

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE BANKRUPTCY OF
NATHAR LIMITED
OF THE CITY OF CORNWALL
IN THE PROVINCE OF ONTARIO**

Applicant

MOTION RECORD

KELLY SANTINI LLP
Barristers & Solicitors
2401-160 Elgin Street
Ottawa, ON K2P 2P7

Rick Brooks
LSUC #19072K
Tel: (613) 238-6321
Fax: (613) 233-4553

Agent for Davies Ward Phillips &
Vineberg LLP, solicitors for the
Applicant

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INDEX**

<u>DOCUMENT</u>	<u>TAB</u>
Notice of Motion	1
Affidavit of Glenn Langburt, sworn July 17, 2014	2
Exhibit "A" – Notice of Intention to File a Proposal and Certificate of Filing	A
Exhibit "B" – Balance Sheet	B
Report of the Trustee	3

**ONTARIO
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IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE BANKRUPTCY OF
NATHAR LIMITED
OF THE CITY OF CORNWALL
IN THE PROVINCE OF ONTARIO**

Applicant

NOTICE OF MOTION

Nathar Limited, an insolvent person, (the "Applicant"), of the City of Cornwall, will make a Motion without notice, to a Justice of this Court in Bankruptcy, at the Court House, 161 Elgin Street, Ottawa, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be in writing.

THIS MOTION IS FOR:

1. An Order extending the time for the Applicant to file a Proposal to its creditors from July 24, 2014, to September 8, 2014.
2. Such further and other relief as counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

1. The Applicant, filed a Notice of Intention to Make a Proposal on June 24, 2014, pursuant to the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3.
2. The thirty (30) day stay as a result of the filing of the Proposal ends July 24, 2014.
3. The Applicant requires an extension of time within which to file its Proposal and asks that this delay be extended to September 8, 2014.
4. The extension being requested herein is required in order to reorganize the Applicant and to formulate a viable Proposal to the creditors of the Applicant. In the interim, the business is being carried on and is being monitored by the Trustee.
5. The Royal Bank of Canada is the main secured creditor in this matter and supports the Applicant with regard to its efforts to reorganize its business undertaking and make a viable Proposal to its creditors. No other creditors have been in contact with the Trustee or the Applicant with regard to this matter since the filing of the Notice of Intention to File a Proposal.
6. The Applicant has been acting in good faith and with due diligence and no creditors will be materially prejudiced if this extension is granted.
7. A liquidation arising from a bankruptcy of the Applicant would likely result in the unsecured creditors obtaining no payment whatsoever. If the Applicant is permitted to pursue its restructuring efforts, it will likely make a viable proposal which would provide for payment to the unsecured creditors. Additionally, by continuing to

operate, the realizable value of the Applicant will be maximized and it will be able to maintain its existing supplier, customer and employee relationships.

8. The Applicant relies on Section 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3.
9. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. The Affidavit of Glenn Langburt sworn July 17, 2014;
2. Report of the Trustee dated July 16, 2014;
3. Such further and other material as counsel may advise and this Honourable Court may permit.

Date: July 17, 2014

KELLY SANTINI LLP
Barristers & Solicitors
2401-160 Elgin Street
Ottawa, ON K2P 2P7

Rick Brooks
LSUC #19072K
Tel: (613) 238-6321
Fax: (613) 233-4553

Agent for Davies Ward Phillips &
Vineberg LLP, solicitors for the
Applicant

IN THE MATTER OF THE PROPOSAL OF NATHAR LIMITED OF THE CITY OF CORNWALL

Estate No. 33-1884686

SUPERIOR COURT OF JUSTICE
Proceeding commenced at Ottawa

NOTICE OF MOTION

KELLY SANTINI LLP
Barristers & Solicitors
2401-160 Elgin Street
Ottawa, Ontario
K2P 2P7
(613) 238-6321
(613) 233-4553 Fax

Rick Brooks
Agent for Davies Ward Phillips &
Vineberg LLP, solicitors for the Applicant
Law Society No. 19072K

Box No. 201
Our File No: 017-67116

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, C. B-3.

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF NATHAR LIMITED

Applicant

**AFFIDAVIT OF GLENN LANGBURT
(SWORN JULY 17, 2014)**

I, Glenn Langburt, of the City of Cornwall, in the Province of Ontario,

MAKE OATH AND SAY:

1. I am a duly authorized representative of Nathar Limited (the "**Applicant**"). As such I have personal knowledge of the matters to which I depose. To the extent that I do not have personal knowledge, I verily believe the information to which I depose.

Background

2. The Applicant filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (the "**BIA**") on June 24, 2014, appointing Richter Advisory Group Inc. (the "**Proposal Trustee**") as the trustee thereunder (the "**NOI**"). A copy of the NOI together with the Office of the Superintendent of Bankruptcy's Certificate of Filing is attached hereto as **Exhibit "A"**.

3. The Applicant was incorporated in 1975 pursuant to the *Ontario Business Corporations Act* and maintains its head offices in Cornwall, Ontario.

4. The Applicant, along with two other companies, K.F.S. Limited and 2726556 Canada inc. (collectively, the "**Companies**"), who also filed notices of intention to make a proposal under the BIA on June 24, 2014, operates several retail stores located in Ontario and the Maritimes.

5. The Companies, in operation since 1955, form a chain of 21 retail stores. Among other things, the Companies specialize in Ladies' and Men's fashions, kitchenware, home accessories and gourmet foods.

6. The Companies operate several brands, including Tweed and Hickory, Kastners Menswear, Flotron's Tweed & Hickory, Bucovetsky's and Dovers Menswear.

7. The Companies' primary suppliers are based in Canada and in the United States of America.

8. As of the day of the filing of the NOI, the Companies had over 200 employees between their stores, warehouse and head office.

Secured Creditor

9. The Royal Bank of Canada ("**RBC**") is the only secured creditor of the Companies. The Companies are indebted to RBC in an amount of approximately \$3,367,489 plus interest.

10. RBC is aware of the request for an extension and supports the Companies' restructuring process. Together with the help of its advisors, the

Companies have established a restructuring plan which should allow for the total repayment of RBC's indebtedness, in addition to keeping some of the stores open.

11. As such, the Companies expect to fully repay the RBC indebtedness by December 2014, with major reductions of such indebtedness taking place from October to December of 2014 as a result of the Companies' business being rationalized.

Other Creditors

12. Other than the possible claims of its landlords, the Applicant is indebted in an amount of approximately \$393,950.54 towards its unsecured and contingent creditors.

The Financial Situation and Reasons for Insolvency

13. Over the past two years, the Companies have incurred operating losses as a result of a significant decrease in sales volumes. The Companies' gross profits declined by 20% in 2014 as compared to the same period the previous year.

14. The Companies' financial troubles are further exacerbated by their aging inventory which relates to fall 2013 and prior seasons. Furthermore, the Applicant attributes the decline in sales to the current unfavorable economic conditions in the retail industry, the general economic downturn as well as the highly competitive market.

15. Although the Applicant has attempted to correct the situation in the past months, the significant decrease in sales indicates that a formal restructuring is the only

way of salvaging the Companies' affairs. In fact, the Companies do not have adequate cash flow to continue their operations.

16. Within the first few days of filing its NOI, the Applicant gave to the Proposal Trustee, for the purposes of providing a full review of its operations, access to its books, records, and other important documents.

17. Since the filing of the NOI, the Applicant has been paying, on a timely basis, its suppliers and employees in respect of the current business terms. Additionally, the current state of the finances of the Applicant is favorable compared to what had initially been projected since the filing of the NOI.

18. The Applicant seeks an extension of the stay period for an additional 45 days to allow it to complete its dealings with regards to the identification and closure of underperforming stores, the negotiation of more favorable leases, the liquidation of the slow moving excess inventory, the reduction of operating overhead expenses, the search for potential investors who could participate in the restructuring efforts, as well as the determination of the terms of a viable proposal to settle with its numerous unsecured creditors.

19. Absent court protection, the Applicant's business will fail because it cannot pay all of its liabilities currently due or accruing due.

20. Attached as **Exhibit "B"** hereto is the statement of projected cash-flow for the Applicant for the period from August 1 to September 30, 2014. Filed herewith is the Proposal Trustee's Report on the state of the Applicant's business and financial affairs.

Basis for Stay Extension

21. The Applicant has acted and continues to act in good faith and with due diligence toward achieving a successful restructuring of its business. If the extension sought is granted, the Applicant will likely be able to make a viable proposal to its creditors.

22. Extending the stay period for an additional 45 days will not be materially prejudicial to the Applicant's creditors inasmuch as RBC supports the Companies' restructuring efforts and consents to the extension sought.

23. A liquidation arising from a bankruptcy from the Applicant would likely result in its unsecured creditors obtaining no payment whatsoever. On the other hand, pursuing the Applicant's restructuring efforts may permit the Applicant to make a proposal that would provide for some form of payment to its unsecured creditors.

24. Moreover, continuing to operate the Applicant's business as a going concern will serve to maximize the realizable value of the Applicant's working capital and maintain its existing supplier, customer and employee relationships.

SWORN BEFORE ME at the City of
Cornwall, on July 17, 2014.


