

May 06, 2016

To the Creditors of First Brands Inc.:

First Brands Inc. has made a Proposal under Part III Division 1 of the *Bankruptcy and Insolvency Act*. This Proposal was filed with the Official Receiver on May 05, 2016. To assist creditors in determining their position on the Proposal and to provide them with the information required in accordance with the *Bankruptcy and Insolvency Act*, the following are enclosed:

1) A Notice to Creditors of Proposal and of the First Meeting of Creditors to be held on:

Date: May 20, 2016
Time: 1:00 PM
Place: Office of the Trustee
78 Wellington Street E.
Aurora, Ontario

2) The Proposal;

3) Statement of Debtor's Assets and Liabilities in the form of a Statement of Affairs (assets) and listing of creditors, by type, with estimated amounts owed (liabilities);

4) Proof of Claim and General Proxy;

5) Voting Letter

If there are any questions regarding this Proposal or the procedures to be followed, please feel free to contact the office of the Trustee.

Thank you,

RUSSO CORP.
Trustee acting in re: the Proposal
of First Brands Inc., debtor

Per: 
Joanne Russo, CIRP, President



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2075069
Estate No. 31-2075069

In the Matter of the Proposal of:

FIRST BRANDS INC.
Debtor

RUSSO CORP.
Licensed Insolvency Trustee

Date of Proposal:	May 05, 2016	Security:	\$
Meeting of Creditors:	May 20, 2016, 13:00 78 Wellington Street East Aurora, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforementioned debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: May 05, 2016, 16:29

E-File/Dépôt Electronique

Official Receiver

25 St. Clair Avenue East, 6th floor, Toronto, Ontario, Canada, M4T1M2, (877)376-9902

Canada

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2075069
Estate No. 31-2075069

FORM 92
Notice of Proposal to Creditors
(Section 51 of the Act)

In the matter of the proposal of
FIRST BRANDS INC.
of the City of Pickering, in the Province of Ontario

Take notice that FIRST BRANDS INC. of the City of Pickering in the Province of Ontario has lodged with us a proposal under the Bankruptcy and Insolvency Act.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed herewith.

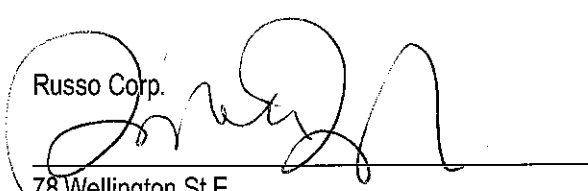
A general meeting of the creditors will be held at 78 Wellington St E, Aurora, ON on the 20th day of May 2016 at 1:00 PM.

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

Dated at the Town of Aurora in the Province of Ontario, this 6th day of May 2016.

Russo Corp.



78 Wellington St E
Aurora ON L4G 1H8
Phone: (905) 503-3328 Fax: (905) 503-2338

(A form of proof of claim, a form of proxy and a voting letter should be enclosed with each notice.)

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Bass and Murphy	885 Progress Ave., Suite LPH1 Toronto ON M1H 3G3		3,900.00
Broad Lands Developments	2100 Lawrence Ave W, Suite 104 Toronto ON M9N 3W3		24,300.93
Browns Cleaning	270 City Centre Ave Ottawa ON K1R 7R7		4,198.00
Canada Smart Home			3,453.00
Canadien Linen	20 Atomic Avenue Toronto ON M8Z 5L2		1,434.34
Commercial Innovations Renovations Eddie Rogers	10 McFarlane Crt Whitby ON L1N 5T8		510,000.00
CRA - Canada Revenue Agency - Tax - Ontario c/o London Taxes Services Office Division Regional Intake Centre for Insolvency	PO Box 5548 3 - 451 Talbot St London ON N6A 4R3		7,569.01
DD Poultry	25A Passmore Ave Toronto ON M1V 4T4		1,569.40
Diageo Canada Inc.	911440 PO Box 4090 Stn A Toronto ON M5W 0E9		3,479.34
Don Longley	88 Homefield SQ Courice ON L1E 1L2		60,000.00
Ecolab servicerequest@ecolab.com	5105 Tomken Road Mississauga ON L4W 2X5		2,271.07
Flanagans	100 Sasaga Drive Kitchener ON N2C 2G7		49,369.83
John Jamieson	80 Felicity Dr Scarborough ON M1H 1E3		50,000.00
John Mackenzie	c/o TWO ROW LAW p.o BOX 99, STN BROOKLIN Brooklin ON L1M 1B5		200,000.00
McNeely Kelly Barristers & Solicitors	3011 highway #29 N BroCKVILLE ON L1G 1B4		53,514.42
Pepsi - Cola Canada Limited Steve Dias - Steve.dias@pepsico.com	5205 Satellite Dr. Mississauga ON L4W 5J7		20,941.55
Pillar Capital Corp. Steve Dizep	Mount Royal Village, Suite 502, 1550 - 8th St. W. Calgary AB T2R 1K1		525,000.00

