ALBERT GELMAN

**IN THE MATTER OF THE PROPOSAL OF SAMUEL PROPERTY MANAGEMENT LTD.**

**TRUSTEE'S REPORT TO CREDITORS**

**DATED MAY 9, 2013**

## 1. Overview

On November 15, 2012 Samuel Property Management Ltd. ("Samuel" or the "Company") filed a Notice of Intention to make a Proposal pursuant to the *Bankruptcy and Insolvency Act* ("BIA") ("NOI"). The Company subsequently obtained three Court Orders extending the time period for which the Company had to file a Proposal.

On May 2, 2013, Samuel filed a Proposal with the Official Receiver.

A meeting of creditors has been scheduled to be held on May 23, 2013 at 10:30am at the offices of the Superintendent of Bankruptcy located at 25 St. Clair Avenue East, 6th Floor, Toronto, Ontario ("Creditors Meeting"). The purpose of the Creditors Meeting will be to consider the Proposal that Samuel has made to its creditors having claims outstanding as at the date of filing of the NOI on November 15, 2012.

Albert Gelman Inc. ("AGI" or the "Trustee") has consented to act as Trustee under the Proposal.

Included with this report are the following documents:

1. Notice of Proposal to Creditors ("Notice of Proposal");
2. The Proposal;
3. The Company's Statement of Affairs sworn on May 2, 2013 (the "SOA"); and,
4. Voting letter, Proof of Claim and General Proxy form.

The creditors of Samuel may resolve to accept or reject the Proposal at the Creditors Meeting.

Creditors who are unable to attend the Creditors Meeting in person may vote in advance by Voting Letter, or they may appoint a Proxy to vote on their behalf.

If the creditors refuse the Proposal, Samuel will be deemed bankrupt.

## 2. Disclaimer

The Trustee has prepared this report based on financial and other documentation available as well as its discussions with the Samuel's management and has not performed an audit or other verification of the books and records it has reviewed. Accordingly, the Trustee does not express an "opinion" on the financial information contained herein.

## 3. History and Background

Mr. Gennaro (Gino) Sisera is the President and C.E.O. of Samuel.

The Company provides property management services for condominiums, apartment rental complexes and commercial and industrial properties located in southern Ontario and is currently under contract with approximately forty property management contracts.

The Company operates from its leased premises located at 1120 Finch Avenue West, Suite 801, Toronto, Ontario (the "Premises") and employs approximately thirty staff, comprised of accounting/administrative staff, property managers, onsite property administrators and three executive staff members.

The Company has suffered from a substantial decrease in property management revenue as a result of an increase in industry competition and the loss of several of its key contracts.

Revenue and net income/(loss) for the years ended July 31, 2010, 2011 and 2012 are as follows:

| | | Year ended July 31 | | |
|---|---|---|---|---|
| | | 2012 | 2011 | 2010 |
| Revenue | $ | 2,261,348 | 2,568,728 | 2,942,112 |
| Percentage change in revenue | | -12% | -13% | |
| Net income/(loss) | $ | (374,806) | (176,385) | 129,766 |

In the past year Samuel has attempted to address the challenges facing its business by laying off several of its staff, reducing its expenses and focusing on an increase in business development.

The current revenue stream generated from the Company's contracts is not able support the Company's cost structure and as a result the Company fell behind with its remittances to the Canada Revenue Agency ("CRA"), in respect of HST, and payment of its suppliers.

Since the date of the NOI, Samuel has been proactive in addressing its business challenges by taking the following steps:

a) Additional employee layoffs;
b) Searching for an alternative premises, in order to reduce its monthly rent expense;
c) Significantly reducing other operating expenses; and,
d) Developing a more efficient procedure for the collection of its accounts receivable.

Despite its efforts to reduce costs, Mr. Sisera has had to personally fund the Company's cash flow shortfalls totaling $69,325, for the period from the NOI date to May 2, 2013 ("Post NOI Shareholder Loans").

Following the filing of the NOI, it became evident to the Company that it would not be able to fund a Proposal to its creditors through its operating cash flow and as such, the Company made considerable efforts to raise the necessary funds to fund a Proposal, through third party investors.

On April 29, 2013, Mr. Sisera and The Sisera Family Trust as vendors ("Vendors") entered into an agreement to sell their 100% interest in all of the issued and outstanding shares in the capital of Samuel to Stephen Stern, the purchaser ("Purchaser"), an arm's length party, for $100. Concurrently, the Purchaser also agreed to subscribe for $350,000 worth of shares, creating a cash injection of $350,000 into the Company ("Sale Agreement"). Both the purchase of the shares from the Vendors and the subscription of shares for $350,000 are conditional on approval of the Proposal. It is intention that the $350,000 cash injection to honour the subscription for shares, provided by the Purchaser, will be used to fund the Proposal to the creditors.

As a condition of the Sale Agreement, the Purchaser is to deposit $350,000 with the Trustee in escrow to be used to honour the Proposal, conditional upon the Proposal being approved, failing which the $350,000 is to be refunded to the Purchaser.

Pursuant to the Sale Agreement, on closing of the Sale Agreement, in repayment of all loans made by the Vendors to Samuel on or after the NOI date, Samuel has agreed to to assign to the Vendors all of its right, title and interest on all cash on hand and the benefit of all less than 60-day accounts receivable for an amount equal to the lesser of (i) the aggregate thereof; or, (ii) the amount loaned to Samuel by the Vendors since the date of the filing of the NOI. The Trustee is also advised by management that Mr. Sisera will continue working with the Company following the Closing Date (as defined in the Proposal).

The Purchaser operates a similar line of business to Samuel and therefore, is knowledgeable in the industry and is able to operate in a more cost effective manner.

## 4. Evaluation of Assets and Liabilities

Enclosed with the Notice of Proposal is Samuel's SOA, which details its assets and liabilities, along with a listing of the secured, preferred and unsecured creditors.

In order to assist creditors in assessing Samuel's Proposal, we have summarized below the Trustee's estimate of the realizable value of Samuel's assets in the event of a bankruptcy, along with an evaluation of the claims of the various classes of creditors.

| | | Net Book Value as at May 2, 2013 | Estimated Realizable Value in the Event of Bankruptcy |
|---|---|---|---|
| Cash in bank | $ | 5,000 | 5,000 |
| Cash in bank - ownership in dispute | | 105,000 | Unknown |
| Accounts receivable | | 76,792 | - |
| Charge-backs receivable | | 1,894 | - |
| Government remittances receivable | | 19,840 | 1,000 |
| Prepaid expenses | | 25,996 | - |
| Due from related parties | | 60,546 | - |
| Property and equipment | | - | - |
| **Total book value/realizable value** | | 295,068 | 6,000 |
| Less: secured claims ranking first against current assets | | | |
| Claims of employees for unpaid wages | | | (60,000) |
| **Estimated deficiency for employees claims** | | | (54,000) |
| Less: secured claims ranking second against current assets | | | |
| Royal Bank of Canada (estimated) | | | (214,129) |
| **Estimated deficiency to RBC, before professional fees** | $ | | (268,129) |
| **Estimated distribution to unsecured and preferred creditors** | $ | | - |

Set out below is the Trustee's analysis and evaluation of the assets and liabilities of Samuel.