Commissioner for Taking Affidavits

P. Bragagnolo


Glenn Langhart

THIS IS EXHIBIT "A"
TO THE AFFIDAVIT OF
GLENN LANGBURT
SWORN BEFORE ME THIS 17TH DAY OF JULY, 2014



Commissioner for Taking Affidavits

RICHTER

CANADA
Province of Ontario

SUPERIOR COURT OF JUSTICE
Commercial List
Bankruptcy and Insolvency Act

District of Ontario
Division No. 12-Ottawa
Court No. 33-1884686
Estate No. 33-1884686

**Notice to Creditors of Intention to Make a Proposal
(Subsection 50.4(6))**

**In the Matter of the Notice of Intention to Make a Proposal of
Nathar Limited
Of the City of Cornwall
In the Province of Ontario**

Notice is hereby given that, on June 24, 2014, the above-mentioned Debtor filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, as per a copy attached hereto.

Notice is further given that in accordance with Section 69 of the *Bankruptcy and Insolvency Act*, all proceedings against the Debtor are hereby stayed. Accordingly, no creditor has any remedy against the Debtor or its assets, nor shall it commence or continue any action, execution, or other proceedings for the recovery of a claim.

A list of the creditors with claims amounting to \$250 or more and the amounts of their claims as known or shown by the Debtor's books is annexed hereto. The enclosure thereof does not constitute the acceptance of any claim or claims.


Upon the filing of the contemplated Proposal, a further notice shall be sent to the creditors providing:

- a) a copy of the Proposal;
- b) the date, time and place of a Meeting of Creditors to be held to consider the Proposal;
- c) a condensed statement of the assets and liabilities of the Debtor;
- d) the following prescribed forms, to be completed:
 - Proof of Claim;
 - Proxy;
 - Voting Letter on the Proposal.

Should the Debtor fail to file a Proposal within the prescribed delays, an automatic bankruptcy will ensue and the Trustee will forthwith convene a meeting of creditors.

Dated at Montréal, Province of Québec, June 30, 2014.

Richter Advisory Group Inc.
Trustee acting *in re* the proposal of
Nathar Limited

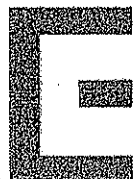

Stéphanie De Broux, CPA, CA, CIRP
Administrator

T. 514.934.3400
F. 514.934.8603
claims@richter.ca

Richter Groupe Conseil Inc.
Richter Advisory Group Inc.
1981 McGill College
Montréal, QC H3A 0G6

Montréal, Toronto

(français - recto)



RICHTER

CANADA
Province de l'Ontario

COUR SUPÉRIEURE DE JUSTICE
Rôle commercial
Loi sur la faillite et l'insolvabilité

District de : Ontario
No division : 12-Ottawa
No cour : 33-1884686
No dossier : 33-1884686

**Avis aux créanciers de l'intention de faire une proposition
(Paragraphe 50.4(6))**

**Dans l'affaire de l'Avis d'intention de faire une proposition de
Nathar Limited
de la ville de Cornwall
en la province de l'Ontario**

Avis est par la présente donné que, le 24 juin 2014, la débitrice susmentionnée a déposé un Avis de l'intention de faire une proposition en vertu de la *Loi sur la faillite et l'insolvabilité*, dont copie est ci-jointe.

Avis est de plus donné qu'en conformité avec l'article 69 de la *Loi sur la faillite et l'insolvabilité*, toute procédure engagée contre la débitrice est suspendue. En conséquence, aucun créancier n'a de recours contre la débitrice ou contre ses biens, ni ne peut tenter ou continuer une action, exécution ou autre procédure pour le recouvrement de sa réclamation.

Une liste des créanciers ayant des réclamations de 250 \$ ou plus et le montant de ces réclamations, reflétées aux livres ou connues de la débitrice, est annexée aux présentes. Cette liste ne constitue pas l'acceptation d'une réclamation ou de réclamations.

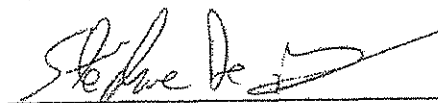
Lors du dépôt de la proposition envisagée, un autre avis sera envoyé aux créanciers comprenant :

- a) une copie de la proposition;
- b) les date, lieu et heure de la tenue de l'assemblée des créanciers visant à considérer la proposition;
- c) un état succinct des avoirs et obligations de la débitrice;
- d) les documents prescrits suivants à être complétés :
 - preuve de réclamation;
 - procuration;
 - formulaire de votation sur la proposition.

Si la débitrice n'est pas en mesure de déposer une proposition dans les délais prescrits, la faillite sera déclarée automatiquement, et le syndic convoquera immédiatement une assemblée des créanciers.

Fait à Montréal, province de Québec, le 30 juin 2014.

Richter Groupe Conseil Inc.
Syndic agissant *in re* la proposition de
Nathar Limited


Stéphane De Broux, CPA, CA, CIRP
Administrateur

T. 514.934.3400
F. 514.934.8603
reclamations@richter.ca

Richter Groupe Conseil Inc.
Richter Advisory Group Inc.
1981 McGill College
Montréal, QC H3A 0G6

Montréal, Toronto

(English - Over)



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 Notice of intention to make a proposal of
Nathar Limited
Of the City of Cornwall
In the Province of Ontario

Take notice that:

1. I, Nathar Limited, an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors:
2. Richter Advisory Group Inc/Richter Groupes-Conseil Inc of 1981 avenue McGill College, 12th Floor, Montréal, QC, H3A 0G6, 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 Montréal in the Province of Quebec, this 23rd day of June 2014.


Nathar Limited
Insolvent Person

To be completed by Official Receiver:

Filing Date _____

Official Receiver

District de:
No division:
No cour:
No dossier:

- FORMULAIRE 33 -
Avis de l'intention de faire une proposition
(paragraphe 50.4(1) de la Loi)

Dans l'affaire de l'avis d'intention de faire une proposition de
Nathar Limited
de la ville de Cornwall
en la province de l'Ontario

Avis est donné de ce qui suit :

1. Je, Nathar Limited, personne insolvable signifie mon intention de faire une proposition à mes créanciers conformément au paragraphe 50.4(1) de la Loi.
2. Richter Advisory Group Inc/Richter Groupe Conseil inc de 1981 avenue McGill College, 12e étage, Montréal, QC, H3A 0G6, syndic autorisé, a accepté d'exercer les fonctions de syndic dans le cadre de la proposition. Une copie de son acceptation est annexée au présent avis.
3. Une liste portant les noms des créanciers connus ayant des réclamations d'une valeur de 250 \$ ou plus ainsi que le montant de ces réclamations, est également annexée.
4. Conformément à l'article 69 de la Loi, les procédures engagées contre moi sont suspendues à compter de la date du dépôt du présent avis auprès du séquestre officiel de ma localité.

Daté le 23 juin 2014, à Montréal en la province de Québec.

(Signé)

Nathar Limited
Personne Insolvable

À remplir par le séquestre officiel :

Date du dépôt _____

Séquestre officiel

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
ADIDAS CANADA LTD.	8100 HIGHWAY 27 WOODBIDGE ON L4H 3N2		2,574.97
ADORABLE JUNIOR GARMENT	5290 THIMENS BLVD. VILLE ST.LAURENT QC H4R 2B2		2,365.34
ALMA MATER SOCIETY OF QUEEN'S	JDUC QUEEN'S UNIVERSITY KINGSTON ON K7L 3N6		549.18
ALPHI APPAREL GROUP INC.	4334 RUE GARAND VILLE ST.LAURENT QC H4R 2A3		2,972.01
ANGO MODE IMPORT	10301 COLBERT STREET MONTREAL QC H1J 2G5		9,978.51
BALLIN	2825 BRABANT-MARINEAU MONTREAL QC H4S 1R8		3,650.68
BELL CANADA	P.O.BOX 9000, STN. DON MILLS NORTH YORK ON M3C 2X7		837.31
BENCH CRAFT LEATHER INC.	1572 VICTORIA ST. NORTH KITCHENER ON N2B 3E5		3,344.15
BLUE RIVER TRADING	16-240 VICEROY ROAD CONCORD ON L4K 3N9		894.96
BYLYSE	DIVISION OF HAMMAX NORTH AMERICA INC. 393 BOUL ROLAND DURAND ROSEMERE QC J7A 4K1		2,707.93
CANADA GOOSE	250 BOWIE AVENUE TORONTO ON M6E 4X6		16,792.97
CANADAY'S APPAREL LTD.	P.O. BOX 580 MOOSE JAW SK S6H 4P3		311.48
CANFLOYD DIVISION OF CANDYM	95 CLEGG ROAD MARKHAM ON L6G 1B9		1,213.00
CHAMBERS & SONS AGENTS LTD.	86 SCOLLARD ST., TORONTO ON M5R 1G2		9,556.56
CHOICE DISTRIBUTION	425 - D FOURTH ST. WEST CORNWALL ON K6J 2S7		256.96
CODET INC.	143 RUE POMERLEAU MAGOG QC J1X 5P7		1,660.99
COLUMBIA SPORTSWEAR	1425 MAX BROSE DRIVE LONDON ON N6N 0A2		2,502.90
CONRAD C. COLLECTION	200 - 9320 ST. LAURENT MONTREAL QC H2N 1N7		8,304.87
CORNWALL ELECTRIC	1001 SYDNEY ST. CORNWALL ON K6H 3K1		2,874.99