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Pizzaville	741 Rowntree Dairy Rd Woodbridge ON M5T 5T6		47,263.66
Platinum Fire & Safety	786 Glen Miller Rd Trenton Hills ON K8V 0B4		834.51
Progressive Waste Solutions	650 Creditstone Rd Concord ON L4K 5C8		2,726.26
Randy & Carlene Hammond	220 Chebucto Drive Oakville ON L6J 5P9		50,000.00
Ray McKenzie	7 Moonstone Drive Whitby ON L1P 1L5		112,500.00
Richard Hanton Slaughter			1,200,000.00
Scarlett Clothing & Incentives	2601 Matheson Blvd E, Unit 17 Mississauga ON L4W 5A8		2,354.36
Sean Gison	4 Prince Rupport Drive Courtice ON L1E 1Z4		76,000.00
State Industrial Products	6935 Davand Dr Mississauga ON L5T 1L5		1,724.38
Stay Kool Mechanical	250 Regina Rd, Unit 9 Woodbridge ON L4L 8N2		2,955.00
Sysco	PO Box 6000 Peterborough ON K9L 7B1		74,557.16
Tersana Design	2235 Holmes Crescent Tecumseh ON N8N 4R1		28,550.00
The Butcher Shoppe			9,485.75
The Premium Beer Co.	275 Belfield Rd Etobicoke ON M9W 7H9		1,710.39
Town Of Whitby	c/o Cameron Murkar PMH LAW OFFICE 575 Rossland Rd E Whitby ON L1N 2M8		60,928.63
Wonderland Food & Equipment	930 Lafefront Promenade Mississauga ON L5E 2C6		1,791.73
Your Biz Link	19 Channel Drive Whitby ON L1N 9R3		48,000.00
Total			3,242,382.72

**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, as amended**

-and-

**IN THE MATTER OF THE PROPOSAL OF
FIRST BRANDS INC.**

PROPOSAL DATED MAY, 5, 2016

First Brands Inc. (the "Debtor"), hereby submits the following Proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

ARTICLE 1
DEFINITIONS

1.1 Definitions

In this Proposal, capitalized terms shall have the meanings set out in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended, save and except for the terms and definitions set out below:

- a) **"Act"** means the *Bankruptcy and Insolvency Act*, S.C. 1992, Chapter 27, as amended;
- b) **"Administrative Fees and Expenses"** means:
 - i. the proper fees and expenses of the Proposal Trustee including its legal fees and disbursements; and
 - ii. the legal and consulting fees and disbursements of the Proposal Trustee incurred on or incidental to negotiations in connection with the preparation of the Proposal and the transactions and agreements contemplated hereby, including discussions with the Debtor, its officers, directors and principals;
- c) **"Business Day"** means any day other than a Saturday or Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein;
- d) **"Canada Pension Plan"** means the *Canada Pension Plan*, R.S.C. 1985, c C-8, as amended;

- e) **"Claim"** means any right or claim of any Person against the Debtor that may be made in whole or in part against the Debtor or any property or assets of the Debtor, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind, which indebtedness, liability or obligation is in existence at the Filing Date or which is based on an event, act or omission which occurred in whole or in part prior to the Filing Date, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, by surety or otherwise and whether or not such a right is executory in nature, including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in future based in whole or in part on facts which exist prior to or at the Filing Date;
- f) **"Court"** means the Ontario Superior Court of Justice (in Bankruptcy and Insolvency);
- g) **"Creditor"** means any Person having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;
- h) **"Court Approval Date"** means the date on which the Court finally and conclusively approves this Proposal;
- i) **"Debtor"** means First Brands Inc.;
- j) **"Default Fund"** means those monies held by the Trustee, as set out herein. The sole purpose of the Proposal Default Fund will be to fund an application to annul the Proposal and fees of the Trustee in the ensuing bankruptcy, in the event of default by the debtor, such default not having been waived by the Inspector(s) of the estate or remedied by the Debtor. The segregated default fund shall be for a total amount of \$15,000.00 plus HST and disbursements. In the event that there is no default by the debtor, the Proposal Default Fund will be considered payment towards the total amounts required pursuant to the terms of the Proposal and will be distributed in accordance with the terms thereof;
- k) **Director(s)"** means any person or persons who are, have previously been, or in future may be directors of the Debtor, including but not limited to those persons who, in the past, present or future:
- i. have or will act in the capacity of director of the Debtor, with or without being so named, or
 - ii. have or will perform the functions of a director of the Debtor, with or without being so named; or
 - iii. have been, are or may in future be deemed, de facto, acting, substitute or effective directors or the Debtor; or