## ASSETS

### 4.1. Cash in Bank

At the date of filing its Proposal, the Company had cash on hand of approximately $5,000.

### 4.2. Cash in Bank – Ownership in Dispute

The Company holds a separate account with RBC in the name of Samuel Property Management Ltd. with a balance of approximately $105,000. These funds originate from a period prior to the purchase of the Company by Mr. Sisera (and its related entities) from the former owner Jim Samuel, which took place in or about 2007.

The Trustee is advised by Mr. Sisera that Mr. Samuel has asserted an interest in the funds held in the account, claiming that the Company holds the said funds in trust for for his company

1110749 Ontario Limited. The Company is of the view that it acquired all right, title and interest in the said funds when Mr. Sisera purchased the shares and therefore it claims that the funds belong to the Company.

A final determination has yet to be made to date. The Trustee has been advised by Mr. Sisera that the funds will remain in the RBC account until a final determination with respect to the ownership of the funds has been resolved.

## 4.3. Accounts Receivable

At the date of filing its Proposal, the accounts receivable of Samuel totalled approximately $77,000. Generally, the Company's sales are invoiced at the beginning of each month and by month-end, they are collected and utilized by the Company to fund its operating expenses. In the event of a bankruptcy of Samuel and a shutdown of its operations, it is likely that the Company's accounts receivable would have already been collected and utilized in its ongoing operating. For this reason, the Trustee does not anticipate that there would be any significant value in the Company's accounts receivable in the event of a bankruptcy.

## 4.4. Charge-Backs Receivable

The Company's charge-backs receivables relate to reimbursable expenses, which Samuel incurred on behalf of its client, totalling approximately $2,000. In the event of a bankruptcy of Samuel, the Trustee estimates that the majority of the charge-backs receivable would not be collectible.

## 4.5. Government Remittances Receivable

At the date of filing its Proposal, the government remittances receivable included a refund from the Minister of Finance for employer health tax of $7,766.60, a refund from the Workplace Safety and Insurance Board of $8,200.50 and other miscellaneous receivables.

In the event of a bankruptcy of Samuel, the Trustee anticipates difficulty in collecting the receivables noted above as it would be required to first file any outstanding corporate returns with the CRA as well as final EHT and WSIB returns, which may result in liabilities due to the respective agencies, which would in all likelihood result in an offset of any refunds due to the Company. Furthermore, there will be costs associated with the preparation of any of the outstanding returns. As a result, the Trustee does not anticipate that there will be significant refunds, and the Trustee has placed a value of $1,000 on these assets in the event of a bankruptcy. This amount is an approximation only.

### 4.6. Prepaid Expenses

As at May 2, 2013, the prepaid expenses of $25,996, included the following:

i. last month's rent in respect of the companies leased premises in the amount of 16,832;
ii. Prepaid insurance premiums for errors and omissions insurance of $3,697, directors and offices insurance of $2,311 and life insurance premiums on Mr. Sisera of $1,624; and
iii. Other prepaids in the amount of $1,532.

With respect to the pre-payment of last month's rent, the Trustee does not anticipate being able to realize upon this deposit as the Company's commercial lease agreement with Samuel's landlord was disclaimed, pursuant to the Proposal, and the landlord will likely offset this deposit against its claim for damages.

With respect to the prepaid insurance premiums, the Trustee is unable to provide an estimate of the realizable value of these prepaid premiums at this time. In the event of a bankruptcy, the Trustee will consider contacting the insurance companies to ascertain this information.

### 4.7. Due from Related Parties

At the date of filing its Proposal, the amounts due from related parties included the following:

i. Receivable due from Gino Sisera Jr. (Mr. Sisera's son) of $5,832.57 and a receivable due from Michael Sisera (Mr. Sisera's son) of $12,949.20 (collectively the "Related Party Receivables"); and
ii. Receivable from Samuel Properties KW Inc. of $41,764.53 (the "KW Receivable").

The Related Party Receivables relate to vehicle lease payments, paid for by the Company, for vehicles driven by Gino Sisera Jr. and Michael Sisera. At year end, these accounts are applied as a taxable benefit against Mr. Sisera, and are no longer collectible from his children. In the event of a bankruptcy of Samuel the Related Party Receivables will not be collectible.

The KW Receivable relates to the costs incurred by the Company to fund the start-up costs of Samuel Properties KW Inc., a related party property management business located in Kitchener, Waterloo. The Trustee is advised by management that Samuel Properties KW Inc. is no longer in operation. Accordingly, in the event of a bankruptcy of Samuel the Trustee anticipates that the KW Receivable will be uncollectible.

### 4.8. Property and Equipment

The Trustee has obtained an appraisal of the Company's furniture and fixtures located at the Company's Premises. The estimated gross liquidation value of Samuel's furniture and fixtures was $11,110 as at November 30, 2012. The appraiser has advised that the cost associated with the relocation and sale of these assets, in the event of a bankruptcy, would likely exceed the value and therefore the net realizable value of the furniture and fixtures is Nil.

## LIABILITIES

### 4.9. Claims of Employees for Unpaid Wages and Vacation Pay

As set out above, the Company has approximately 30 full-time employees.

In the event of a bankruptcy, and a shutdown of the Company's operations, it is anticipated that all of the Company's employees would be terminated resulting in claims for unpaid wages, vacation pay and termination pay in accordance with the *Employment Standards Act*.

Pursuant to section 81.3(1) of the BIA, in the event of a bankruptcy, claims of employees for unpaid wages and vacation pay, to a maximum of $2,000 per employee, will rank in priority to the secured and unsecured creditors, over the company's current assets.

The Trustee has estimated that, in the event of a bankruptcy, the priority claim of employees will total $60,000.

### 4.10. The Royal Bank of Canada

The Royal Bank of Canada ("RBC") has a first ranking charge against Samuel's assets pursuant to a General Security Agreement ("GSA"). The Trustee has obtained an independent legal opinion on the security held by RBC and has confirmed the validity and enforceability of the GSA against the assets of Samuel.

