

WILLIAM HARVEY JONES

B A R R I S T E R & S O L I C I T O R

Suite 2702 – 401 Bay Street | Toronto, Ontario | M5H 2Y4 V

TEL: (416) 596-8876 | FAX: (416) 596-0907 | EMAIL: WHJONES@WILLIAMJONES.CA

September 11, 2017

Chaitons LLP
Barristers & Solicitors
5000 Yonge Street, 10th. floor
Toronto Ontario
MM2N 7E9
Attention: Maya Poliak

And to the attached service list

Dear Sirs and Mesdames:

RE: In the matter of the Notice of intention to Make a Proposal of Forte EPS Solutions Inc.

Please find attached hereto the motion record returnable on Monday September 18, 2017.

The Debtor is seeking an order extending the stay period until November 2, 2017 in order to complete the SISP now underway.

Yours very truly



William Harvey Jones

Court File No. 31-2253654

Estate File No. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE
TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO**

Applicant

MOTION RECORD
(Motion returnable September 18, 2017)

Date September 11, 2017

William Harvey Jones
Barrister & Solicitor
Suite 2702 – 401 Bay Street
Toronto, Ontario M5H 2Y4
Law Society # 38733J
Tel: (416) 596-8876
Fax: (416) 596-0907

Court File No. 31-2253654

Estate File No. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE
TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO**

Applicant

TABLE OF CONTENTS

- 1. Notice of Motion returnable September 11, 2017;**
- 2. Draft Order;**
- 3. Affidavit of John Cipressi sworn September 11, 2017**
 - a. Exhibit "A" – Notice of Intention to Make a Proposal**

Date: September 11, 2017

William Harvey Jones
Barrister & Solicitor
Suite 2702 – 401 Bay Street
Toronto, Ontario M5H 2Y4
Law Society # 38733J
Tel: (416) 596-8876
Fax: (416) 596-0907

Service List

Business Development Bank of Canada

Care of Chaitons LLP.

5000 Yonge Street

Toronto, Ontario

M2N 7E7

Email: maya@chaitons.com

Department of Justice (Canada)

The Exchange Tower

130 King Street West, Suite 3400

P.O. Box: 36

Toronto, Ontario

M5X 1K6

Email: diane.winners@justice.gc.ca

Ministry of Finance Legal Services Branch

Michael Starr Building

33 King Street West. 6th/ Floor

P.O. Box 627, Station A

Oshawa, Ontario

L1H 8H5

Email: kevin.ohara@ontario.ca

Pacific High Tech Ltd

Care of Folger Rubinoff LLP

77 King Street West, Suite 3000

Toronto, Ontario

M5K 1G8

Attention: W. Ross MacDougall

Email: rmacdougall@foglars.com

Travelers Leasing Ltd.

500-4180 Lougheed Highway

Burnaby, BC V 5C 6A7

Email: AFisher@travelersfinancial.com

First Source Mortgage Corporation
1 Valley Brook Drive, Suite 100
Tonto, Ontario
M3B 2S7

Email: jeff.larry@paliareroland.com

Western Ontario Mortgage Community Futures Development Corporation
330 West Street, Unit 10,
Brantford, Ontario
N3R 7V5
Attention: David Penton

Email: david@wocfdca.com

North Simcoe Community Futures Development Corporation
P.O. Box 8, 355 Cranston Crescent
Midland Ontario
L4R 4K6

Email: admin@nscfcd.on.ca

2306732 Ontario Inc.
Care of Angelo Mancini
Barrister & Solicitor
505 -7050m Weston Road
Woodbridge, Ontario
L4L 8G7

Email: acm@manciniassociates.com

TAB 1

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Court File No. 31-2253654

Estate File No. 31-2253654

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE
TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO**

NOTICE OF MOTION

(RETURNABLE ON SEPTEMBER 11, 2017)

THE Debtor, Forte EPS Solutions Inc. (the "Debtor") will make a motion to a Judge on the Commercial List at 10:00 am on Monday, September 18, 2017, or as soon thereafter as the motion can be heard, at The Court House, 7th Floor, 330 University Avenue, Toronto, Ontario M5G 1R7.

PROPOSED METHOD OF HEARING: The motion is to be heard

- in writing under subrule 37.12.1 (1) because it is on consent;
- in writing as an opposed motion under subrule 37.12.1 (4);
- orally.