- iv. have been, are or will be persons subject to director's statutory liabilities arising from any statute, act or regulation of Canada;
- l) **"Effective Date"** means the date on which the transactions and agreements provided for in this Proposal become effective, which date shall be 30 days after the Court Approval Date, provided that no appeal has been filed to any Court Order approving the Proposal;
- m) **"Employment Insurance Act"** means the *Employment Insurance Act*, S.C. 1996, c. 23, as amended;
- n) **"Filing Date"** means the date on which the Debtor filed its Notice of Intention to Make a Proposal, which date is January 08, 2016;
- o) **"Final Order"** means an order of the Court approving this Proposal to be granted pursuant to the provisions of the Act, the appeal period having expired and no appeal having been filed, or any appeal therefrom having been dismissed and such dismissal having become final;
- p) **"Income Tax Act"** means the *Income Tax Act*, R.S.C. 1985, c.1(5th Supp), as amended;
- q) **"Person"** means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government, or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- r) **"Preferred Creditors"** means Creditors with Proved Unsecured Claims which are required by the Act to be paid in priority to all other Claims under a proposal by a debtor (but only in respect and to the extent of such Proven Unsecured Claims) and including, without limitation;
- s) **Employees and former employees of the Debtor**, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the Act if the Debtor became bankrupt on the Proposal Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of travelling salespersons, disbursements properly incurred by those salespersons in and about the Debtor's business during the same period;

Her Majesty in Right of Canada or a Province for all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under,

- i. subsection 224(1.2) of the Income Tax Act;
- ii. any provisions of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the Income Tax Act and provides for collection of a

contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or

- iii. any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Income Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum;
- iv. has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Income Tax Act; or
- v. is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;
- t) **"Post Filing Harmonized Sales Tax"** means in respect of the Proposal, the goods supplied, services rendered and other consideration given to the Debtor subsequent to the Filing Date;
- u) **"Proposal"** means this Amended Proposal dated May 5, 2016 made pursuant to the Act, as further amended or supplemented from time to time;
- v) **"Proposal Trustee"** or **"Trustee"** means Russo Corp, the Trustee acting in this Proposal;
- w) **"Proven Unsecured Claim"** of a Creditor means the amount of the Claim of such Creditor finally determined and admitted in accordance with the provisions of the Act;
- x) **"Secured Creditor"** means any person or persons holding a valid and enforceable mortgage, hypothec, security interest, pledge, charge, lien, privilege or encumbrance on or against any property of any person or persons as security for a Claim or a person whose Claim is based upon, or secured by a negotiable instrument held as collateral security;
- y) **"Unsecured Creditors"** means, collectively, the Creditors who are not Secured Creditors or Preferred Creditors.

1.2 Articles of Reference

The terms "hereof", "hereunder", "herein" and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section,

subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.3 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.4 Date for Any Action

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

1.5 Time

All times expressed herein are local time in Aurora, Ontario, Canada unless otherwise stipulated. Where the time for anything to be done pursuant to the Proposal on a particular date is unspecified, the time shall be deemed to be 5:00p.m. local time in Aurora, Ontario, Canada.

1.6 Context

In the Proposal, where the context requires a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

1.7 Currency

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

1.8 Statutory References

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.9 Successor and Assigns

The Proposal will be binding on and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

ARTICLE 2
GENERAL INTENT

2.1 Purpose of Proposal

The purpose of this Proposal is to affect a compromise of the Claims of the Unsecured Creditors of the Debtor and the Secured Creditors of the Debtor, including statutory claims against Directors, strictly in accordance with subsections 50(13) to 50(15) of the Act, in the expectation that all Unsecured Creditors will derive a greater benefit from a Proposal to Creditors than would result from a forced liquidation of the Debtor's assets in the event of a bankruptcy.

It is the intention of the Debtor to:

- i. Operate the business in the normal course until such time that a sale of the assets to a Corporation to be incorporated by The MPP Group, (the "Prospective Purchaser") has been facilitated.
- ii. The Prospective Purchaser wishes to acquire from the Debtor the following:
 - a) All of the fixtures, equipment and other assets of the Debtor, including the assets of Her Certified Burgers ("Hero") store located at 82 Thicksen Rd, Whitby, ON and two (2) New York Fries ("New York Fries") locations, located at: 1 Water St East, Unit F-001, Cornwall, ON, Cornwall Square and Pickering Town Centre, 1355 Kingston Road, Pickering, ON for a total purchase price of \$800,000.00;
 - b) The Prospective Purchaser proposes that the closing of the transaction would occur on or before June 30, 2016;
 - c) The Prospective Purchaser intends to promptly begin negotiating a Definitive Agreement with the Proposal Trustee prior to the first meeting of creditors being convened, which date is set to be fixed within 21 days of filing this Proposal;
 - d) The Proposed sale transaction would be subject to customary terms and conditions on a potential bankruptcy sale of Hero and New York Fries, including that all the assets are sold free and clear with any necessary creditor and or court approval and the Prospective Purchaser being satisfied with its due diligence including the relationships continuing under a new franchise agreement with Hero and New York Fries, although no assignment of the franchise agreements is requested;
 - e) Receipt of all necessary consents, approvals, exemptions and authorizations of governmental bodies, lenders, lessors;
 - f) Reaching agreement with the landlords of the Debtor, Hero and New York Fries;

- g) Upon sale of the assets, the debtor shall;
- h) Provide all funds allocated in the sale to general body of its creditors; and
- i) Notwithstanding the terms and conditions of all arrangements or other arrangements with creditors entered into before the Filing Date, for so long as an event of default in the Proposal has not occurred, or if it has occurred, has been waived or cured, all such agreements or other arrangements will be deemed to be amended to the extent necessary to give effect to all the terms and conditions of this Proposal. In the event of any conflict or inconsistency between the terms of such agreements or arrangements and the terms of this Proposal, the terms of this Proposal will govern.