List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
CUSHE	DIVISION OF WOLVERINE WORLDWIDE CANADA ULC 5800 KIERAN MONTREAL QC H4S 2B5		727.17
DEVANLAY CANADA INC.	901 - 4200 SAINT LAURENT BLVD. MONTREAL QC H2W 2R2		14,714.06
DISTRIBUTION CUIR-ATOUT ENR.	924 BOUL. L'ANGE GARDIEN NORD L'ASSOMPTION QC J5W 1P1		444.77
DIXIE ACTIVEWEAR INC.	8484 ESPLANADE MONTREAL QC H2P 2R7		3,095.40
DR. MARTENS AIRWAIR USA LLC	10 NORTHWEST 10TH AVE. PORTLAND OR 97209 USA		918.85
ED BATTAH & CO.	1405 - 555 CHABANEL ST MONTREAL QC H2N 2H8		1,809.92
EROS CLOTHING INC.	41 VIA CRISTINA WAY WOODBIDGE ON L4H 1R9		6,962.97
EUROMAX	408 - 460 ST. CATHERINE OUEST MONTREAL QC H3B 1A7		2,316.50
EV CANA CLOTHING INC.	413 - 9200 PARC MONTREAL QC H2N 1Z4		1,833.99
FABIAN COUTURE GROUP INT.	ACCT.# CA1000 7182 S. URBAN STREET MONTREAL QC H2S 3H5		1,289.29
FINE LINE IMPORTS	206 - 160 TYCOS DRIVE TORONTO ON M6B 1W8		7,167.54
FRANK LYMAN DESIGNS	2500 BOUL. DES DOURCES POINTE CLAIRE QC H9R 0B3		11,254.26
FREEMAN FORMALWEAR	111 BARMANDSEY ROAD TORONTO ON M4A 2T7		7,336.37
FUTURE OFFICE PRODUCTS	34 EIGHT STREET WEST CORNWALL ON K6J 2Z2		305.58
GENTRY (1978) INC.	300 - 8920 PIE 1X BLVD. MONTREAL QC H1Z 4H9		12,977.43
GOURMET DU VILLAGE	539 VILLAGE MORIN HEIGHTS QC J0R 1H0		1,522.62
GROUP YNA 7908741 CANADA INC.	200 - 9600 MEILLEUR MONTREAL QC H2N 2E3		2,568.54
GROUPE CORWICK	KATHERINE BARCLAY 225, RUE CHABANEL OUEST MONTREAL QC H2N 2C9		2,972.10

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
GSUS CANADA LTD.	543 RICHMOND ST., WEST P O BOX 202 TORONTO ON M5V 1Y6		6,560.69
HUGO BOSS CANADA INC.	C/O T9946 P.O. BOX 9946, STN A TORONTO ON M5W 2J2		440.70
HYDRO ONE NETWORKS INC.	BOX 4102, STATION A TORONTO ON M5W 3L3		1,057.14
ICEBREAKER MERINO CLOTHING INC.	502 - 21 WATER ST. VANCOUVER BC V6B 1A1		428.27
INDEKA IMPORTS	2120 BRISTOL CIRCLE OAKVILLE ON L6H 5R3		4,832.69
JACK VICTOR LIMITED	1250 SAINT ALEXANDRE STREET MONTREAL QC H3B 3H6		26,202.94
JANOR IMPORTS INC.	500 - 416, BOUL. DE MAISONNEUVE OUEST MONTREAL QC H3A 1L2		1,186.50
JAYTEX OF CANADA LTD.	29 GURNEY CRES. TORONTO ON M6B 1S9		2,410.42
JONES APPAREL GROUP CANADA LP	388 APPLEWOOD CRESCENT VAUGHAN ON L4K 4B4		1,399.48
KAREN DEARING	41 STANFIELD STREET SYDNEY NS B1P 3X4		250.75
KINGSTON TERMINAL PROPERTIES	105 PRINCESS STREET, PO BOX 1534 KINGSTON ON K7L 5C7		10,702.23
LANA LEE FASHIONS	301 - 9400 BOUL ST. LAURENT BLVD. MONTREAL QC H2N 1P3		4,271.99
LANG INVESTMENTS	27 FIRST STREET EAST CORNWALL ON K6H 1K5		3,733.87
LES IMPORTATIONS BOLIDE LTEE	309 - 555 CHABANEL OUEST, MONTREAL QC H2N 2H8		3,541.89
LES IMPORTATIONS JEREMY D LTEE	200 - 9333 BOUL ST. LAURENT MONTREAL QC H2N 1P6		5,884.89
LEVI STRAUSS CO. CANADA LTD.	C/O T27525 PO BOX 4275 TORONTO ON M5W 5V8		265.56
LINEA DOMANI	1106 - 555 CHABANEL ST. WEST MONTREAL QC H2N 2H8		4,518.31
LUXOTTICA CANADA INC.	947 VERBENA RD. MISSISSAUGA ON L5T 1T5		1,497.25

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
MARITECT SOLUTIONS	225 CHARLOTTE STREET SYDNEY NS B1P 1C4		379.50
MAVI JEANS	580 INDUSTRIAL AVENUE VANCOUVER BC V6A 2P3		830.55
MCGREGOR INDUSTRIES	70 THE EAST MALL ETOBICOKE ON M8Z 5W2		1,366.42
MEXX CANADA INC.	905 HODGE STREET VILLE ST. LAURENT QC H4N 2B3		6,442.05
MICHAEL PHILIPS LTEE	433 O RUE CHABANEL TOUR NORD SUITE 501 MONTREAL QC H2N 2J5		5,986.29
MWG APPAREL CORP.	1147 NOTRE DAME AVE. WINNIPEG MB R3E 3G1		369.51
NINGBO MONDILAND FASHIONS CO., LTD	105-107, XIWU SOUTH RD., INDUSTRY ZONE, FENGHUA, NINGBO CHINA		1,215.00
NORTH AMERICAN	27 KELFIELD STREET TORONTO ON M9W 5A1		1,882.13
NOVA SCOTIA POWER INC.	P O BOX 848 HALIFAX NS B3J 2V7		804.05
NSI RETAIL	14 - 1675 SISIMET ROAD MISSISSAUGA ON L4W 4K8		554.83
OAKLEY CANADA	2660 DIAB VILLE ST. LAURENT QC H4S 1E8		9,264.30
ORLY CUISINE	6665 JEANNE MANCE MONTREAL QC H2V 4L1		1,141.23
PARAGON CLOTHING LTD.	220 - 9600 ST. LAURENT BLVD. MONTREAL QC H2N 1R2		1,345.60
PARKHURST	20 RESEARCH RD. TORONTO ON M4G 2G6		3,724.48
PEERLESS CLOTHING INC	8888 BOUL. PIE IX, MONTREAL, QC H1Z 4J5		294.26
PLATINUM FASHIONS 2000 INC.	300 - 8920 PIE IX BLVD. MONTREAL QC H1Z 4H9		1,000.20
PYA IMPORTER LTD.	15 APEX ROAD NORTH YORK ON M6A 2V6		4,132.58
RODD & GUNN NEW ZEALAND LIMITED	LEVEL 1, 326 NEW NORTH ROAD, KINGSLAND AUCKLAND, 1020, NEW ZEALAND		2,097.00

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
S. COHEN INC.	153 GRAVELINE MONTREAL QC H4T 1R4		1,258.93
SANDSTYLE CANADA GROUP INC.	900 - 433 CHABANEL OUEST MONTREAL QC H2N 2J8		10,400.86
SAVRON CLOTHES LTD	210 - 160 SAINT VIAEUR ST., EAST MONTREAL QC H2T 1A8		3,354.54
SAXX UNDERWEAR CO., LTD.	68 WEST 5TH AVE. VANCOUVER BC V5Y 1H6		1,179.76
SEAWAY NEWS	100 - 1885, RUE SAINT-LOUIS GATINEAU QC J8T 6G4		453.13
SHAW'S OF PERTH	16 GORE STREET WEST PERTH ON K7H 2L6		6,696.00
SIGA INTERNATIONAL	81 ST. REGIS CRESCENT S. TORONTO ON M3J 1Y6		30,297.99
SPANNER LIMITED	334A MANITOU DR. KITCHENER ON N2C 1L3		6,067.28
STANFIELD'S LIMITED	P.O. BOX 190 TRURO NS B2N 5C2		281.26
STUDIO MODE	400 - 416 BOUL. DE MAISONNEUVE OUEST MONTREAL QC H3A 1L2		3,121.51
SUZANNE AZOULAY INC.	1203 - 555 CHABANEL MONTREAL QC H2N 2H8		2,932.73
T.LIPSON & SONS LTD	190 NORSEMAN STREET TORONTO ON M8Z 2R4		2,076.12
THE NORTH FACE-CANADA	T6106, P.O. BOX 6100 POSTAL STATION F TORONTO ON M4Y 2Z2		2,758.67
THROAT THREADS APPAREL INC.	1134 PLAINS ROAD EAST BURLINGTON ON L7S 1W6		2,293.33
TILLEY ENDURABLES INC.	60 GERVAIS DRIVE TORONTO ON M3C 1Z3		7,032.20
TOMMY BAHAMA CANADA	29 GURNEY CRESCENT TORONTO ON M6B 1S9		17,075.51
TRIBAL SPORTSWEAR INC.	300 - 7445 CHEMIN DE LA COTE-DE-LIESSE SAINT LAURENT QC H4T 1G2		7,533.35
UNDER ARMOUR CANADA ULC	1 - 215 SHIELDS COURT MARKHAM ON L3R 8V2		1,797.73
UPPER CANADA SOAP & CANDLE	1510 CATERPILLAR ROAD MISSISSAUGA ON L4X 2W9		295.36