THE MOTION IS FOR an order in the form contained at Tab 1 to the Debtor's Motion record:

- (a) approving the third report of the Proposal Trustee (the "Third Report") and the activities as described therein;
- (b) approving a third extension of time for the Debtor to file a proposal until November 2, 2017;
- (c) such further and other relief as counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

- (a) the Debtor was established in 2011 and operates as an expanded polystyrene products manufacturer;
- (b) on May 19, 2017, the Debtor filed and notice of intention to file a proposal (the “NOI”) pursuant to Section 50.4 (1) of the *Bankruptcy and Insolvency Act* RSC. 1985 c. B-3 as amended (the “BIA”). The Proposal Trustee consented and was appointed to act;
- (c) as of the date of the NOI the Applicant had four (4) secured creditors (the “Secured Creditors”) as follows:
 - (i) Business Development Bank of Canada (“BDC”) which is issued a Notice of Intention to enforce its security pursuant to Section 244 of the BIA on November 3, 2016, and which is owed approximately \$554,000.00. BDC has entered into a forbearance agreement whereby BDC will temporarily forbear from continuing to enforce its security through the appointment of a receiver;
 - (ii) Western Ontario Community Futures Development Corporation (Southern Ontario Fund for Investment in Innovation) which is owed approximately \$440,000.00;
 - (iii) North Simcoe Community Futures Development Corporation which is owed approximately \$250,000.00; and
 - (iv) Travelers Leasing Ltd. which is a lessor of certain capital equipment used by the Applicant and which is owed approximately \$400,000.00;
- (d) in addition to the Secured Creditors the Debtor is in arrears on wages and employee source deduction payments and rent due to its landlord and proposed DIP Lender, 16567 Highway 12 Holdings Inc.;
- (e) the Debtor continues to operate with the financial support of its shareholders and proposed DIP Lender, 16567 Highway 12 Holdings Inc. However, pending the completion of any sale of the assets of the Debtor, the Debtor will require additional funds to fund working capital requirements including the payment of

costs of wages, salaries, statutory obligations and raw material inventory. The proposed DIP Lender, continues to forego its monthly rental payments of \$18,400.00. Presently the estimated working capital shortfall to pay such obligations and to purchase critically needed raw material inventory, is approximately \$200,000.00. On July 31, 2017 the Court authorized a Debtor in possession loan facility of \$200,000.00 (the "DIP Loan") which has recently been advanced to the Debtor;

- (f) since its appointment, the Proposal Trustee has been assisting the Debtor in preparing cash flows and preparing a sale and marketing process;
- (g) in addition, since its appointment, the Proposal Trustee has communicated with stakeholders including the Secured Creditors and the DIP Lender regarding the NOI process;
- (h) the Debtor requires a further extension of time to file the proposal in order to complete a sales and investment solicitation process to secure such an offer;
- (i) the Proposal Trustee supports the extension of time to file the proposal until November 2, 2017, because that will allow for the process of seeking the approval of the creditors of such a sale or alternatively the development of the sales and investment solicitation process;
- (j) sections 50.4, 50.6, 64.2 and 65.13 of the BIA; and
- (k) such further and other grounds as counsel may advise and this Honourable Court may permit.

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

- (a) the affidavit of John Cipressi sworn September 11, 2017;
- (b) the Third Report and the appendices thereto; and
- (c) such further and other material as counsel may advise and this Honourable Court may permit.

Date September 11, 2017

William Harvey Jones
Barrister & Solicitor
Suite 2702 – 401 Bay Street
Toronto, Ontario M5H 2Y4
Law Society # 38733J
Tel: (416) 596-8876
Fax: (416) 596-0907

TAB 2

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ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE
JUSTICE

MONDAY, THE 31ST
DAY OF JULY, 2017

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE
TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO**

ORDER

THIS MOTION, made by Forte EPS Solutions Inc. (the “**Debtor**”) was heard on this 31st, day of July 2017 at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of John Cipressi sworn September 11, 2017 and filed, (the “**Cipressi Affidavit**”), the third report of Albert Gelman Inc., in its capacity as a proposal trustee (the “**Proposal Trustee**”) dated September 14, 2017, (the “**Second Report**”) and on hearing submissions by counsel for the Debtor and counsel for the Proposal Trustee, and all others present, no others appearing although duly served as evidenced by the affidavit of William Harvey Jones, sworn September 11, 2017, and filed.