Pursuant to the Company's SOA as at May 2, 2013, RBC was owed approximately $94,129.32 which is made up of the following:

i. A revolving line of credit capped at $175,000, with a value as at May 2, 2013 of $55,000 (the "RBC LOC");
ii. two VISA credit cards with balances in the amount of $15,106.39 and 1,529.71, respectively and,
iii. legal fees incurred by RBC of $22,493.22.

(Collectively the "RBC Claim")

The Trustee anticipates that the claim of RBC will be approximately $215,000, on the basis that the RBC LOC is fully extended at $175,000, plus any additional accrued interest and legal fees. The RBC Claim may decrease depending on the amount of the RBC LOC upon receipt of its distribution under the Proposal.

In accordance with the terms of the Proposal, the RBC Claim will be paid in full.

In the event of Samuel's bankruptcy and a forced shut down of the Company's operations, it is unlikely that there will be a distribution to RBC, in respect of its claim.

### 4.11. Preferred and Unsecured Creditors

The SOA indicates that the preferred and unsecured creditors are owed a combined amount of $1,888,569, including the following:

i. an amount of $888,690 owing to Deborah Sisera, Mr. Sisera's wife; and,
ii. an amount of $137,479 owing to Dolly Catena, Mr. Sisera's sister.

Pursuant to the terms of the Proposal, both Deborah Sisera and Dolly Catena have agreed not to file claims in the Proposal and will not participate in any distributions to unsecured creditors. On this basis, the Proposal is being made to preferred and unsecured creditors with claims totalling approximately $862,400.

The Trustee recommends the acceptance of the Proposal by the unsecured creditors, as it provides for a distribution to the unsecured creditors.

In the event of Samuel's bankruptcy and a forced shut down of the Company's operations, it is unlikely that there will be a distribution to the unsecured creditors.

## 5. Summary of the Proposal

As set out above, a sum of $350,000 (the "Proposal Fund") will be deposited with the Trustee, by the Purchaser, at least three business days prior to the first meeting of creditors, to be held in escrow pursuant to the Sale Agreement, conditional upon the Proposal being approved. In the event that the Proposal is not approved, the funds will be returned to the Purchaser.

The Proposal Fund is to be distributed to the Company's creditors in accordance with the terms of the Proposal.

Pursuant to the Proposal, Mr. Sisera has guaranteed that a minimum of $150,000 will be available for distribution amongst the unsecured creditor, following payment the claim of the RBC.

## 6. Conduct of the Debtor

The Trustee has conducted a review of the Company's financial activities for the 12 month period prior to the filing of the NOI (the "Review Period"). The Trustee's review included all transactions in the Company's bank account over $5,000 during the Review Period. Based on its review, the Trustee has not identified any preferences or reviewable transactions which would be challenged by a Trustee in the event of a Bankruptcy.

## 7. Trustee's Recommendation

The Proposal provides for the payment to the Trustee of $350,000.

Under the terms of the Proposal, the RBC Claim is to be paid in full and the preferred and unsecured creditors are to receive a minimum dividend of $150,000.

As set out earlier in this report, in the event of a bankruptcy of Samuel, the Trustee anticipates that no monies will be available for secured, preferred and unsecured creditors.

**For this reason, the Trustee <u>recommends</u> acceptance of the Proposal by the preferred and unsecured creditors.**

## 8. Procedure for Voting on the Proposal

The primary purpose of the Creditors Meeting is to permit creditors to consider the Proposal filed by the Company.

To be eligible to vote, creditors must have filed with the Trustee, before the commencement of the Creditors Meeting, a Proof of Claim and either attend the meeting in person or by proxy, or complete and submit the attached Voting Letter prior to the meeting.

**The Trustee prefers that Proofs of Claim, Proxies and Voting Letters be submitted <u>by email at proofofclaim@albertgelman.com or by fax at 416-504-1655</u>.**

Corporate creditors who will be voting must complete the proxy in favour of its representative, in order to evidence that this person has the authority to vote on behalf of the corporation.

If the Proposal is not accepted by the requisite majority of creditors, Samuel will be deemed Bankrupt. If the Proposal is accepted by the requisite majority of creditors, the Trustee will then make application to the Court for approval of the Proposal. Upon the Court approving the Proposal, the Proposal will be binding upon all creditors with provable claims.

DATED at Toronto, Ontario, this 9th day of May, 2013.

**ALBERT GELMAN INC.,**
Trustee in the Proposal of Samuel Property Management Ltd.
Per:

Bryan A. Gelman, *CIRP, Trustee in Bankruptcy*

| | |
|---|---|
| District of: | Ontario |
| Division No. | 09 - Toronto |
| Court No. | 31-1687015 |
| Estate No. | 31-1687015 |

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

In the matter of the proposal of
Samuel Property Management Ltd.
of the city of Toronto, in the Province of Ontario

Take notice that Samuel Property Management Ltd. of the city of Toronto 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 25 St. Clair Avenue East, 6th Floor, Toronto, ON on the 23rd day of May 2013 at 10:30 o'clock AM.

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 city of Toronto in the Province of Ontario, this 9th day of May 2013.

Albert Gelman Inc. - Trustee

100 Simcoe Street, Suite 125
Toronto ON M5H 3G2
Phone: (416) 504-1650 Fax: (416) 504-1655

District of Ontario
Division No. 09-Toronto
Estate No.: 31-1687015
Court No.: 31-1687015

**ONTARIO**
**SUPERIOR COURT OF JUSTICE**
***(In Bankruptcy and Insolvency)***

IN THE MATTER OF THE PROPOSAL OF

**SAMUEL PROPERTY MANAGEMENT LTD.**

A company duly incorporated under the laws
of the Province of Ontario and having its head office in the
City of Toronto in the Province of Ontario

# PROPOSAL

**Samuel Property Management Ltd.,** the above named Debtor, hereby submits the following Proposal under Part III of the *Bankruptcy and Insolvency Act,* R.S.C. (1985), c.B-3, as amended (the "**BIA**"):

## 1. DEFINITIONS

In this Proposal, the following terms have the meaning herein set out:

(a) **Claim.** Any right of any person against the Debtor in connection with any indebtedness, liability or obligation of the Debtor of any kind which was in existence at the NOI Date, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, surety or otherwise, and whether or not such a right is executory in nature, including, without limitation, any claim referred to in this Proposal in respect of the termination or disclaimer by the Debtor of a lease, any product warranty liability and the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause of action or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which existed prior to or on the NOI Date;

(b) **Closing Date.** Closing of the Share Purchase Agreement between Gennaro (Gino) Sisera and The Sisera Family Trust as Vendors and Stephen Stern as Purchaser dated April 29, 2013.