List of Creditors with claims of \$250 or more:			
Creditor	Address	Account#	Claim Amount
VISA	BOX 4016, STATION A TORONTO ON M5W 2E6		2,157.55
WESTERN GLOVE WORKS	P.O. BOX 8919, STATION A TORONTO ON M5W 2C5		442.83
WOOLRICH	1880 32ND AVE LACHINE QC H8T 3J7		8,881.13
Total			393,950.54


Glenn Langbert

- Proposal Consent -

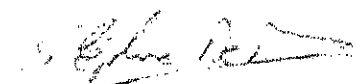
In the matter of the Notice of intention to make a proposal of
Nathar Limited
Of the City of Cornwall
In the Province of Ontario

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of Nathar Limited.

Dated at the City of Montréal in the Province of Quebec, this 23rd day of June 2014.

Richter Advisory Group Inc/Richter Groupe Conseil inc - Trustee
Per:



Stéphane De Broux, CPA, CA, CIRP
1981 avenue McGill College, 12e étage
Montréal QC H3A 0G6
Phone: (514) 934-3400 Fax: (514) 934-8603

- Consentement -

Dans l'affaire de l'Avis d'intention de faire une proposition de
Nathar Limited
de la ville de Cornwall
en la province de l'Ontario

À qui de droit,

Nous consentons par la présente, à agir comme syndic, d'après la Loi sur la faillite et l'insolvabilité, à la présente proposition de Nathar Limited.

Daté le 23 juin 2014, à Montréal en la province de Québec.

Richter Advisory Group Inc/Richter Groupe Conseil inc - Syndic
Par:

(Signé)

Stéphane De Broux, CPA, CA, CIRP
1981 avenue McGill College, 12e étage
Montréal QC H3A 0G6

Téléphone: (514) 934-3400 Télécopieur: (514) 934-8603



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 12 - Ottawa
Court No. 33-1884686
Estate No. 33-1884686

In the Matter of the Notice of Intention to make a
proposal of:

Nathar Limited
Insolvent Person

**RICHTER ADVISORY GROUP INC / RICHTER GROUPE
CONSEIL INC.**
Trustee

Date of the Notice of Intention: June 24, 2014

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: June 25, 2014, 10:27

E-File/Dépôt Electronique

Official Receiver

Place Bell Canada, 160 Elgin Street, 11th Floor, Suite B-100, Ottawa, Ontario, Canada, K2P2P7, (877)376-9902

Canada



Industrie Canada

Industry Canada

Bureau du surintendant
des faillites Canada

Office of the Superintendent
of Bankruptcy Canada

District de : Ontario
No division : 12 - Ottawa
No cour : 33-1884686
No dossier : 33-1884686

Dans l'affaire de l'avis d'intention de faire une
proposition de :

Nathar Limited
Personne insolvable

RICHTER ADVISORY GROUP INC / RICHTER GROUPE
CONSEIL INC.
Syndic

Date de l'avis d'intention : 24 juin 2014

CERTIFICAT DE DÉPÔT D'UN AVIS D'INTENTION DE FAIRE UNE PROPOSITION
paragraphe 50.4(1)

Je soussigné, séquestre officiel pour ce district de faillite, certifie par les présentes que la personne insolvable susmentionnée a déposé un avis d'intention de faire une proposition en vertu du paragraphe 50.4(1) de la *Loi sur la faillite et l'insolvabilité*.

Conformément au paragraphe 69(1) de la Loi, toutes les procédures contre la personne insolvable susmentionnée sont suspendues à compter de la date du dépôt de l'avis d'intention.

Date: 25 juin 2014, 10:27

E-File/Dépôt Electronique

Séquestre officiel

Place Bell Canada, 160 Elgin Street, 11th Floor, Suite B-100, Ottawa Canada, K2P2P7, (877)376-9902

Canada

THIS IS EXHIBIT "B"
TO THE AFFIDAVIT OF
GLENN LANGBURT
SWORN BEFORE ME THIS 17TH DAY OF JULY, 2014



Commissioner For Taking Affidavits

Mill#: 2141098

2726556 Canada Inc.

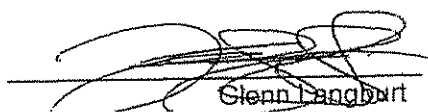
Statement of projected cash-flow (note 1)


For the period ending September 30, 2014

(in 000's)

	month ending:	Aug-14	Sep-14
Receipts		\$ 1,200	\$ 1,120
Disbursements			
Operations		954	946
Administration		104	102
Restructuring expenses		50	70
		<u>1,108</u>	<u>1,118</u>
Net cash-flow		92	2
Opening bank indebtedness		<u>(1,733)</u>	<u>(1,642)</u>
Closing bank indebtedness		<u>\$ (1,642)</u>	<u>\$ (1,640)</u>

Note 1: This statement of projected cash-flow combines the operations of K.F.S. Limited, Nathar Limited and 2726556 Canada Inc.


Glenn Langhart
2726556 Canada Inc.


Richter Advisory Group Inc.

IN THE MATTER OF THE PROPOSAL OF NATHAR LIMITED OF THE CITY OF CORNWALL

Estate No. 33-1884686

SUPERIOR COURT OF JUSTICE
Proceeding commenced at Ottawa

AFFIDAVIT OF GLENN LANGBURT

KELLY SANTINI LLP
Barristers & Solicitors
2401-160 Elgin Street
Ottawa, Ontario
K2P 2P7
(613) 238-6321
(613) 233-4553 Fax

Rick Brooks
Agent for Davies Ward Phillips &
Vineberg LLP, solicitors for the Applicant
Law Society No. 19072K

Box No. 201
Our File No.: 017-67116

CANADA
PROVINCE OF ONTARIO
DISTRICT OF ONTARIO
DIVISION NO.: 12-OTTAWA
COURT NO.: 33-1884686
ESTATE NO.: 33-1884686

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF:

Nathar Limited, a body politic and
corporate, duly incorporated according to law
and having its head office and its principal
place of business at 27 First Street East, in
the City of Cornwall, in the Province of
Ontario, K6H 1K5.

Debtor

- and -

Richter Advisory Group Inc.

Trustee

TRUSTEE'S REPORT ON THE STATE OF THE INSOLVENT PERSON'S
BUSINESS AND FINANCIAL AFFAIRS
(Pursuant to 50.4(7)(b)(ii) and 50.4(9) of the Bankruptcy and Insolvency Act)

I, Stéphane De Broux, CPA, CA, CIRP, of Richter Advisory Group Inc. ("Richter"), Trustee, with respect to the Notice of Intention to Make a Proposal ("Notice of Intention") filed by Nathar Limited (the "Company" or "Debtor"), an insolvent person, do hereby report to the Court the following:

1. On June 24, 2014, the Debtor filed a Notice of Intention in accordance with the *Bankruptcy and Insolvency Act* (the "Act"), a copy of which is annexed hereto as **Exhibit "A"**.
2. On June 24, 2014, K. F. S. Limited and 2726556 Canada Inc., which are controlled by the same entity as the Debtor, also filed a Notice of Intention. K. F. S. Limited, Nathar Limited and 2726556 Canada Inc. are herein collectively referred to as the "Companies".
3. On July 2, 2014, documents were sent by regular mail to all creditors of the Debtor, as identified by it, which included a copy of the Debtor's Notice of Intention, as annexed hereto as **Exhibit "B"**.
4. On July 4, 2014, the Debtor filed with the Official Receiver a Statement of Projected Cash Flow ("Projections") together with his report pursuant to Section 50.4(2)(c) of the Act, covering the period from July 1, 2014 to July 31, 2014, which included the major Assumptions used in the preparation of the aforementioned Projections. Concurrently therewith, the Trustee filed its Report on the reasonableness of the Projections in accordance with Section 50.4(2)(b) of the Act, all of which is annexed hereto as **Exhibit "C"**.
5. In order to monitor the affairs and finances of the Debtor, the Trustee has been provided with access to the books, records and other important documents of the Debtor.