2.2 Persons Affected

This Proposal will, as of the Effective Date, be binding on the Debtor and on all creditors, including the Crown, to whom this Proposal is made.

2.3 Assets Remain Vested in Debtor

The assets of the Debtor shall not vest in the Proposal Trustee, but shall remain vested in the Debtor, and the Trustee shall have no liability whatsoever for the Claims of Creditors arising before, on or after the Filing Date.

ARTICLE 3 CLASSIFICATION AND TREATMENT OF CREDITORS

3.1 Secured Creditors - Class One

Secured Creditors acknowledge that their security is subordinate to the trust claims of Her Majesty in this Proposal and in any ensuing bankruptcy, unless it is supported by a mortgage on real property or otherwise entitled to be classified as a *prescribed security instrument* in accordance with the Income Tax Act.

The following are known to be secured creditors of the Debtor:

- a) Pillar Capital Corporation – Approx. \$684,000.00
- b) RBC- approximate amount owing \$1.00
- c) Any and all equipment leases, payments will continue to be made as per the current lease arrangements in place with the Debtor;
- d) Majesty in Right of Canada, or a Province (“Crown claims”), Nil amount owing

The Debtor shall cause from the sale funds the amount of \$ 400,000.00 to fully satisfy the claim of Pillar Capital Corporation. Which amount is to be paid to Pillar with seven (7) days

upon Court Approval Date, subject to their claims (which must include a full and proper accounting) being filed with the Trustee and admitted. In exchange, Pillar Capital Corporation will consent to assign its security to the Prospective Purchaser.

3.1.1 Crown Claims, Preferred Claims and Employee Preferred Claims

- i. Owing to the Majesty in Right of Canada, or a Province ("Crown claims"), as being approximately \$1.00 (subject to audit adjustments) and enumerated in section 60(1.1) of the Bankruptcy and Insolvency Act shall be paid forthwith upon the closing of the sale of the banquet hall and building together, to the extent of the net proceeds available from said sale.
- ii. The Debtor has not outstanding Employee Preferred Claims.

3.3 Proven Unsecured Claims - Class 2

Shall be satisfied in accordance with Article 7 herein.

ARTICLE 4 **PROCEDURE FOR VALIDATION OF CLAIMS**

4.1 Filing of Proofs of Claim

Each Secured and Unsecured Creditor must file a Proof of Claim to vote on, or to receive a distribution under the Proposal.

4.2 Classes of Creditors

Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each claim in accordance with the provisions of the Act. The procedure for valuing Claims of Creditors and resolving disputes with respect to such Claims will be as set forth in the Act. The Debtor and/or Trustee reserve the right to seek the assistance of the Court in valuing the Claim of any Creditor, if required, to ascertain the result of any vote on the Proposal or the amount payable or to be distributed to such Creditor under the Proposal, as the case may be.

ARTICLE 5
MEETING OF CREDITORS

5.1 Meeting of Creditors

The Proposal Trustee shall hold a meeting of the unsecured creditors in order for them to consider and vote upon the Proposal.

5.2 Time and Place of Meeting

Unless otherwise ordered by the Court, the meeting of creditors shall be held at a time and place to be established by the Official Receiver, or the nominee thereof, and confirmed in the Proposal Trustee's notice of meeting to be mailed pursuant to the Act.

5.3 Conduct of Meetings

The Official Receiver, or the nominee thereof, shall preside as the chair of the meeting of creditors and will decide all matters relating to the conduct of the meeting. The only Persons entitled to attend the meeting of creditors are those Persons, including the holders of proxies, entitled to vote at the meeting, their respective legal counsel, if any, and the officers, directors, auditors and legal counsel of the Debtor, together with such representatives of the Proposal Trustee as the Proposal Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other Person may be admitted on invitation of the chair of the meeting or with the consent of the Creditors.

5.4 Adjournment of Meetings

The meeting of creditors may be adjourned in accordance with Section 52 of the Act.

5.5 Voting by Creditors

To the extent provided for herein, each Class of Creditor will be entitled to vote, to the extent of the amount that is equal to their respective Proven Claim, in accordance with the provisions of the Act.