(c) **Debtor.** Samuel Property Management Ltd.;

(d) **Final Approval.** Approval of the Proposal by the Creditors and the Court and any appeal period with respect to the Court Approval having expired;

(e) **NOI Date.** Date of the filing of the Notice of Intention to make a Proposal with the Official Receiver being November 15, 2012;

(f) **Ordinary Creditors.** Unsecured Creditors, excluding the Preferred Creditors;

(g) **Preferred Creditors.** Creditors with proven claims for which the BIA prescribes payment in priority to claims of Ordinary Creditors;

(h) **Proposal.** This Proposal, as it may be amended from time to time;

(i) **Proposal Date.** Date of the filing of the Proposal with the Official Receiver;

(j) **Proven Claim.** Any claim which was the subject of a proof of claim in accordance with the BIA, filed with the Trustee and considered admissible by it;

(k) **Secured Creditors.** Royal Bank of Canada, Nissan Canada Finance a Division of Nissan Canada Inc., Honda Canada Finance Inc. and Financialinx Corporation;

(l) **Trustee.** Albert Gelman Inc., as Trustee to the Proposal of the Debtor;

(m) **Unsecured Creditors.** Collectively, the Preferred Creditors, the Ordinary Creditors, including Claims of the Unsecured Landlord and the Unsecured Employees;

(n) **Unsecured Employees.** Those former employees set out below whose employment agreements were Discalimed or Resiliated by the Debtor:

i. Mary Majidi whose employment agreement was Disclaimed or Resiliated by the Debtor;

ii. Georgina Chan whose employment agreement was Disclaimed or Resiliated by the Debtor; and,

iii. Silus Stanciu whose employment agreement was Disclaimed or Resiliated by the Debtor;

(o) **Unsecured Landlord.** Century Standard Developments Corporation whose commercial lease was disclaimed or resiliated pursuant to Section 65.2(1) of the BIA on April 30, 2013.

The Claim of the Unsecured Landlord is to be calculated pursuant to section 65.2(4)(b) of the BIA as follows:

The lesser of:

(i) the aggregate of:

(A) the rent provided for in the lease for the first year of the lease following the date on which the disclaimer or resiliation becomes effective, and

(B) fifteen per cent of the rent for the remainder of the term of the lease after that year, and

(ii) three years' rent.

2. **SECURED CREDITORS**

(a) This Proposal is not made to Secured Creditors, other than Royal Bank of Canada ("**RBC**"). Payment of the claims of Secured Creditors (other than Royal Bank of Canada) shall be made in the usual manner or as may be agreed between the Debtor and the Secured Creditors (other than Royal Bank of Canada).

(b) This Proposal is made to RBC. Payment of the claim of RBC shall be made forthwith following the Closing Date as follows:

i. all amounts owing under the RBC Operating Line of Credit to a maximum of $175,000, plus accrued interest, VISA account number 4516 0700 0229 1955 in the amount of $15,106.39, VISA account number 4516 0700 0229 2011 in the amount of $1,529.71 and legal fees (which totaled $22,493.22 as at April 23, 2013);

3. **DEBTS OWED TO THE CROWN**

(a) Proven claims of Her Majesty in right of Canada or a province of all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the Income Tax Act or under any substantially similar provision of provincial legislation that were outstanding at the NOI Date shall be paid in full within six (6) months of Court Approval of this Proposal unless Her Majesty in Right of Canada or a province consents to some other arrangement.

4. **PREFERRED CREDITORS**

(a) Proven Claims of Preferred Creditors, without interest, shall be paid in full in priority to all Unsecured Creditors;

(b) Claims of employees and former employees of amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(*d*) of the BIA as well as wages, salaries, commissions or compensation for services rendered after the NOI Date and before Final Approval of this Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the bankrupt's business during the same period shall be paid by the Debtor immediately after Final Approval of this Proposal.

## 5. UNSECURED CREDITORS

(a) The Debtor shall remit to the Trustee:

i. the sum of $350,000 forthwith following the Closing Date (the "**Proposal Fund**")

(b) The Trustee will distribute the Proposal Fund in the order set out below:

i. Those amounts set out under paragraphs 2(b)(i);
ii. Those amounts set out under paragraphs 6(a) and 6(b);
iii. Those amounts required to be made under paragraph 4(a);
iv. To Unsecured Creditors with Proven Claims under the Proposal on a *pro rata pari passu* basis.

Pursuant to the Proposal, Mr. Gennaro Sisera guarantees that a minimum of $150,000 will be available for distribution amongst the Unsecured Creditors.

Creditors shall accept these payments as full, final and complete satisfaction of their claims.

## 6. GENERAL PROVISIONS

(a) All (i) proper fees of the Trustee commencing from the Proposal Date plus all expenses and disbursements of the Trustee incurred prior to or subsequent to the Proposal Date, incidental to the proceedings arising out of the Proposal, including, without limitation, accounting fees and consulting fees and the fees and disbursements of its legal counsel in connection with the preparation and facilitation of this Proposal and any amendments thereto, including advice to the Debtor in connection therewith and fees incurred by the Trustee in administering the Proposal shall be paid from the Proposal Fund in priority to all Claims; and (ii) the legal fees and disbursements incurred by the Debtor, incidental to the preparation and facilitation of the Proposal and any amendments thereto on and incidental to negotiations in connection with the acceptance and approval of the Proposal, court proceedings relating to this Proposal and including advice to the Debtor in connection therewith. The Trustee shall be at liberty to withdraw and pay its fees and expenses from time to time, subject to final approval by the Registrar in Bankruptcy upon completion of the Proposal. The Trustee shall pay from the Proposal Fund the fees and disbursements of legal counsel to the Debtor as and when such fees and disbursements become due and payable.

(b) From the Proposal Fund, and prior to any distribution to any Unsecured Creditors in the administration, an amount of $15,000 shall be held separately, in trust, by the Trustee ("Proposal Default Fund"). The sole purpose of the Proposal Default Fund will be to contribute to the costs of a bankruptcy administration in the event the Debtor is deemed to have filed an Assignment in Bankruptcy and/or to fund an application to annul the Proposal in the event of a default which has not been waived by the Inspector(s) or remedied by the Debtor. In the latter case, upon Instructions from the Inspector(s), the Trustee shall make an application to the Court to have the Proposal annulled. Once a certificate of completion has been issued to the Debtor this provision of this Proposal will no longer apply and the Proposal Default Fund will be available for distribution to the Creditors in accordance with the terms of this Proposal.

(c) Albert Gelman Inc., of the City of Toronto, in the Province of Ontario, shall be the Trustee of this Proposal.