6. The Debtor has been paying its suppliers and employees, on a timely basis, for goods and services provided subsequent to the date of the filing of the Notice of Intention, according to the current business terms. The Trustee has compared the actual results to those projected since the filing of the Notice of Intention. The actual results to date have been favorable.
7. The Companies, in operation since 1955, operate a chain of 21 retail stores in Ontario, Nova Scotia, New Brunswick and Newfoundland, specializing in ladies' and men's fashions, kitchenware, home accessories and gourmet foods. The Companies operate under various banners including Tweed & Hickory, Kastners Menswear, Flotron's Tweed & Hickory, Bucovetsky's, Dover's Menswear, Buckland's Fine Clothing, Shaw's of Perth, The Village Green, Jacobson's Ladies' Wear, Yazer's Men's Wear, Bellissima and Moe's Menswear.
8. At the time of the filing, the Companies had over 200 employees in their stores, warehouse and head office. The Companies' head office is located in Cornwall, Ontario.
9. In the past two years, the Companies have experienced a sharp decline of their sales and reported significant losses. Management attributes this decline in sales to the following:
 - Current unfavorable economic conditions in the retail industry;
 - General economic downturn; and
 - Highly competitive market.
10. Pursuant to the assessment of their financial situation, the Companies began implementing, in early 2014, certain corrective measures, with the intent of ensuring their long-term profitability. However, the decrease of their sales continued to exceed the Companies' forecasts and it became evident that such measures would be insufficient to reverse the negative impact of the sales decline, thus necessitating a formal restructuring through a Notice of Intention.
11. Pursuant to the filing of the Notice of Intention, the Companies have been developing and implementing their restructuring plan. The key elements of this plan include:
 - The identification and closure of underperforming stores. To date, two stores have been closed and the relevant notices to disclaim leases have been sent to the landlords;
 - The negotiation of more favorable leases terms with their landlords;
 - The liquidation of their slow-moving and excess inventory;
 - The reduction of operating and overhead expenses;
 - The search for potential investors who could participate in the restructuring; and
 - The determination of the terms of a viable proposal to their unsecured creditors.
12. The Debtor is filing a Motion to Extend the Delay for the Filing of a Proposal, in order to allow it to complete its dealings with regards to the above-mentioned key elements and to enable the formulation of a viable proposal to its creditors.

13. The Debtor's secured creditor, Royal Bank of Canada, does not object to the requested extension and supports the Debtor in its reorganization efforts.
14. Annexed hereto as **Exhibit "D"** is the Statement of Projected Cash Flow covering the period from August 1 to September 30, 2014, the Trustee's Report on the reasonableness of the Projections in accordance with Section 50.4(2)(b) of the Act and the Debtor's Report pursuant to Section 50.4(2)(c) of the Act.
15. If the extension is granted, the Trustee is not aware of any facts indicating that any creditor would suffer a prejudice.
16. Given the foregoing, the Trustee hereby recommends the granting of the extension by the Court to September 8, 2014.

DATED AT MONTREAL, this 16th day of July 2014.

Richter Advisory Group Inc.
Trustee

A handwritten signature in dark ink, appearing to read 'Stephane De Broux', with a horizontal line drawn underneath it.

Per: Stephane De Broux, CPA, CA, CIRP

ANNEXE A

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 Notice of intention to make a proposal of
Nathar Limited
Of the City of Cornwall
In the Province of Ontario

Take notice that:

1. I, Nathar Limited, an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Richter Advisory Group Inc/Richter Groupe Conseil Inc of 1981 avenue McGill College, 12th Floor, Montréal, QC, H3A 0G6, 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 Montréal in the Province of Quebec, this 23rd day of June 2014.

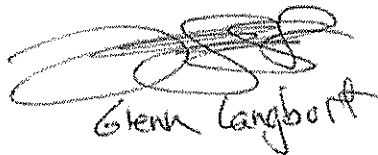

Nathar Limited
Insolvent Person

To be completed by Official Receiver:

Filing Date _____

Official Receiver

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
VISA	BOX 4016, STATION A TORONTO ON M5W 2E6		2,157.65
WESTERN GLOVE WORKS	P.O. BOX 8919, STATION A TORONTO ON M5W 2C5		442.83
WOOLRICH	1880 32ND AVE LACHINE QC H8T 3J7		8,881.13
Total			393,950.54


Glenn Langford

ANNEXE B

RICHTER

CANADA
Province of Ontario

SUPERIOR COURT OF JUSTICE
Commercial List
Bankruptcy and Insolvency Act

District of Ontario
Division No. 12-Ottawa
Court No. 33-1884686
Estate No. 33-1884686

Notice to Creditors of Intention to Make a Proposal (Subsection 50.4(6))

In the Matter of the Notice of Intention to Make a Proposal of Nathar Limited Of the City of Cornwall In the Province of Ontario

Notice is hereby given that, on June 24, 2014, the above-mentioned Debtor filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, as per a copy attached hereto.

Notice is further given that in accordance with Section 69 of the *Bankruptcy and Insolvency Act*, all proceedings against the Debtor are hereby stayed. Accordingly, no creditor has any remedy against the Debtor or its assets, nor shall it commence or continue any action, execution, or other proceedings for the recovery of a claim.

A list of the creditors with claims amounting to \$250 or more and the amounts of their claims as known or shown by the Debtor's books is annexed hereto. The enclosure thereof does not constitute the acceptance of any claim or claims.


Upon the filing of the contemplated Proposal, a further notice shall be sent to the creditors providing:

- a) a copy of the Proposal;
- b) the date, time and place of a Meeting of Creditors to be held to consider the Proposal;
- c) a condensed statement of the assets and liabilities of the Debtor;
- d) the following prescribed forms, to be completed:
 - Proof of Claim;
 - Proxy;
 - Voting Letter on the Proposal.

Should the Debtor fail to file a Proposal within the prescribed delays, an automatic bankruptcy will ensue and the Trustee will forthwith convene a meeting of creditors.

Dated at Montréal, Province of Québec, June 30, 2014.

Richter Advisory Group Inc.
Trustee acting *in re* the proposal of
Nathar Limited


Stéphane De Broux, CPA, CA, CIRP
Administrator

T. 514.934.3400
F. 514.934.8603
claims@richter.ca

Richter Groupe Conseil Inc.
Richter Advisory Group Inc.
1981 McGill College
Montréal, QC H3A 0G6

Montréal, Toronto

(français - recto)



RICHTER

CANADA
Province de l'Ontario

COUR SUPÉRIEURE DE JUSTICE
Rôle commercial
Loi sur la faillite et l'insolvabilité

District de : Ontario
No division : 12-Ottawa
No cour : 33-1884686
No dossier : 33-1884686

Avis aux créanciers de l'intention de faire une proposition (Paragraphe 50.4(6))

Dans l'affaire de l'Avis d'intention de faire une proposition de
Nathar Limited
de la ville de Cornwall
en la province de l'Ontario

Avis est par la présente donné que, le 24 juin 2014, la débitrice susmentionnée a déposé un Avis de l'intention de faire une proposition en vertu de la *Loi sur la faillite et l'insolvabilité*, dont copie est ci-jointe.

Avis est de plus donné qu'en conformité avec l'article 69 de la *Loi sur la faillite et l'insolvabilité*, toute procédure engagée contre la débitrice est suspendue. En conséquence, aucun créancier n'a de recours contre la débitrice ou contre ses biens, ni ne peut tenter ou continuer une action, exécution ou autre procédure pour le recouvrement de sa réclamation.

Une liste des créanciers ayant des réclamations de 250 \$ ou plus et le montant de ces réclamations, reflétées aux livres ou connues de la débitrice, est annexée aux présentes. Cette liste ne constitue pas l'acceptation d'une réclamation ou de réclamations.

Lors du dépôt de la proposition envisagée, un autre avis sera envoyé aux créanciers comprenant :

- a) une copie de la proposition;
- b) les date, lieu et heure de la tenue de l'assemblée des créanciers visant à considérer la proposition;
- c) un état succinct des avoirs et obligations de la débitrice;
- d) les documents prescrits suivants à être complétés :
 - preuve de réclamation;
 - procuration;
 - formulaire de votation sur la proposition.

Si la débitrice n'est pas en mesure de déposer une proposition dans les délais prescrits, la faillite sera déclarée automatiquement, et le syndic convoquera immédiatement une assemblée des créanciers.

Fait à Montréal, province de Québec, le 30 juin 2014.

Richter Groupe Conseil Inc.
Syndic agissant *in re* la proposition de
Nathar Limited



Stéphane De Broux, CPA, CA, CIRP
Administrateur

T. 514.934.3400
F. 514.934.8603
reclamations@richter.ca

Richter Groupe Conseil Inc.
Richter Advisory Group Inc.
1981 McGill College
Montréal, QC H3A 0G6

Montréal, Toronto

(English - Over)



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 Notice of intention to make a proposal of
Nathar Limited
Of the City of Cornwall
In the Province of Ontario

Take notice that:

1. I, Nathar Limited, an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Richter Advisory Group Inc/Richter Groupe Conseil inc of 1981 avenue McGill College, 12th Floor, Montréal, QC, H3A 0G6, 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 Montréal in the Province of Quebec, this 23rd day of June 2014.