5.6 Approval by Creditors

In order that the Proposal be binding on both the unsecured and secured classes of creditors of the Debtor, and in accordance with the Act, the Proposal must first be accepted by each class of creditors, represented by a majority in number of each class of creditor who actually vote upon the Proposal (in person or by proxy or by voting letter) at the Meeting of Creditors, and representing two-thirds in value of the Proven Claims of each class, who

actually vote upon the Proposal (in person or by proxy or by voting letter) at the Meeting of Creditors.

5.7 Appointment of Inspectors

At the Meeting of Creditors the Creditors may appoint up to five (5) Inspector(s) whose powers will be limited to:

- a) advising the Proposal Trustee concerning any dispute which may arise as to the validity of Claims, and
- b) advising the Proposal Trustee from time to time with respect to any other matter that the Proposal Trustee may refer to them.

Any decision, direction or act of the Inspector(s) may be referred to the Court by the Proposal Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it thinks just.

The authority and term of office of the Inspector(s) will terminate upon the discharge of the Trustee.

ARTICLE 6 **PAYMENT OF ADMINISTRATIVE FEES AND EXPENSES**

6.0 In accordance with arrangements made between the Trustee and the Debtor, the Trustee's Administrative Fees and Expenses and legal fees shall be paid within the Proposal- from the sale proceeds, and those fees shall rank in priority to all other creditors, except as may be set out in the *Bankruptcy and Insolvency Act* and will be paid pursuant to section 60(2) of the Act.

ARTICLE 7 - PROPOSAL

7.0 The unsecured creditors (Class 2) shall receive \$150,000 to be shared equally on a pro-rata basis based on their Proven Claims. The Trustee shall distribute the funds to the Unsecured within 60 days from Court Approval.

7.1 The remaining balance of \$100,000.00 will be applied towards any debt obligations of Hero and New York Fries in order to facilitate the sale transaction as noted in paragraph 2.1 herein.

ARTICLE 8
RELEASE OF CLAIMS AGAINST DIRECTORS

8.0 Upon implementation of this Proposal on the Effective Date, each and every Director (as herein defined) of the Debtor shall be released from any and all demands, claims, debts, judgments, liens and other recoveries on account of any potential, contingent or actual statutory liability of whatsoever nature which any person may be entitled to assert against such Director(s) as at the Filing Date, including without limitation, any and all Claims howsoever related to any obligations of the Debtor where the Director(s) are or may be liable at law in their capacity as Director(s) for the payment of such obligations, whether known or unknown, existing or hereafter arising, based in whole or in part on any act of omission, transaction, dealing or other occurrence existing or taking place prior to the Filing Date.

8.1 Notwithstanding Article 8.1, nothing in this Proposal shall release or discharge any of the Directors from the exceptions set out in Section 50(14) of the Act and Article 8.1 shall be strictly interpreted so that it complies with Section 50(13) of the Act.

8.2 Any release contemplated in Article 8.1 shall not be obtained or be valid until the Certificate of Full Performance has been issued.

ARTICLE 9
PROPOSAL TRUSTEE

9.0 Russo Corp., Licensed Insolvency Trustee of the Town of Aurora, in the Province of Ontario, and not in its personal or corporate capacity, shall be the Proposal Trustee under this Proposal and all monies payable under this proposal shall be paid over to the Proposal Trustee who shall make payment of all distributions in accordance with the terms of this Proposal.

9.1 Any payments made by the Proposal Trustee to creditors hereunder shall be made by the Proposal Trustee net of any levies payable or due under the Act.

9.2 The Proposal Trustee is acting in its capacity as Proposal Trustee and not in its personal or corporate capacity and no officer, director, employee or agent of the Proposal Trustee shall incur any obligations or liabilities in connection with this Proposal or in respect of the business activities or liabilities of the Debtor.

9.3 The Proposal Trustee shall have no liability whatsoever for the Claims arising before, on or after the Filing Date.

ARTICLE 10
FULL PERFORMANCE OF PROPOSAL

10. All obligations of the Debtor under this Proposal will commence as of the Effective Date. This Proposal will be fully performed upon the payment to the Proposal Trustee of the amounts referred to in Articles 7 and when all other obligations of the Debtor set out herein have been satisfied, including payment of the Trustee's Administrative Fees and Expenses.

10.1 When the Proposal has been fully performed by the Debtor, the Proposal Trustee will issue to the Debtor and the Official Receiver the Certificate of Full Performance as provided for in Section 65.3 of the Act.

10.2 During the duration of this Proposal and until the Certificate of Full Performance referred to in Article 10.2 is issued by the Proposal Trustee, the Debtor shall not merge, amalgamate, rollover or otherwise change or reorganize its corporate structure without the prior approval of the Inspectors and unless the new or successor entity agrees to be bound by all terms and conditions of this Proposal.