(d) The Trustee is acting in its capacity as trustee under this Proposal and shall not be responsible or liable for any obligations of the Debtor. The Trustee shall have the powers granted to it by the Proposal, by the Act, and by any order of the Court. The Trustee will be exempt from all personal liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal or generally in carrying out the terms of this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default. Sections 91 to 101 of the Act (with the exception of Section 97(3)) shall not apply in connection with this Proposal or any dealing by the Debtor prior to the NOI Date, and the Trustee shall have no responsibility, liability or authority whatsoever in connection therewith. The Trustee shall not monitor or in any way manage the Debtor's business.

(e) The Trustee under this Proposal is acting solely as Trustee and not in its personal capacity and shall not be responsible or liable for any obligations of the Debtor.

(f) All monies payable under the terms of this Proposal, with the exception of the amount to be paid pursuant to paragraph 4(b), shall be paid over to the Trustee who shall make all payments in accordance with the terms of this Proposal.

(g) Upon making all payments in accordance with the terms of this Proposal, the Trustee shall be entitled to be discharged.

(h) The Creditors, at the meeting of creditors to consider this Proposal, may appoint up to five Inspectors who will have, in addition to any powers of Inspectors under the BIA, the power to:

i. receive any notice of default in the performance of the Proposal and waive any such default;
ii. advise the Trustee in respect of such matters as may be referred to the inspectors by the Trustee;
iii. approve any amendment to the Proposal without calling a meeting of creditors, where the amendment would alter the schedule for and the amounts of payments to be made by the Debtor, but would not change the total amount to be paid; and
iv. extend the time for any payment due under this Proposal.

(i) Upon this Proposal being completed, each and every present and former director of the Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, options, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor may be entitled to assert, against any such director, including, without limitation, any and all claims in respect of the potential statutory liabilities of the present or former directors of the Debtor and any and all claims relating to the obligations of the Debtor, where the present or former directors are or may be by law liable in their capacity as directors for payment of such obligations, and provided that nothing herein shall release or discharge any of the present or former directors of the Debtor from the exceptions set out in Section 50(14) of the BIA.

(j) All proper claims against the Debtor arising with respect to goods supplied, services rendered, or other consideration given or provided after the NOI Date, up to the date of approval of this Proposal by the Superior Court of Justice in Bankruptcy, and not otherwise dealt with pursuant to this Proposal, shall be paid in full by the Debtor in the ordinary course, in priority to the claims of all other Creditors.

(k) The provisions of this Proposal will be binding on the creditors with Claims and the Debtor, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Final Approval.

(l) In the event that any date on which any action is required to be taken herewith is not a business day, such action will be required to be taken on the next succeeding day that is a business day.

(m) The Debtor may propose amendments to this Proposal at any time prior to the conclusion of the meeting of creditors called to vote on the Proposal, provided that any such amendment does not reduce the rights and benefits given to the Creditors pursuant to this Proposal before such amendment and any or all such amendments shall be deemed to be a part of and incorporated into this Proposal.

(n) Upon Final Approval, the directors shall be released and discharged by all Creditors from all Claims, which any Preferred Creditors or Ordinary Creditors may have or have been entitled to assert against any of the directors for which they would be, by law, liable in their capacity as directors for the payment of such Claims which arose prior to the NOI Date, provided that nothing herein shall release or discharge any of the directors from Claims that:

i. Relate to contractual right of one or more of the Ordinary Creditors arising from contract with one or more of the directors; or
ii. Are based on allegations of misrepresentation made by the directors to the Ordinary Creditors or of wrongful or oppressive conduct by the directors.

(o) The payment, compromise or other satisfaction of any Claim under this Proposal will be binding upon such creditor, its heirs, executors, administrators, successors and assigns, for all purposes and will also be effective to relieve any third party directly or indirectly liable for such indebtedness, whether as guarantor, indemnitor, tenant, director, joint covenantor, principal or otherwise.

(p) The following creditors have agreed not to file a Claim in this Proposal and will not participate in distributions to Unsecured Creditors under this Proposal:

i. Mrs. Deborah Sisera for her claim in the amount of approximately $888,690; and,

ii. Mrs. Dolly Catena for her claim in the amount of approximately $137,479.

(q) Any notices or communication to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by telecopier (except for Proofs of Claim which may only be sent by personal delivery, telecopier or registered mail) addressed to the respective parties as follows:

i. if to the Debtor:

c/o Lipman Zener & Waxman LLP
1220 Eglinton Avenue West
Toronto ON M6C 2E3

Attention: Allan Lipman
Telecopier: 416-789-9015

ii. if to an Unsecured Creditor, to the address or telecopier number for such Unsecured Creditor specified in the Proof of Claim filed by such Unsecured Creditor or, if no proof of Claim has been filed, to such other address or telecopier number at which the notifying party may reasonably believe that the Unsecured Creditor may be contacted; and

iii. if to the Trustee:

Albert Gelman Inc.
100 Simcoe Street, Suite 125
Toronto ON M5H 3G2
Attention: Bryan A. Gelman, *CIRP, Trustee in Bankruptcy*
Telecopier: 416.504.1655

or to such other address or telecopier number as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by telecopier and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by telecopier or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in to case of notice mailed as aforesaid, on the fifth ($5^{th}$) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

(r) For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the NOI Date.

Dated at Toronto Ontario this $2^{nd}$ day of May, 2013.

**SAMUEL PROPERTY MANAGEMENT LTD.**

Per: ____________________
Name: Gennaro Sisera, President

*I have authority to bind the corporation.*

Pursuant to Paragraph 5(p) of this Proposal, Mr. Gennaro Sisera guarantees that a minimum of $150,000 will be available for distribution amongst the Unsecured Creditors.

**GENNARO SISERA**

Date: May 2 2013

Pursuant to Paragraph 6(p) of this Proposal, the following creditors hereby confirm that they will not file a Claim in this Proposal and will not participate in any distributions to Unsecured Creditors under this Proposal.