1. **THIS COURT ORDERS** that, if necessary, the time for service of the Notice of Motion, the Motion Record and the Second Report are hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Third Report and the activities of the Proposal Trustee and its counsel be and are hereby approved.

3. **THIS COURT ORDERS** that the time for the Debtor to file its proposal to its creditors be and the same is hereby extended to November 2, 2017.

(Signature of Judge)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS INC.

(Short title of proceeding)

Court file no. 31-2253654
Estate File no. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL DIVISION

ORDER

William Harvey Jones
Barrister and Solicitor
Suite 2702 – 401 Bay Street
Toronto, Ontario
M5H 2Y4
LSUC # 38733J

(416) 596-8876
Fax: (416) 596-0907

Solicitor for the Debtor

TAB 3

Court File No. 31-2253654

Estate File No. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE
TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO

Applicant

AFFIDAVIT OF JOHN CIPRESSI SWORN SEPTEMBER 11, 2017

I, John Cipressi, businessman, of the City of Mississauga, Province of Ontario, make oath and say as follows:

1. I am a shareholder, director and the vice president and chief executive officer of Forte EPS Solutions Inc. the applicant herein (hereinafter the “Debtor”) and as such I have personal knowledge of the facts and matters hereinafter deposed to except where such facts and matters are stated to be based upon information and belief and where so stated I verily believe the same to be true.

2. The Debtor is a corporation incorporated under the *Canada Business Corporations Act* with its registered office located at 16567 Highway 12, Midland Ontario. My co-director Dominic Zita and I are the shareholders of the Debtor.

3. The Debtor carries on business as an expanded polystyrene manufacturer servicing the construction, insulation, construction and packaging industries throughout Ontario, Quebec and the north-eastern USA. The Debtor employs 15 persons in its manufacturing and management activities in Midland Ontario.

4. On May 19, 2017, the Debtor filed a Notice of Intention to make a Proposal to its Creditors (the “NOI”) pursuant to Section 50.4 (1) of the *Bankruptcy and Insolvency Act* (the “BIA”). Albert Gelman Inc. consented to act and was appointed as proposal trustee (the “Proposal Trustee”).

5. I am also a shareholder and a director of 16567 Highway 12 Holdings Limited, (hereinafter the “DIP Lender”), a corporation incorporated under the *Canada Business Corporations Act*. The Proposed DIP Lender owns the business premises from which the Debtor operates and has provided additional security to two of the Debtor’s secured creditors as described below. In so doing, the Proposed DIP Lender and the Debtor entered into a forbearance agreement with the Business Development Bank of Canada (hereinafter “BDC”) pursuant to which The Proposed DIP Lender, amongst other matters, guaranteed the indebtedness of the Debtor owing to the BDC and granted security by way of a third collateral mortgage over the Proposed DIP Lender’s its real estate located at 16567 Highway 12, Midland, Ontario (hereinafter the “Midland Lands”) as described below.

The Indebtedness

6. Annexed hereto and marked as Exhibit “A” to this affidavit is a true copy of the Form 33 Notice of Intention to Make Proposal filed by the Debtor pursuant to Section 50.4(1) of the BIA, included with which is a list of all the creditors of the Debtor having claims more than \$250.00. These claims exceed \$7,590,000.00.

7. A search of the Ontario Private Property Security Registration System (the “PPSR”) in respect of the registrations against the Debtor as of April 5, 2017 discloses the of the following outstanding registrations against the Debtor (which are listed below in the order of registration):

- (a) North Simcoe Futures Development Corporation (herein “North Simcoe”) in respect of certain equipment, pursuant to which North Simcoe claims an indebtedness of \$225,500.00;
- (b) Business Development Bank of Canada (hereinafter “BDC”) in respect of inventory, equipment, accounts and motor vehicles, pursuant to which BDC claims and indebtedness of \$554,785.00;
- (c) Western Ontario Community Futures Development Corporation Association (herein after “SOFFI”) in respect of inventory, equipment, accounts, and motor pursuant to which SOFFI claims an indebtedness of \$440,427.00;

- (d) First Source Mortgage Corporation (hereinafter “First Source”) in respect of inventory, equipment, accounts and motor vehicles pursuant to which First Source claims and indebtedness of \$18,300.00; and
- (e) Travelers Leasing Ltd (hereinafter “Travelers”) in respect of certain equipment in pursuant to which Travelers claims an indebtedness of \$399,800.00.