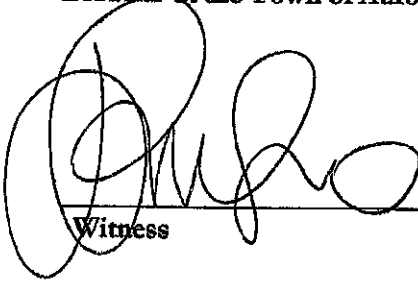
10.3 The provisions of this Proposal will be binding on all Creditors of the Debtor, and their respective heirs, executors, administrators, successors and assigns.

ARTICLE 11
AMENDMENT OF PROPOSAL

11.0 At any and all meetings of Creditors, the Debtor may at any time and from time to time, vary, amend, modify or supplement this Proposal.

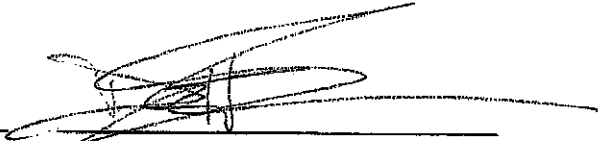
11.1 If there are any variations, amendments, modifications or supplements to the Proposal made at or prior to the final Meeting Creditors held to consider the Proposal which the Proposal Trustee determines are for the general benefit of the Creditors in each class, the Proposal Trustee shall be entitled to approve such variations, amendments, modifications or supplements by exercising all voting rights its receives from Creditors in each class, who have voted in favour of the Proposal and by counting all "yes" votes and "no" votes which have not, to the time the variations, amendments, modifications or supplements are made, been changed, as "yes" votes and "no" votes for the amended or supplemental Proposal.

DATED at the Town of Aurora, in the Province of Ontario this 5th day of May 2016.



Witness

First Brands Inc.



Richard Slaughter

I have authority to bind the debtor.

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2075069
 Estate No. 31-2075069

Original Amended

Form 78
 Statement of Affairs (Business Proposal) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the proposal of
FIRST BRANDS INC.
 of the City of Pickering, in the Province of Ontario

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 8th day of January 2016. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)		ASSETS (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	1,515,030.36	1. Inventory	0.00
Balance of secured claims as per list "B"	684,253.00	2. Trade fixtures, etc.	0.00
Total unsecured creditors	<u>2,199,283.36</u>	3. Accounts receivable and other receivables, as per list "E"	
2. Secured creditors as per list "B"	0.00	Good	0.00
3. Preferred creditors as per list "C"	0.00	Doubtful	0.00
4. Contingent, trust claims or other liabilities as per list "D"		Bad	0.00
estimated to be reclaimable for	0.00	Estimated to produce	0.00
Total liabilities	<u>2,199,283.36</u>	4. Bills of exchange, promissory note, etc., as per list "F" ...	0.00
Surplus	<u>NIL</u>	5. Deposits in financial institutions	0.00
		6. Cash	0.00
		7. Livestock	0.00
		8. Machinery, equipment and plant	0.00
		9. Real property or immovable as per list "G"	0.00
		10. Furniture	0.00
		11. RRSPs, RRIFs, life insurance, etc.	0.00
		12. Securities (shares, bonds, debentures, etc.)	0.00
		13. Interests under wills	0.00
		14. Vehicles	0.00
		15. Other property, as per list "H"	<u>27,549.00</u>
		If debtor is a corporation, add:	
		Amount of subscribed capital	0.00
		Amount paid on capital	0.00
		Balance subscribed and unpaid	0.00
		Estimated to produce	0.00
		Total assets	<u>27,549.00</u>
		Deficiency	<u>2,171,734.36</u>

I, Richard Hanton Slaughter, of the Town of Whitby in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 5th day of May 2016 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
 before me at the Town of Aurora in the Province of Ontario, on this 5th day of May 2016.

 Joanne Russo, Commissioner of Oaths
 For the Province of Ontario
 Expires Nov. 1, 2016

 Richard Hanton Slaughter

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2075069
 Estate No. 31-2075069