Nathar Limited
Insolvent Person

To be completed by Official Receiver:

Filing Date _____

Official Receiver

District de:
No division:
No cour:
No dossier:

- FORMULAIRE 33 -
Avis de l'intention de faire une proposition
(paragraphe 50.4(1) de la Loi)

Dans l'affaire de l'avis d'intention de faire une proposition de
Nathar Limited
de la ville de Cornwall
en la province de l'Ontario

Avis est donné de ce qui suit :

1. Je, Nathar Limited, personne insolvable signifie mon intention de faire une proposition à mes créanciers conformément au paragraphe 50.4(1) de la Loi.
2. Richter Advisory Group Inc/Richter Groupe Conseil inc de 1981 avenue McGill College, 12e étage, Montréal, QC, H3A 0G6, syndic autorisé, a accepté d'exercer les fonctions de syndic dans le cadre de la proposition. Une copie de son acceptation est annexée au présent avis.
3. Une liste portant les noms des créanciers connus ayant des réclamations d'une valeur de 250 \$ ou plus ainsi que le montant de ces réclamations, est également annexée.
4. Conformément à l'article 69 de la Loi, les procédures engagées contre moi sont suspendues à compter de la date du dépôt du présent avis auprès du séquestre officiel de ma localité.

Daté le 23 juin 2014, à Montréal en la province de Québec.

(Signé)

Nathar Limited
Personne Insolvable

À remplir par le séquestre officiel :

Date du dépôt _____

Séquestre officiel

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
ADIDAS CANADA LTD.	8100 HIGHWAY 27 WOODBIDGE ON L4H 3N2		2,574.97
ADORABLE JUNIOR GARMENT	5290 THIMENS BLVD. VILLE ST.LAURENT QC H4R 2B2		2,365.34
ALMA MATER SOCIETY OF QUEEN'S	JDUC QUEEN'S UNIVERSITY KINGSTON ON K7L 3N6		549.18
ALPHI APPAREL GROUP INC.	4334 RUE GARAND VILLE ST.LAURENT QC H4R 2A3		2,972.01
ANGO MODE IMPORT	10301 COLBERT STREET MONTREAL QC H1J 2G5		9,978.51
BALLIN	2825 BRABANT-MARINEAU MONTREAL QC H4S 1R8		3,650.68
BELL CANADA	P.O.BOX 9000, STN. DON MILLS NORTH YORK ON M3C 2X7		837.31
BENCH CRAFT LEATHER INC.	1572 VICTORIA ST. NORTH KITCHENER ON N2B 3E5		3,344.15
BLUE RIVER TRADING	16-240 VICEROY ROAD CONCORD ON L4K 3N9		894.96
BYLYSE	DIVISION OF HAMMAX NORTH AMERICA INC. 393 BOUL ROLAND DURAND ROSEMERE QC J7A 4K1		2,707.93
CANADA GOOSE	250 BOWIE AVENUE TORONTO ON M6E 4X6		16,792.97
CANADAY'S APPAREL LTD.	P.O. BOX 580 MOOSE JAW SK S6H 4P3		311.48
CANFLOYD DIVISION OF CANDYM	95 CLEGG ROAD MARKHAM ON L6G 1B9		1,213.00
CHAMBERS & SONS AGENTS LTD.	86 SCOLLARD ST., TORONTO ON M5R 1G2		9,556.56
CHOICE DISTRIBUTION	425 - D FOURTH ST. WEST CORNWALL ON K6J 2S7		256.96
CODET INC.	143 RUE POMERLEAU MAGOG QC J1X 5P7		1,660.99
COLUMBIA SPORTSWEAR	1425 MAX BROSE DRIVE LONDON ON N6N 0A2		2,502.90
CONRAD C. COLLECTION	200 - 9320 ST. LAURENT MONTREAL QC H2N 1N7		8,304.87
CORNWALL ELECTRIC	1001 SYDNEY ST. CORNWALL ON K6H 3K1		2,874.99


List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
CUSHE	DIVISION OF WOLVERINE WORLDWIDE CANADA ULC 5800 KIERAN MONTREAL QC H4S 2B5		727.17
DEVANLAY CANADA INC.	901 - 4200 SAINT LAURENT BLVD. MONTREAL QC H2W 2R2		14,714.06
DISTRIBUTION CUIR-ATOUT ENR.	924 BOUL. L'ANGE GARDIEN NORD L'ASSOMPTION QC J5W 1P1		444.77
DIXIE ACTIVEWEAR INC.	8484 ESPLANADE MONTREAL QC H2P 2R7		3,095.40
DR. MARTENS AIRWAIR USA LLC	10 NORTHWEST 10TH AVE. PORTLAND OR 97209 USA		918.85
ED BATTAH & CO.	1405 - 555 CHABANEL ST MONTREAL QC H2N 2H8		1,809.92
EROS CLOTHING INC.	41 VIA CRISTINA WAY WOODBIDGE ON L4H 1R9		6,962.97
EUROMAX	408 - 460 ST. CATHERINE OUEST MONTREAL QC H3B 1A7		2,316.50
EVCANA CLOTHING INC.	413 - 9200 PARC MONTREAL QC H2N 1Z4		1,833.99
FABIAN COUTURE GROUP INT.	ACCT.# CA1000 7182 S. URBAN STREET MONTREAL QC H2S 3H5		1,269.29
FINE LINE IMPORTS	206 - 160 TYCOS DRIVE TORONTO ON M6B 1W8		7,167.54
FRANK LYMAN DESIGNS	2500 BOUL. DES DOURCES POINTE CLAIRE QC H9R 0B3		11,254.26
FREEMAN FORMALWEAR	111 BARMANDSEY ROAD TORONTO ON M4A 2T7		7,336.37
FUTURE OFFICE PRODUCTS	34 EIGHT STREET WEST CORNWALL ON K6J 2Z2		305.58
GENTRY (1978) INC.	300 - 8920 PIE 1X BLVD. MONTREAL QC H1Z 4H9		12,977.43
GOURMET DU VILLAGE	539 VILLAGE MORIN HEIGHTS QC J0R 1H0		1,522.62
GROUP YNA 7908741 CANADA INC.	200 - 9600 MEILLEUR MONTREAL QC H2N 2E3		2,568.54
GROUPE CORWICK	KATHERINE BARCLAY 225, RUE CHABANEL OUEST MONTREAL QC H2N 2C9		2,972.10

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
GSUS CANADA LTD.	543 RICHMOND ST., WEST P O BOX 202 TORONTO ON M5V 1Y6		6,560.69
HUGO BOSS CANADA INC.	C/O T9946 P.O. BOX 9946, STN A TORONTO ON M5W 2J2		440.70
HYDRO ONE NETWORKS INC.	BOX 4102, STATION A TORONTO ON M5W 3L3		1,057.14
ICEBREAKER MERINO CLOTHING INC.	502 - 21 WATER ST. VANCOUVER BC V6B 1A1		428.27
INDEKA IMPORTS	2120 BRISTOL CIRCLE OAKVILLE ON L6H 5R3		4,832.69
JACK VICTOR LIMITED	1250 SAINT ALEXANDRE STREET MONTREAL QC H3B 3H6		26,202.94
JANOR IMPORTS INC.	500 - 416, BOUL. DE MAISONNEUVE OUEST MONTREAL QC H3A 1L2		1,186.50
JAYTEX OF CANADA LTD.	29 GURNEY CRES. TORONTO ON M6B 1S9		2,410.42
JONES APPAREL GROUP CANADA LP	388 APPLEWOOD CRESCENT VAUGHAN ON L4K 4B4		1,399.48
KAREN DEARING	41 STANFIELD STREET SYDNEY NS B1P 3X4		250.75
KINGSTON TERMINAL PROPERTIES	105 PRINCESS STREET, PO BOX 1534 KINGSTON ON K7L 5C7		10,702.23
LANA LEE FASHIONS	301 - 9400 BOUL ST. LAURENT BLVD. MONTREAL QC H2N 1P3		4,271.99
LANG INVESTMENTS	27 FIRST STREET EAST CORNWALL ON K6H 1K5		3,733.87
LES IMPORTATIONS BOLIDE LTEE	309 - 555 CHABANEL OUEST, MONTREAL QC H2N 2H8		3,541.89
LES IMPORTATIONS JEREMY D LTEE	200 - 9333 BOUL ST. LAURENT MONTREAL QC H2N 1P6		5,884.89
LEVI STRAUSS CO. CANADA LTD.	C/O T27525 PO BOX 4275 TORONTO ON M5W 5V8		265.56
LINEA DOMANI	1106 - 555 CHABANEL ST. WEST MONTREAL QC H2N 2H8		4,518.31
LUXOTTICA CANADA INC.	947 VERBENA RD. MISSISSAUGA ON L5T 1T5		1,497.25