**DEBOROAH SISERA**

Date: May 1, 2013

**DOLLY CATENA**

Date: May 1, 2013

| | |
|---|---|
| District of: | Ontario |
| Division No. | 09 - Toronto |
| Court No. | 31-1687015 |
| Estate No. | 31-1687015 |

[X] 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
Samuel Property Management Ltd.
of the city of Toronto, 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 15th day of November 2012. 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)

| | |
|---|---|
| 1. Unsecured creditors as per list "A" | 1,874,808.14 |
| Balance of secured claims as per list "B" | 10,445.19 |
| Total unsecured creditors | 1,885,253.33 |
| 2. Secured creditors as per list "B" | 83,687.13 |
| 3. Preferred creditors as per list "C" | 3,316.32 |
| 4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for | 0.00 |
| Total liabilities | 1,972,256.78 |
| Surplus | NIL |

ASSETS
(as stated and estimated by the officer)

| | | |
|---|---|---|
| 1. Inventory | | 0.00 |
| 2. Trade fixtures, etc. | | 0.00 |
| 3. Accounts receivable and other receivables, as per list "E" | | |
| Good | 94,686.23 | |
| Doubtful | 3,840.34 | |
| Bad | 60,546.30 | |
| Estimated to produce | | 78,686.13 |
| 4. Bills of exchange, promissory note, etc., as per list "F" | | 0.00 |
| 5. Deposits in financial institutions | | 5,000.00 |
| 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" | | 1.00 |
| 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 | | 83,687.13 |
| Deficiency | | 1,888,569.65 |

I, Gennaro Sisera, of the city of Mississauga 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 2nd day of May 2013 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 city of Toronto in the Province of Ontario, on this 2nd day of May 2013.

Bryan Gelman, Commissioner of Oaths
For the Province of Ontario
Expires Feb. 17, 2014

Gennaro Sisera

**Bryan Adam Gelman, a Commissioner, etc., Province of Ontario, for Albert Gelman Inc., Trustee in Bankruptcy. Expires February 17, 2014.**

District of: Ontario
Division No. 09 - Toronto
Court No. 31-1687015
Estate No. 31-1687015

FORM 78 -- Continued

List "A"
Unsecured Creditors

Samuel Property Management Ltd.

| No. | Name of creditor | Address | Unsecured claim | Balance of claim | Total claim |
|---|---|---|---|---|---|
| 1 | Accelerated Connections | 155 Wellington Street West, Suite 3740<br>Toronto ON M5V 3H1 | 95.09 | 0.00 | 95.09 |
| 2 | Aird & Berlis LLP<br>Attn: Judy L. Zammit | Brookfield Place, 181 Bay Street, Suite 1800, Box 754<br>Toronto ON M5J 2T9 | 246.06 | 0.00 | 246.06 |
| 3 | American Express c/o FCT Default Solutions<br>Attn: Insolvency Department<br>3733-223438-11003 | PO Box 2514, Station B<br>London ON N6A 4G9 | 3,000.00 | 0.00 | 3,000.00 |
| 4 | Bell Canada<br>4163985757(025) | PO Box 1550 Stn Don Mills<br>Toronto ON M3C 3N5 | 122.72 | 0.00 | 122.72 |
| 5 | BMW Canada Inc.<br>WBAPG73569A401356 | 920 Champlain Court<br>Whitby ON L1N 6K9 | 1.00 | 0.00 | 1.00 |
| 6 | Canon Canada Inc<br>Attn: Martin Pageau | 8801 Trans-Canada Highway<br>Saint-Laurent QC H4S 1Z6 | 1.00 | 0.00 | 1.00 |
| 7 | Carswell | PO Box 1991, Station B<br>Toronto ON M5T 3G1 | 348.22 | 0.00 | 348.22 |
| 8 | Century Standard Development Corporation | 1120 Finch Avenue West, Suite 100<br>Toronto ON M3J 3H7 | 193,536.97 | 0.00 | 193,536.97 |
| 9 | Cintas Canada Limited 827 | 1110 Flint Road<br>Toronto ON M3J 2J5 | 57.05 | 0.00 | 57.05 |
| 10 | CRA - Insolvency Unit<br>Attn: c/o London Taxes Services - Insolvency<br>857782585RT0001 | 451 Talbot St., 3rd Floor, CP 5548<br>London ON N6A 4R3 | 532,031.27 | 0.00 | 532,031.27 |
| 11 | Critical Path Couriers Ltd. | 1257 Kamato Road<br>Mississauga ON L4W 2M2 | 290.10 | 0.00 | 290.10 |
| 12 | Cycom | 3500 Pharmacy Avenue, Unit #1 & 2<br>Toronto ON M1W 2T6 | 18,502.83 | 0.00 | 18,502.83 |
| 13 | Deborah Sisera | 598 Shenandoah<br>Mississauga ON L5H 1V9 | 888,690.00 | 0.00 | 888,690.00 |
| 14 | Dolly Catena | 1205 West Shore Dr.<br>Mississauga ON L5E 3H8 | 137,479.00 | 0.00 | 137,479.00 |
| 15 | Financialinx Corporation<br>3GYFNEE34CS539353 | 2001 Sheppard Ave E, 6th Floor<br>Toronto ON M2J 4Z8 | 0.00 | 1.00 | 1.00 |
| 16 | Georgina Chan | 503-20 Edgecliffe Golf Way<br>Don Mills ON M3C 3A4 | 8,398.49 | 0.00 | 8,398.49 |
| 17 | Glennco Office Products | 370 Tapscott Road, Units 2 & 3<br>Toronto ON M1B 3C4 | 713.87 | 0.00 | 713.87 |
| 18 | Heenan Blaikie LLP - Toronto | Bay Adelaide Centre, PO Box 2900, 2900 - 333 Bay Street<br>Toronto ON M5H 2T4 | 797.15 | 0.00 | 797.15 |
| 19 | Honda Canada Finance Inc.<br>2HGFB2F98CH007625 | 3650 Victoria Park Ave., Suite 302<br>Toronto ON M2H 3P7 | 0.00 | 1.00 | 1.00 |
| 20 | John Wannamaker | 28 Sunnyside Drive<br>Richmond Hill ON L4C 0S5 | 35,821.08 | 0.00 | 35,821.08 |
| 21 | Konica Minolta Business Solutions (Canada) Ltd.<br>Attn: Bankruptcy Department<br>30106702 | 369, Britannia Road East<br>Mississauga ON L4Z 2H5 | 1.00 | 0.00 | 1.00 |
| 22 | Manulife Financial<br>Attn: Jackie Martin<br>Policy 72853 | 500 King Street North, PO Box 1602<br>Waterloo ON N2J 4C6 | 15,545.75 | 0.00 | 15,545.75 |

02-May-2013
Date

Gennaro Sisera

District of: Ontario
Division No. 09 - Toronto
Court No. 31-1687015
Estate No. 31-1687015

FORM 78 – Continued

List "A"
Unsecured Creditors

Samuel Property Management Ltd.