All of the said secured creditors described in this paragraph 7 are hereinafter collectively referred to as the “Secured Creditors”.

8. All of the Secured Creditors claim that the Debtor is in default under their respective security arrangements. However, of the Secured Creditors, only BDC has issued notice of its intention to enforce its security pursuant to Section 244 of the BIA. BDC issued its Section 244 Notice of Intention to Enforce its security to the Debtor on November 3, 2016. In April of 2017 BDC issued an application pursuant to Section 243 (1) of the BIA and Section 101 of the *Courts of Justice Act* seeking the appointment of a receiver. As a result of a forbearance agreement entered into on May 27, 2017, the BDC has agreed to forebear from the enforcement of its security on certain terms and conditions.

Orders Sought

- 9. The Debtor is seeking an order:
 - (a) Approving the third report of the Proposal Trustee and its activities as described herein; and
 - (b) Approving a third extension of the time for the Debtor to file a proposal until November 2, 2017 in order to allow the Debtor to complete the sales and investment solicitation process (the “SISP”) authorized by the court on August 14, 2017.

The SISP Process

10. By order dated August 14, 2017, the Debtor and the Proposal Trustee were authorized to undertake a SISP. The SISP process continues as will be described in the Third Report of the Proposal Trustee to be filed herewith.

- 11. During the proposed extension of the stay of proceedings, the Debtor intends complete

the SISP. Since the commencement of the SISP, the Debtor has referred a number of serious expressions of interest for the purchase of the Debtor's assets as a going concern to the Proposal Trustee. I believe that the Debtor requires the extension requested to adequately develop the SISP and to obtain offers of finance or offers to purchase and that such an extension, if granted, will be in the best interests of all stakeholders, including the secured and unsecured creditors and the employees of the Debtor.

The Delay in the Advance of the DIP Loan

12. On July 31, 2017, the Court approved a debtor-in-possession loan agreement for an aggregate amount of \$200,000.00 (the "DIP Loan"). The DIP Loan agreement and collateral documents between the DIP Lender, 16567 Highway 12 Holdings Limited and the Debtor have been executed and on August 21, 2017 an initial advance of \$40,000.00 was made from my family to the DIP Lender and then re-advanced to pay creditors of the Debtor. As described below the balance of the DIP Loan was advanced to the Debtor's counsel on September 5, 2017.

13. My family and I are sole source of funds for the DIP Lender and we experienced unanticipated delays (now rectified) in raising the balance of the DIP Loan. As a result, the Debtor experienced cash flow difficulties during the week of August 25, 2017, as described in the material adverse change report of the Proposal Trustee issued September 1, 2017 (the "Material Adverse Change Report").

14. While these problems have been addressed, the Material Adverse Change Report raised four significant difficulties the Debtor had experienced by reason of the failure to have access to the DIP Loan on a timely basis as follows:

- (a) The Debtor had failed to remit its "post- NOI" payroll source deductions;
- (b) The Debtor had failed to meet some payroll obligations for the payroll period ended August 125, 2017;
- (c) The Debtor did not have sufficient working capital to purchase raw material on cash - on-delivery terms; and
- (d) The Debtor was in arrears for its utility accounts in the amount of approximately \$3,500.00.

15. Upon identifying these issues and discussing the same with the Proposal Trustee on August 30, 2017, the Debtor immediately paid the post- NOI payroll deduction, the unpaid payroll obligations to employees and the utility account arrears on August 31, 2017 from its own resources. These accounts are now paid up to date.

16. The Proposal Trustee identified concerns it had regarding certain supply arrangements between the DIP Lender and a raw material supplier to the Debtor. In that regard, the DIP Lender had entered into credit arrangements for the supply of raw material in the form of expandable polymeric beads to the DIP Lender on behalf of the Debtor. The intention of the arrangement was that the DIP Lender would purchase these materials and then re-sell the material to the Debtor. The Proposal Trustee was concerned that the true nature of the relationship between the DIP Lender and the Debtor may have been unclear to the supplier in question. As described below, the supplier in question is being paid from the DIP Loan advance this week. In addition, the Debtor has formally advised the supplier and any other suppliers and customers of the Debtor of the status of the Debtor as a result of the Notice of Intention and its relationship with the DIP Lender.