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
MARITECT SOLUTIONS	225 CHARLOTTE STREET SYDNEY NS B1P 1C4		379.50
MAVI JEANS	580 INDUSTRIAL AVENUE VANCOUVER BC V6A 2P3		830.55
MCGREGOR INDUSTRIES	70 THE EAST MALL ETOBICOKE ON M8Z 5W2		1,366.42
MEXX CANADA INC.	905 HODGE STREET VILLE ST. LAURENT QC H4N 2B3		6,442.05
MICHAEL PHILIPS LTEE	433 O RUE CHABANEL TOUR NORD SUITE 501 MONTREAL QC H2N 2J5		5,986.29
MWG APPAREL CORP.	1147 NOTRE DAME AVE. WINNIPEG MB R3E 3G1		369.51
NINGBO MONDILAND FASHIONS CO., LTD	105-107, XIWU SOUTH RD., INDUSTRY ZONE, FENGHUA, NINGBO CHINA		1,215.00
NORTH AMERICAN	27 KELFIELD STREET TORONTO ON M9W 5A1		1,882.13
NOVA SCOTIA POWER INC.	P O BOX 848 HALIFAX NS B3J 2V7		804.05
NSI RETAIL	14 - 1675 SISIMET ROAD MISSISSAUGA ON L4W 4K8		554.83
OAKLEY CANADA	2660 DIAB VILLE ST. LAURENT QC H4S 1E8		9,264.30
ORLY CUISINE	6665 JEANNE MANCE MONTREAL QC H2V 4L1		1,141.23
PARAGON CLOTHING LTD.	220 - 9600 ST. LAURENT BLVD. MONTREAL QC H2N 1R2		1,345.60
PARKHURST	20 RESEARCH RD. TORONTO ON M4G 2G6		3,724.48
PEERLESS CLOTHING INC	8888 BOUL. PIE IX, MONTREAL, QC H1Z 4J5		294.26
PLATINUM FASHIONS 2000 INC.	300 - 8920 PIE IX BLVD. MONTREAL QC H1Z 4H9		1,000.20
PYA IMPORTER LTD.	15 APEX ROAD NORTH YORK ON M6A 2V6		4,132.58
RODD & GUNN NEW ZEALAND LIMITED	LEVEL 1, 326 NEW NORTH ROAD, KINGSLAND AUCKLAND, 1020, NEW ZEALAND		2,097.00

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
S. COHEN INC.	153 GRAVELINE MONTREAL QC H4T 1R4		1,258.93
SANDSTYLE CANADA GROUP INC.	900 - 433 CHABANEL OUEST MONTREAL QC H2N 2J8		10,400.86
SAVRON CLOTHES LTD	210 - 160 SAINT VIAEUR ST., EAST MONTREAL QC H2T 1A8		3,354.54
SAXX UNDERWEAR CO., LTD.	68 WEST 5TH AVE. VANCOUVER BC V5Y 1H6		1,179.76
SEAWAY NEWS	100 - 1885, RUE SAINT-LOUIS GATINEAU QC J8T 6G4		453.13
SHAW'S OF PERTH	16 GORE STREET WEST PERTH ON K7H 2L6		6,696.00
SIGA INTERNATIONAL	81 ST. REGIS CRESCENT S. TORONTO ON M3J 1Y6		30,297.99
SPANNER LIMITED	334A MANITOU DR. KITCHENER ON N2C 1L3		6,067.28
STANFIELD'S LIMITED	P.O. BOX 190 TRURO NS B2N 5C2		281.26
STUDIO MODE	400 - 416 BOUL. DE MAISONNEUVE OUEST MONTREAL QC H3A 1L2		3,121.51
SUZANNE AZOULAY INC.	1203 - 555 CHABANEL MONTREAL QC H2N 2H8		2,932.73
T.LIPSON & SONS LTD	190 NORSEMAN STREET TORONTO ON M8Z 2R4		2,076.12
THE NORTH FACE-CANADA	T6106, P.O. BOX 6100 POSTAL STATION F TORONTO ON M4Y 2Z2		2,758.67
THROAT THREADS APPAREL INC.	1134 PLAINS ROAD EAST BURLINGTON ON L7S 1W6		2,293.33
TILLEY ENDURABLES INC.	60 GERVAIS DRIVE TORONTO ON M3C 1Z3		7,032.20
TOMMY BAHAMA CANADA	29 GURNEY CRESCENT TORONTO ON M6B 1S9		17,076.51
TRIBAL SPORTSWEAR INC.	300 - 7445 CHEMIN DE LA COTE-DE-LIESSE SAINT LAURENT QC H4T 1G2		7,533.35
UNDER ARMOUR CANADA ULC	1 - 215 SHIELDS COURT MARKHAM ON L3R 8V2		1,797.73
UPPER CANADA SOAP & CANDLE	1510 CATERPILLAR ROAD MISSISSAUGA ON L4X 2W9		295.36

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
VISA	BOX 4016, STATION A TORONTO ON M5W 2E6		2,157.65
WESTERN GLOVE WORKS	P.O. BOX 8919, STATION A TORONTO ON M5W 2C5		442.83
WOOLRICH	1880 32ND AVE LACHINE QC H8T 3J7		8,881.13
Total			393,950.54


Glenn Langbert

- Proposal Consent -

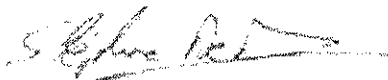
In the matter of the Notice of intention to make a proposal of
Nathar Limited
Of the City of Cornwall
In the Province of Ontario

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of Nathar Limited.

Dated at the City of Montréal in the Province of Quebec, this 23rd day of June 2014.

Richter Advisory Group Inc/Richter Groupe Conseil Inc - Trustee
Per:



Stéphane De Broux, CPA, CA, CIRP
1981 avenue McGill College, 12e étage
Montréal QC H3A 0G6
Phone: (514) 934-3400 Fax: (514) 934-8603

- Consentement -

Dans l'affaire de l'Avis d'intention de faire une proposition de
Nathar Limited
de la ville de Cornwall
en la province de l'Ontario

À qui de droit,

Nous consentons par la présente, à agir comme syndic, d'après la Loi sur la faillite et l'insolvabilité, à la présente proposition de Nathar Limited.

Daté le 23 juin 2014, à Montréal en la province de Québec.

Richter Advisory Group Inc/Richter Groupe Conseil inc - Syndic
Par:

(Signé)

Stéphane De Broux, CPA, CA, CIRP
1981 avenue McGill College, 12e étage
Montréal QC H3A 0G6
Téléphone: (514) 934-3400 Télécopieur: (514) 934-8603



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 12 - Ottawa
Court No. 33-1884686
Estate No. 33-1884686

In the Matter of the Notice of Intention to make a
proposal of:

Nathar Limited
Insolvent Person

**RICHTER ADVISORY GROUP INC / RICHTER GROUPE
CONSEIL INC.**
Trustee

Date of the Notice of Intention: June 24, 2014

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: June 25, 2014, 10:27

E-File/Dépôt Electronique

Official Receiver

Place Bell Canada, 160 Elgin Street, 11th Floor, Suite B-100, Ottawa, Ontario, Canada, K2P2P7, (877)376-9902

Canada



Industrie Canada

Industry Canada

Bureau du surintendant
des faillites Canada

Office of the Superintendent
of Bankruptcy Canada

District de : Ontario
No division : 12 - Ottawa
No cour : 33-1884686
No dossier : 33-1884686

Dans l'affaire de l'avis d'intention de faire une
proposition de :

Nathar Limited
Personne insolvable

**RICHTER ADVISORY GROUP INC / RICHTER GROUPE
CONSEIL INC.**
Syndic

Date de l'avis d'intention : 24 juin 2014

CERTIFICAT DE DÉPÔT D'UN AVIS D'INTENTION DE FAIRE UNE PROPOSITION
paragraphe 50.4(1)

Jé soussigné, séquestre officiel pour ce district de faillite, certifie par les présentes que la personne insolvable susmentionnée a déposé un avis d'intention de faire une proposition en vertu du paragraphe 50.4(1) de la *Loi sur la faillite et l'insolvabilité*.

Conformément au paragraphe 69(1) de la Loi, toutes les procédures contre la personne insolvable susmentionnée sont suspendues à compter de la date du dépôt de l'avis d'intention.

Date: 25 juin 2014, 10:27

E-File/Dépôt Electronique

Séquestre officiel

Place Bell Canada, 160 Elgin Street, 11th Floor, Suite B-100, Ottawa Canada, K2P2P7, (877)376-9902

Canada

ANNEXE C

District of: Ontario
Division No. 12 - Ottawa
Court No. 33-1884686
Estate No. 33-1884686

-- FORM 29 --

Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
Nathar Limited
Of the City of Cornwall
In the Province of Ontario

The attached statement of projected cash flow of Nathar Limited, as of the 2nd day of July 2014, consisting of the period from July 1 to July 31, 2014, has been prepared by the management of the insolvent person for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: ☒ the management and employees of the insolvent person or ☐ the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: ☒ management or ☐ the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

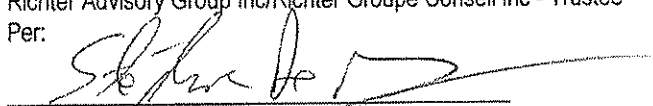
Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Montréal in the Province of Quebec, this 3rd day of July 2014.

Richter Advisory Group Inc/Richter Groupe Conseil inc - Trustee

Per:


Stéphane De Broux, CPA, CA, CIRP
1981 avenue McGill College, 12e étage
Montréal QC H3A 0G6
Phone: (514) 934-3400 Fax: (514) 934-8603

District of: Ontario
Division No. 12 - Ottawa
Court No. 33-1884686
Estate No. 33-1884686

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
Nathar Limited
Of the City of Cornwall
In the Province of Ontario

Purpose:

Nathar Limited filed a Notice of Intention to Make a Proposal on June 24, 2014. The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of Nathar Limited (the "Company"), for the period from July 1 to July 31, 2014, relating to the filing of a Notice of Intention to Make a Proposal on June 24, 2014.