FORM 78 -- Continued

List "A"
 Unsecured Creditors

FIRST BRANDS INC.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	Bass and Murphy	885 Progress Ave., Suite LPH1 Toronto ON M1H 3G3	3,900.00	0.00	3,900.00
2	Broad Lands Developments	2100 Lawrence Ave W, Suite 104 Toronto ON M9N 3W3	24,300.93	0.00	24,300.93
3	Browns Cleaning	270 City Centre Ave Ottawa ON K1R 7R7	4,198.00	0.00	4,198.00
4	Canada Smart Home	712 Wilson Rd S. #11 Oshawa ON L1H 8R3	3,453.00	0.00	3,453.00
5	Canadien Linen	20 Atomic Avenue Toronto ON M8Z 5L2	1,434.34	0.00	1,434.34
6	CHS	132 Aylesworth Ave Scarborough ON M1H 2J6	0.00	0.00	0.00
7	CLE Leasing Attn: Collections Department	104 - 3390 South Service Road Burlington ON L7N 3J5	1.00	0.00	1.00
8	Commercial Innovations Renovations Attn: Eddie Rogers	10 McFarlane Crt Whitby ON L1N 5T8	510,000.00	0.00	510,000.00
9	CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insol	PO Box 5548 3 - 451 Talbot St London ON N6A 4R3	7,569.01	0.00	7,569.01
10	DD Poultry	25A Passmore Ave Toronto ON M1V 4T4	1,569.40	0.00	1,569.40
11	Diageo Canada Inc.	911440 PO Box 4090 Stn A Toronto ON M5W 0E9	3,479.34	0.00	3,479.34
12	Don Longley	88 Homefield SQ Courtice ON L1E 1L2	60,000.00	0.00	60,000.00
13	Ecolab Attn: servicerequest@ecolab.com	5105 Tomken Road Mississauga ON L4W 2X5	2,271.07	0.00	2,271.07
14	Flanagans	100 Sasaga Drive Kitchener ON N2C 2G7	49,369.83	0.00	49,369.83
15	Hendrix Restaurant Equipment - Brockville Attn: Florence Williams	3011 County Rd 29 BroCKVILLE ON K6V 5V2	0.00	1.00	1.00
16	John Jamieson	80 Felicity Dr Scarborough ON M1H 1E3	50,000.00	0.00	50,000.00
17	John Mackenzie	c/o TWO ROW LAW p.o BOX 99, STN BROOKLIN Brooklin ON L1M 1B5	200,000.00	0.00	200,000.00
18	McNeely Kelly Barristers & Solicitors	3011 highway #29 N BroCKVILLE ON L1G 1B4	53,514.42	0.00	53,514.42
19	Pepsi - Cola Canada Limited Attn: Steve Dias - Steve.dias@pepsico.com	5205 Satellite Dr. Mississauga ON L4W 5J7	20,941.55	0.00	20,941.55
20	Pillar Capital Corp. Attn: Steve Dizap	Mount Royal Village, Suite 502, 1550 - 8th St. W. Calgary AB T2R 1K1	0.00	684,250.00	684,250.00
21	Pizzaville	741 Rowntree Dairy Rd Woodbridge ON M5T 5T6	47,263.66	0.00	47,263.66
22	Platinum Fire & Safety	786 Glen Miller Rd Trenton Hills ON K8V 0B4	834.51	0.00	834.51
23	Progressive Waste Solutions	650 Creditstone Rd Concord ON L4K 5C8	2,726.26	0.00	2,726.26

05-May-2016

Date

Richard Hanton Slaughter

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2075069
 Estate No. 31-2075069

FORM 78 -- Continued

List "A"
 Unsecured Creditors

FIRST BRANDS INC.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
24	Randy & Carlene Hammond	220 Chebucto Drive Oakville ON L6J 5P9	50,000.00	0.00	50,000.00
25	Ray McKenzie	7 Moonstone Drive Whitby ON L1P 1L5	112,500.00	0.00	112,500.00
26	RBC Royal Bank c/o BankruptcyHighway.com Attn: Razel Bowen	PO Box 57100 Etobicoke ON M8Y 3Y2	0.00	1.00	1.00
27	RCAP Leasing Inc. Attn: Collection Department	300 - 5575 North Service Road Burlington ON L7L 6M1	0.00	1.00	1.00
28	Richard Hanton Slaughter	8 Moonstone Dr Whitby ON L1P 1L5	1.00	0.00	1.00
29	Scarlett Clothing & Incentives	2601 Matheson Blvd E, Unit 17 Mississauga ON L4W 5A8	0.00	0.00	0.00
30	Sean Gison	4 Prince Rupport Drive Courtice ON L1E 1Z4	76,000.00	0.00	76,000.00
31	State Industrial Products	6935 Davand Dr Mississauga ON L5T 1L5	1,724.38	0.00	1,724.38
32	Stay Kool Mechanical	250 Regina Rd, Unit 9 Woodbridge ON L4L 8N2	2,955.00	0.00	2,955.00
33	Sysco	PO Box 6000 Peterborough ON K9L 7B1	74,557.16	0.00	74,557.16
34	Tersana Design	2235 Holmes Crescent Tecumseh ON N8N 4R1	28,550.00	0.00	28,550.00
35	The Butcher Shoppe	121 Shorncliffe Rd Etobicoke ON M8Z 5K7	9,485.75	0.00	9,485.75
36	The Premium Beer Co.	275 Belfield Rd Etobicoke ON M9W 7H9	1,710.39	0.00	1,710.39
37	Town Of Whitby	c/o Cameron Murkar PMH LAW OFFICE 575 Rossland Rd E Whitby ON L1N 2M8	60,928.63	0.00	60,928.63
38	Wonderland Food & Equipment	930 Lafefront Promenade Mississauga ON L5E 2C6	1,791.73	0.00	1,791.73
39	Your Biz Link	19 Channel Drive Whitby ON L1N 9R3	48,000.00	0.00	48,000.00
Total:			1,515,030.36	684,253.00	2,199,283.36

05-May-2016

Date

Richard Hanton Slaughter

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2075069
 Estate No. 31-2075069