| No. | Name of creditor | Address | Unsecured claim | Balance of claim | Total claim |
|---|---|---|---|---|---|
| 23 | Mary Majidi | 25 Bamburgh Circle, Unit 1838<br>Scarborough ON M1W 3W2 | 6,168.64 | 0.00 | 6,168.64 |
| 24 | MCAP Leasing Inc.<br>Attn: Collection Department | 300 - 5575 North Service Road<br>Burlington ON L7L 6M1 | 1.00 | 0.00 | 1.00 |
| 25 | Media Edge | 801-1120 Finch Ave W<br>Toronto ON M3J 3H7 | 1.00 | 0.00 | 1.00 |
| 26 | Ministry of Labour | 410 - 70 Foster Drive<br>Sault Ste. Marie ON P6A 6V4 | 1.00 | 0.00 | 1.00 |
| 27 | Mr. Pravin Patel | 256 Macdonell Avenue<br>Toronto ON M6R 2B1 | 1.00 | 0.00 | 1.00 |
| 28 | Nissan Canada Finance Inc. c/o BankruptcyHighway<br>Attn: Mike Timko<br>JN1CV6EL2BM262315 | PO Box 57100<br>Etobicoke ON M8Y 3Y2 | 0.00 | 1.00 | 1.00 |
| 29 | Ontario Labour Relations Board<br>Attn: Janet Ruzychi | 505 University Avenue, 2nd Floor<br>Toronto ON M5G 2P1 | 1.00 | 0.00 | 1.00 |
| 30 | Pitney Works | PO Box 280<br>Orangeville ON L9W 2Z7 | 1,130.00 | 0.00 | 1,130.00 |
| 31 | RBC Life Insurance Company<br>Attn: Client Services | PO Box 515, Stn A<br>Mississauga ON L5A 4M3 | 2,128.50 | 0.00 | 2,128.50 |
| 32 | Rogers Communications Bankruptcies c/o FCT Default Solutions<br>Attn: Insolvency Department<br>230-270364803 | PO Box 2514, Station B<br>London ON N6A 4G9 | 1.00 | 0.00 | 1.00 |
| 33 | Royal Bank of Canada<br>Attn: Brian Warren | 20 King Street West, 9th Floor<br>Toronto ON M5H 1C4 | 0.00 | 10,442.19 | 10,442.19 |
| 34 | Royal Custom Cabinets | 105 Haist Ave., Unit #3<br>Woodbridge ON | 6,541.50 | 0.00 | 6,541.50 |
| 35 | Silus Stanciu | 1221 Yorkmills Road, Unit 41<br>Toronto ON M3A 1Y4 | 9,838.45 | 0.00 | 9,838.45 |
| 36 | The Manufacturers Life Insurance Company | PO Box 1627, Stn Waterloo<br>Waterloo ON N2J 4P4 | 11,400.52 | 0.00 | 11,400.52 |
| 37 | The Plant Lady | 330 Trillium Drive, Unit A<br>Kitchener ON N2E 2K6 | 129.95 | 0.00 | 129.95 |
| 38 | Toronto Star Newspapers Limited<br>Attn: Brenda Yarwood | One Yonge Street, 3rd Floor<br>Toronto ON M5E 1E6 | 539.02 | 0.00 | 539.02 |
| 39 | Yardi Systems | 5925 Airport Road, Suite 605<br>Mississauga ON L4V 1W1 | 1,246.91 | 0.00 | 1,246.91 |
| | | **Total:** | **1,874,808.14** | **10,445.19** | **1,885,253.33** |

02-May-2013

Date

Gennaro Sisera

District of: Ontario
Division No. 09 - Toronto
Court No. 31-1687015
Estate No. 31-1687015

FORM 78 – Continued

List "B"
Secured Creditors

Samuel Property Management Ltd.

| No. | Name of creditor | Address | Amount of claim | Particulars of security | When given | Estimated value of security | Estimated surplus from security | Balance of claim unsecured |
|---|---|---|---|---|---|---|---|---|
| 1 | Financialinx Corporation<br>3GYFNEE34CS539353 | 2001 Sheppard Ave E, 6th Floor<br>Toronto ON M2J 4Z8 | 1.00 | Motor Vehicles - Automobile - 2012 - Cadillac - SRX AWD PERF - 3GYFNEE34CS539353 | 02-Dec-2011 | 0.00 | | 1.00 |
| 2 | Honda Canada Finance Inc.<br>2HGFB2F98CH007625 | 3650 Victoria Park Ave., Suite 302<br>Toronto ON M2H 3P7 | 1.00 | Motor Vehicles - Automobile - 2012 - Honda - Civic - 2HGFB2F98CH007625 | 16-Aug-2011 | 0.00 | | 1.00 |
| 3 | Nissan Canada Finance Inc. c/o BankruptcyHighway<br>Attn: Mike Timko<br>JN1CV6EL2BM262315 | PO Box 57100<br>Etobicoke ON M8Y 3Y2 | 1.00 | Motor Vehicles - Automobile - 2011 - Infiniti - G37 - JN1CV6EL2BM262315 | 18-May-2011 | 0.00 | | 1.00 |
| 4 | Royal Bank of Canada<br>Attn: Brian Warren | 20 King Street West, 9th Floor<br>Toronto ON M5H 1C4 | 94,129.32 | Business Assets - Machinery - Furniture and fixtures | 01-May-2007 | 0.00 | | |
| | | | | Other - Prepaid expenses | 01-May-2007 | 0.00 | | |
| | | | | Debts Due - Business - Accounts Receivable (trade) | 01-May-2007 | 76,792.00 | | |
| | | | | Debts Due - Business - Due from Gino Sisera Jr. | 01-May-2007 | 0.00 | | |
| | | | | Cash on Hand - Chequing - 1187962 - RBC Royal Bank | 01-May-2007 | 5,000.00 | | |
| | | | | Debts Due - Business - Charge-backs receivable | 01-May-2007 | 1,894.13 | | |
| | | | | Debts Due - Business - Due from Michael Sisera | 01-May-2007 | 0.00 | | |
| | | | | Debts Due - Business - Due from Samuel Properties KW Inc. | 01-May-2007 | 0.00 | | |
| | | | | Debts Due - Business - Government remittances recoverable | 01-May-2007 | 0.00 | | |
| | | | | Other - Bank account - ownership in dispute | 01-May-2007 | 1.00 | | 10,442.19 |
| | | Total: | 94,132.32 | | | 83,687.13 | 0.00 | 10,445.19 |

02-May-2013
Date

Gennaro Sisera

District of: Ontario
Division No. 09 - Toronto
Court No. 31-1687015
Estate No. 31-1687015

FORM 78 -- Continued

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

Samuel Property Management Ltd.