This Statement of Projected Cash Flow has been prepared by management on July 2, 2014, based on available financial information at that date in accordance with Section 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report on the Cash Flow Statement. Readers are cautioned that this information may not be appropriate for other purposes.

Projection Notes:

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period from July 1 to July 31, 2014, considering the economic conditions that are considered the most probable by management.

As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

Assumptions:

Projected Cash Receipts

The projected cash receipts have been conservatively estimated by management, based upon the collection experience of the Company.

(b) Projected Cash Disbursements

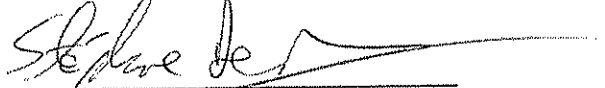
The projected cash disbursements have been estimated based upon historical data adjusted to reflect the current level of activity and best estimates of the Company;

The current government remittances for source deductions and sales taxes have been included in the disbursement assumptions.

Dated at the City of Montréal in the Province of Quebec, this 3rd day of July 2014.

Richter Advisory Group Inc/Richter Groupe Conseil inc - Trustee

Per:



Stéphane De Broux, CPA, CA, CIRP
1981 avenue McGill College, 12e étage
Montréal QC H3A 0G6
Phone: (514) 934-3400 Fax: (514) 934-8603

District of: Ontario
Division No. 12 - Ottawa
Court No. 33-1884686
Estate No. 33-1884686

- FORM 30 -

Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
Nathar Limited
Of the City of Cornwall
In the Province of Ontario

The management of of Nathar Limited, has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 2nd day of July 2014, consisting of the period from July 1 to July 31, 2014.

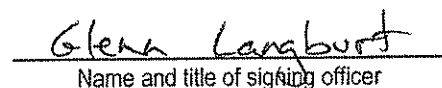
The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Montréal in the Province of Quebec, this 3rd day of July 2014.


Nathar Limited
Debtor


Name and title of signing officer

Name and title of signing officer

District of: Ontario
Division No. 12 - Ottawa
Court No. 33-1884686
Estate No. 33-1884686

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
Nathar Limited
Of the City of Cornwall
In the Province of Ontario

Purpose:

Nathar Limited filed a Notice of Intention to Make a Proposal on June 24, 2014. The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of Nathar Limited (the "Company"), for the period from July 1 to July 31, 2014, relating to the filing of a Notice of Intention to Make a Proposal on June 24, 2014.

This Statement of Projected Cash Flow has been prepared by management on July 2, 2014, based on available financial information at that date in accordance with Section 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report on the Cash Flow Statement. Readers are cautioned that this information may not be appropriate for other purposes.

Projection Notes:

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period from July 1 to July 31, 2014, considering the economic conditions that are considered the most probable by management.

As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

Assumptions:

Projected Cash Receipts

The projected cash receipts have been conservatively estimated by management, based upon the collection experience of the Company.

(b) Projected Cash Disbursements

The projected cash disbursements have been estimated based upon historical data adjusted to reflect the current level of activity and best estimates of the Company;

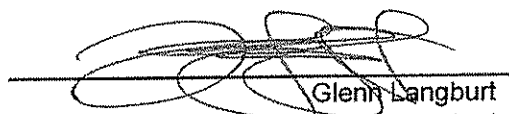
The current government remittances for source deductions and sales taxes have been included in the disbursement assumptions.

Dated at the City of Montréal in the Province of Quebec, this 3rd day of July 2014.


Nathar Limited

Nathar Limited
Statement of projected cash-flow
For the 31 day period ending July 31, 2014
(in 000's)

	<i>month ending:</i>	Jul-14
Receipts	\$	1,290
Disbursements		
Operations		605
Administration		116
Restructuring expenses		80
		<u>801</u>
Net cash-flow		489
Opening bank indebtedness		<u>(1,757)</u>
Closing bank indebtedness	\$	<u>(1,268)</u>


Glenn Langburt
Nathar Limited


Richter Advisory Group Inc.

ANNEXE D

District of: Ontario
Division No. 12 - Ottawa
Court No. 33-1884686
Estate No. 33-1884686

-- FORM 29 --

Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
Nathar Limited
Of the City of Cornwall
In the Province of Ontario

The attached statement of projected cash flow of Nathar Limited, as of the 15th day of July 2014, consisting of the period from August 1 to September 30, 2014, has been prepared by the management of the insolvent person for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: ☒ the management and employees of the insolvent person or ☐ the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: ☒ management or ☐ the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Montréal in the Province of Quebec, this 15th day of July 2014.

Richter Advisory Group Inc/Richter Groupe Conseil inc - Trustee
Per:

Stéphane De Broux, CPA, CA, CIRP
1981 avenue McGill College, 12e étage
Montréal QC H3A 0G6
Phone: (514) 934-3400 Fax: (514) 934-8603

District of: Ontario
Division No. 12 - Ottawa
Court No. 33-1884686
Estate No. 33-1884686

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
Nathar Limited
Of the City of Cornwall
In the Province of Ontario

Purpose:

Nathar Limited filed a Notice of Intention to Make a Proposal on June 24, 2014. The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of Nathar Limited (the "Company"), for the period from August 1 to September 30, 2014, relating to the filing of a Motion to extend the delay to make a proposal.

This Statement of Projected Cash Flow has been prepared by management on July 15, 2014 based on available financial information at that date in accordance with Section 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report on the Cash Flow Statement. Readers are cautioned that this information may not be appropriate for other purposes.

Projection Notes:

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period from August 1 to September 30, 2014, considering the economic conditions that are considered the most probable by management.

As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

Assumptions:

(a) Projected Cash Receipts

The projected cash receipts are estimated by management, based upon the collection experience of the Company.

(b) Projected Cash Disbursements

The projected cash disbursements are based upon historical data adjusted to reflect the current level of activity and best estimates of the Company;

The current government remittances for source deductions and sales taxes are included in the disbursement assumptions.

The cash disbursements do not provide for the payment of arrears to unsecured creditors.

Dated at the City of Montréal in the Province of Quebec, this 15th day of July 2014.

Richter Advisory Group Inc/Richter Groupe Conseil inc - Trustee

Per:

Stéphane De Broux, CPA, CA, CIRP
1981 avenue McGill College, 12e étage
Montréal QC H3A 0G6
Phone: (514) 934-3400 Fax: (514) 934-8603

District of: Ontario
Division No. 12 - Ottawa
Court No. 33-1884686
Estate No. 33-1884686

- FORM 30 -

Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
Nathar Limited
Of the City of Cornwall
In the Province of Ontario

The management of of Nathar Limited, has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 15th day of July 2014, consisting of the period from August 1 to September 30, 2014.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Timmins in the Province of Ontario, this 15th day of July 2014.


Nathar Limited
Debtor

Glenn Langburt, Controller
Name and title of signing officer

District of: Ontario
Division No. 12 - Ottawa
Court No. 33-1884686
Estate No. 33-1884686

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
Nathar Limited
Of the City of Cornwall
In the Province of Ontario

Purpose:

Nathar Limited filed a Notice of Intention to Make a Proposal on June 24, 2014. The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of Nathar Limited (the "Company"), for the period from August 1 to September 30, 2014, relating to the filing of a Motion to extend the delay to make a proposal.

This Statement of Projected Cash Flow has been prepared by management on July 15, 2014 based on available financial information at that date in accordance with Section 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report on the Cash Flow Statement. Readers are cautioned that this information may not be appropriate for other purposes.

Projection Notes:

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period from August 1 to September 30, 2014, considering the economic conditions that are considered the most probable by management.

As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

Assumptions:

(a) Projected Cash Receipts

The projected cash receipts are estimated by management, based upon the collection experience of the Company.

(b) Projected Cash Disbursements

The projected cash disbursements are based upon historical data adjusted to reflect the current level of activity and best estimates of the Company;

The current government remittances for source deductions and sales taxes are included in the disbursement assumptions.

The cash disbursements do not provide for the payment of arrears to unsecured creditors.

Dated at the City of Timmins in the Province of Ontario, this 15th day of July 2014.


Nathar Limited

Nathar Limited
Statement of projected cash-flow (note 1)
For the period ending September 30, 2014
(in 000's)

	<i>month ending:</i>	Aug-14	Sep-14
Receipts		\$ 1,200	\$ 1,120
Disbursements			
Operations		954	946
Administration		104	102
Restructuring expenses		<u>50</u>	<u>70</u>
		1,108	1,118
Net cash-flow		92	2
Opening bank indebtedness		<u>(1,733)</u>	<u>(1,642)</u>
Closing bank indebtedness		<u>\$ (1,642)</u>	<u>\$ (1,640)</u>

Note 1: This statement of projected cash-flow combines the operations of K.F.S. Limited, Nathar Limited and 2726556 Canada Inc.


 Glenn Langburt
 Nathar Limited

 Richter Advisory Group Inc.