Letter	For
	SECURCHAINE	U		2,848.13	Letter	For
	SELECT THIBODEAU TRANSPORT	U		10,499.49	Letter	For
	SERRURIER EXCEL INC.	U		110.51	Letter	For
	SERV. ROUTIER LEON LAPIERRE INC.	U		762.64	Letter	For
	SERV. SANITAIRES DENIS FORTIER	U		583.42	Letter	For
	SERVICE D'ENTRETIEN DES ILES INC	U		1,475.33	Letter	For
	SERVICES FRIMAS INC. (LES)	U		11,575.39	Letter	For
	SERVICES SANITAIRES ROY	U		159.50	Letter	For
	SHERATON HAMILTON HOTEL	U		471.21	Letter	For
	SILVIO INTERNATIONAL DESIGN	U		15,508.04	Letter	For
	SIM-TRAN (ONTARIO) INC.	U		250.19	Letter	For
	SIMON BLANCHET INC.	U		1,502.48	Letter	For
	SKIVA INTERNATINAL INC. RE: TRENDSET ORIGINAL	U		162,802.12	Letter	For
	SOS TECHNOLOGIES ACTION URG.	U		141.16	Letter	For
	SPINRITE INC.	U		38,773.93	Letter	For
	SPLASH HOME (3361781 CANADA iNC)	U		17,857.69	Letter	For
	ST-JOHN'S 8 MOTEL LTD	U		448.92	Letter	For
	ST.JOHN COUNCIL FOR ONTARIO	U		318.00	Letter	For
	STEIN NOVELTY IMPORTING CO.	U		10,914.93	Letter	For
	SUMLIN INTERNATIONAL INC.	U		86,527.18	Letter	For
	SUN MEDIA CORPORATION	U		676.31	Letter	For
	SUNBEAM CORP. (CANADA) LTD	U		212,119.88	Letter	For
	SUPER 8 WINDSOR	U		204.70	Letter	For
	SYMAK SALES CO. INC.	U		63,215.42	Letter	For
	SYNTAX SYSTEM LTD.	U		8,835.86	Letter	For
	TAPIS IBE INC.	U		33,459.01	Letter	For
	TERPAC PLASTICS INC.	U		201.88	Letter	For
	THE MUNICIPALITY OF THE TOWN OF PORT HAWKESBURY	U		563.22	Letter	For

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	THE SAULT STAR	U		13,970.16	Letter	For
	THE STANDARD	U		380.84	Letter	For
	TRANSCONTINENTAL INC.	U		1,221,983.57	Letter	For
	TRANSPORT RLS	U		136.72	Letter	For
	TRAVELWAY GROUP INTERN L INC.	U		21,531.83	Letter	For
	TRIPLE G MANUFACTURING INC.	U		66,412.79	Letter	For
	TWO SEASONS INN	U		302.84	Letter	For
	TY CANADA LLC	U		5,457.01	Letter	For
	UNISON METAL PRODUCTS LTD.	U		13,886.88	Letter	For
	UNIVERSAL SENSOR SYSTEMS INC.	U		677.85	Letter	For
	URBAN RAGS CLOTHING INC.	U		1,003,137.06	Letter	Against
	VARDYVILLA LTD	U		1,525.50	Letter	For
	VENETO IMPORTS LTD.	U		9,548.32	Letter	For
	VEOLIA ES MATRIERES RESIDUELLES INC	U		133.29	Letter	For
	VERRERIE EMPIRE TRADING INC.	U		21,371.27	Letter	For
	VETEMENTS 5 SAISONS INC.	U		23,116.31	Letter	For
	VILLE D'AMQUI	U		1,698.33	Letter	For
	VINCORP INTERNATIONAL	U		26,007.95	Letter	For
	VISTA SUDBURY HOTEL INC. O/A RADISSON HOTEL SUDBURY	U		1,193.29	Letter	For
	VITRERIE LC INC	U		261.87	Letter	For
	VITRERIE PRO-VERRE INC.	U		747.35	Letter	For
	VITRERIE VAILLANCOURT INC.	U		115.66	Letter	For
	WEBBER'S WELDING	U		339.00	Letter	For
	WHITE CROSS UNIFORM WORKOPOLIS	U		940.52	Letter	For
	2,001.10	U		Letter	For	
	WORLD TO WORLD TRADING INC.	U		42,101.21	Letter	For
	XEROX CANADA LTEE	U		16,135.14	Letter	For
	Y.R. DISTRIBUTION	U		9,450.00	Letter	For
	ZHIHE CANADA INC.	U		11,708.57	Letter	For
	ZID.COM division of ZYMOS INC.	U		204.96	Letter	For