| 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 |
|---|---|---|---|---|---|---|---|
| 1 | Georgina Chan | 503-20 Edgecliffe Golf Way<br>Don Mills ON M3C 3A4 | | - | 1,188.47 | 0.00 | 1,188.47 |
| 2 | Mary Majidi | 25 Bamburgh Circle, Unit 1838<br>Scarborough ON M1W 3W2 | | - | 974.00 | 0.00 | 974.00 |
| 3 | Silus Stanciu | 1221 Yorkmills Road, Unit 41<br>Toronto ON M3A 1Y4 | | - | 1,153.85 | 0.00 | 1,153.85 |
| | | | | **Total:** | **3,316.32** | **0.00** | **3,316.32** |

02-May-2013
Date

Gennaro Sisera

District of: Ontario
Division No. 09 - Toronto
Court No. 31-1687015
Estate No. 31-1687015

FORM 78 – Continued

List "D"
Contingent or Other Liabilities

Samuel Property Management Ltd.

| 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 | | |

02-May-2013
Date

Gennaro Sisera

District of: Ontario
Division No. 09 - Toronto
Court No. 31-1687015
Estate No. 31-1687015

FORM 78 – Continued

List "E"
Debts Due to the Debtor

Samuel Property Management Ltd.

| No. | Name of debtor | Address and occupation | Nature of debt | Amount of debt (good, doubtful, bad) | Folio of ledgers or other book where particulars to be found | When contracted | Estimated to produce | Particulars of any securities held for debt |
|---|---|---|---|---|---|---|---|---|
| 1 | Accounts Receivable (trade) | General<br>ON | General | 76,792.00<br>0.00<br>0.00 | | 02-May-2013 | 76,792.00 | General Security Agreement |
| 2 | Charge-backs receivable | General<br>ON | General | 1,894.13<br>0.00<br>0.00 | | 02-May-2013 | 1,894.13 | General Security Agreement |
| 3 | Due from Gino Sisera Jr. | General<br>ON | General | 0.00<br>0.00<br>5,832.57 | | 02-May-2013 | 0.00 | General Security Agreement |
| 4 | Due from Michael Sisera | General<br>ON | General | 0.00<br>0.00<br>12,949.20 | | 02-May-2013 | 0.00 | General Security Agreement |
| 5 | Due from Samuel Properties KW Inc. | General<br>ON | General | 0.00<br>0.00<br>41,764.53 | | 02-May-2013 | 0.00 | General Security Agreement |
| 6 | Government remittances recoverable | General<br>ON | General | 16,000.10<br>3,840.34<br>0.00 | | 02-May-2013 | 0.00 | General Security Agreement |
| | | | Total: | 94,686.23<br>3,840.34<br>60,546.30 | | | 78,686.13 | |

02-May-2013
Date

Gennaro Sisera

District of: Ontario
Division No. 09 - Toronto
Court No. 31-1687015
Estate No. 31-1687015

FORM 78 -- Continued

List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel Mortgages, etc., Available as Assets

Samuel Property Management Ltd.

| No. | Name of all promissory, acceptors, endorsers, mortgagors, and guarantors | Address | Occupation | Amount of bill or note, etc. | Date when due | Estimated to produce | Particulars of any property held as security for payment of bill or note, etc. |
|---|---|---|---|---|---|---|---|
| | | | Total: | 0.00 | | 0.00 | |

02-May-2013

Date

Gennaro Sisera

District of: Ontario
Division No. 09 - Toronto
Court No. 31-1687015
Estate No. 31-1687015

FORM 78 – Continued

List "G"
Real Property or Immovables Owned by Debtor

Samuel Property Management Ltd.

| 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 |

02-May-2013
Date

Gennaro Sisera

District of: Ontario
Division No. 09 - Toronto
Court No. 31-1687015
Estate No. 31-1687015

FORM 78 -- Concluded

List "H"
Property

Samuel Property Management Ltd.
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 | RBC Royal Bank<br>General<br>ON | 1187962 | 5,000.00 | 5,000.00 |
| (d) Cash on hand | | | 0.00 | 0.00 |
| (e) Livestock | | | 0.00 | 0.00 |
| (f) Machinery, equipment and plant | | Furniture and fixtures | 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 | | Automobile - 2012 - Honda - Civic - 2HGFB2F98CH007625 | 0.00 | 0.00 |
| | | Automobile - 2011 - Infiniti - G37 - JN1CV6EL2BM262315 | 0.00 | 0.00 |
| | | Automobile - 2012 - Cadillac - SRX AWD PERF - 3GYFNEE34CS539353 | 0.00 | 0.00 |
| (l) Taxes | | | 0.00 | 0.00 |
| (m) Other | | Prepaid expenses | 25,995.53 | 0.00 |
| | | Bank account - ownership in dispute | 105,000.00 | 1.00 |
| | | | **Total:** | **5,001.00** |

02-May-2013

Date

Gennaro Sisera

Albert Gelman Inc.
100 Simcoe Street, Suite 125
Toronto ON M5H 3G2
Phone: (416) 504-1650 Fax: (416) 504-1655
E-mail: proofofclaim@albertgelman.com

| | |
|---|---|
| District of: | Ontario |
| Division No. | 09 - Toronto |
| Court No. | 31-1687015 |
| Estate No. | 31-1687015 |

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
Samuel Property Management Ltd.
of the city of Toronto, 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 Samuel Property Management Ltd. of the city of Toronto 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 15th day of November 2012, 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 201(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. 31-1687015
Estate No. 31-1687015

FORM 37

Voting Letter
(Paragraph 51(1)(f) of the Act)

In the matter of the proposal of
Samuel Property Management Ltd.
of the city of Toronto, 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 Samuel Property Management Ltd., 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

**OR**

______________________________
Witness

______________________________
Name of Corporate Creditor

Per ______________________________
Name and Title of Signing Officer

Return To:
Albert Gelman Inc. - Trustee
Per:

______________________________
Bryan Gelman
100 Simcoe Street, Suite 125
Toronto ON M5H 3G2
Phone: (416) 504-1650 Fax: (416) 504-1655
E-mail: proofofclaim@albertgelman.com

District of: Ontario
Division No. 09 - Toronto
Court No. 31-1687015
Estate No. 31-1687015

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
Samuel Property Management Ltd.
of the city of Toronto, in the Province of Ontario

I, ______________________________, of __________________, a creditor in the above matter, hereby appoint the trustee identified below □ or ____________________________________________, 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

**OR**

______________________________
Witness

______________________________
Name of Corporate Creditor

Per ______________________________
Name and Title of Signing Officer

Return To:

Albert Gelman Inc. - Trustee

______________________________
100 Simcoe Street, Suite 125
Toronto ON M5H 3G2
Phone: (416) 504-1650 Fax: (416) 504-1655
E-mail: proofofclaim@albertgelman.com