FORM 78 – Continued

List "B"
 Secured Creditors

FIRST BRANDS INC.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	Hendrix Restaurant Equipment - Brockville Attn: Florence Williams	3011 County Rd 29 BroCKVILLE ON K6V 5V2	1.00	Other - Assets, tables, restaurant equipment and the like		0.00		1.00
2	Pillar Capital Corp. Attn: Steve Dizap	Mount Royal Village, Suite 502, 1550 - 8th St. W. Calgary AB T2R 1K1	684,250.00	Other - Assets, tables, restaurant equipment and the like		0.00		684,250.00
3	RBC Royal Bank c/o BankruptcyHighway.com Attn: Razel Bowen	PO Box 57100 Etobicoke ON M8Y 3Y2	1.00	Other - Assets, tables, restaurant equipment and the like		0.00		1.00
4	RCAP Leasing Inc. Attn: Collection Department	300 - 5575 North Service Road Burlington ON L7L 6M1	1.00	Other - Assets, tables, restaurant equipment and the like		0.00		1.00
Total:			684,253.00			0.00	0.00	684,253.00

05-May-2016

Date

Richard Hanton Slaughter

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2075069
Estate No. 31-2075069

FORM 78 -- Continued

List "C"
Preferred Creditors for Wages, Rent, etc.

FIRST BRANDS INC.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

05-May-2016

Date

Richard Hanton Slaughter

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2075069
Estate No. 31-2075069

FORM 78 -- Continued

List "D"
Contingent or Other Liabilities

FIRST BRANDS INC.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

05-May-2016

Date

Richard Hanton Slaughter

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2075069
Estate No. 31-2075069

FORM 78 -- Continued

List "G"
Real Property or Immovables Owned by Debtor

FIRST BRANDS INC.

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

05-May-2016

Date

Richard Hanton Slaughter

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2075069
 Estate No. 31-2075069

FORM 78 -- Concluded

List "H"
 Property

FIRST BRANDS INC.
 FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other		Assets, tables, restaurant equipment and the like	0.00	27,549.00
			Total:	27,549.00

05-May-2016

Date

Richard Hanton Slaughter

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2075069
Estate No. 31-2075069

FORM 31
Proof of Claim
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

In the matter of the proposal of
FIRST BRANDS INC.
of the City of Pickering, in the Province of Ontario

All notices or correspondence regarding this claim must be forwarded to the following address:

In the matter of the proposal of FIRST BRANDS INC. of the City of Pickering in the Province of Ontario and the claim of
_____, creditor.

I, _____ (name of creditor or representative of the creditor), of the city of _____ in the
province of _____, do hereby certify:

1. That I am a creditor of the above named debtor (or I am _____ (position/title) of _____
creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of proposal, namely the 8th day of January 2016, and still is, indebted to the creditor in the sum of
\$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any
counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in
support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ _____, I do not claim a right to a priority.
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security,
and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____
(Attach a copy of sales agreement and delivery receipts.)

- E. CLAIM BY WAGE EARNER OF \$ _____
- That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____,
- That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____,
- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____
- That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____,
- That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____,
- G. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

- H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I _____ (am/am not) (or the above-named creditor _____ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and _____ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. (Applicable only in the case of the bankruptcy of an individual.)

- Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at _____, this _____ day of _____,

Witness

Creditor

Phone Number: _____

Fax Number : _____

E-mail Address : _____

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 20(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2075069
Estate No. 31-2075069

FORM 36
Proxy
(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

In the matter of the proposal of
FIRST BRANDS INC.
of the City of Pickering, in the Province of Ontario

I, _____, of _____, a creditor in the above matter, hereby
appoint _____, of _____, to be
my proxyholder in the above matter, except as to the receipt of dividends, _____ (with or without)
power to appoint another proxyholder in his or her place.

Dated at _____, this _____ day of _____, _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

Russo Corp.

78 Wellington St E
Aurora ON L4G 1H8
Phone: (905) 503-3328 Fax: (905) 503-2338
E-mail: russo@russocanhelp.com

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2075069
Estate No. 31-2075069

FORM 37

Voting Letter
(Paragraph 5(1)(f) of the Act)

In the matter of the proposal of
FIRST BRANDS INC.
of the City of Pickering, in the Province of Ontario

I, _____, creditor (or I, _____, representative of
_____, creditor), of _____, a creditor in the above matter for
the sum of \$ _____, hereby request the trustee acting with respect to the proposal of FIRST
BRANDS INC., to record my vote _____ (for or against) the acceptance of the proposal as made on
the _____ day of _____.

Dated at _____, this _____ day of _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per

Name and Title of Signing Officer

Return To:
Russo Corp.
Per:

Joanne Russo - Licensed Insolvency Trustee
78 Wellington St E
Aurora ON L4G 1H8
Phone: (905) 503-3328 Fax: (905) 503-2338
E-mail: russo@russocanhelp.com