17. Since September 1, 2017, my wife and I have been successful in overcoming the delays experienced in raising the balance of funds necessary for the DIP Loan. On September 5, 2017, we advanced the sum of \$160,000.00 to the Debtor's solicitor. Concurrently, the DIP Lender has directed that counsel advance those funds to the Debtor or directly to creditors of the Debtor in accordance with the written direction of the Debtor. As a result, the full DIP Loan of \$200,000.00 has or is in the process of being advanced.

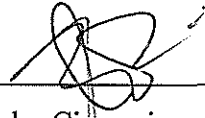
18. As a result of the advance of \$160,000.00 the Debtor is immediately arranging to pay approximately, \$95,000.00 to the supplier of the expandable polymeric beads described in paragraph 16 above.

19. As a result of the advance of the second tranche of the DIP Loan on September 5, 2017, I believe that the Debtor has now addressed all of the issues raised by the Proposal Trustee in its reports to date including the Material Adverse Change Report.

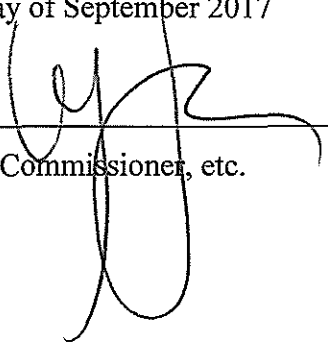
20. I swear this affidavit in support of an order:

- (a) Approving an extension of time for the Debtor to file its proposal until November 2, 2017;
- (b) Approving the third report and activities of the Proposal Trustee and its counsel as described therein; and
- (c) Such further and other relief as counsel may advise and the court may approve.

SWORN BEFORE ME at the)
City of Toronto, in the)
Province of Ontario this 11)
Day of September 2017)



John Cipressi



A Commissioner, etc.

TAB A

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Exhibit "A" to the affidavit
of JONAS CIPRESSI
sworn the 11 day of SEPT, 2017.



Commissioner, etc.

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

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

In the matter of the proposal of
Forte EPS Solutions Inc.
of the city of Midland, in the Province of Ontario

Take notice that:

1. I, Forte EPS Solutions Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Albert Gelman Inc. of 100 Simcoe Street, Suite 125, Toronto, ON, M5H 3G2, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the city of Toronto in the Province of Ontario, this 19th day of May 2017.



Forte EPS Solutions Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of: Ontario
 Division No. 03 - Barrie
 Court No. 31-2253654
 Estate No. 31-2253654

- FORM 33 -

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

In the matter of the proposal of
 Forte EPS Solutions Inc.
 of the city of Midland, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
2306732 Ontario Inc.	c/o Millenium Disposal Service 2440 Beryl Road Oakville ON L6J 7X4		550,000.00
407 ETR Express Toll Route Marion Richardson/Collections	6300 Steeles Ave W Woodbridge ON L4H 1J1		776.33
Advance Specialties USD	P.O. BOX 349 3735 HIGHWAY 22 GLEASON TN 38232		2,017.40
BASF Canada Inc.	P.O. BOX 15248 STATION A TORONTO ON M5W 1C4		762.60
Bernard Baum, LLB	SUITE 10 & 11 1540 LODESTAR ROAD TORONTO ON M3J 3C5		41,000.00
Business Development Bank of Canada ATT: Maya Poliak	c/o Chaltons LLP 500 Yonge Street, 10th Floor Toronto ON M2N 7E9		554,785.16
Carlson Construction	725 RUNNINGBROOK DRIVE MISSISSAUGA ON L4Y 2R9		2,475.00
CCH Excavating Inc.	P.O. BOX 159 Port McNicoll ON L0K 1R3		3,835.95
Cdn Business Health Management Inc.	75 MISSISSAUGA STREET WEST ORILLIA ON L3V 3A7		1,440.75
Cheval	P.O. Box 1262 STN B Mississauga ON L4Y 3W4		230,000.00
Domenic Frasca	220 Whitturch Mississauga ON L5A 4B3		439,944.49
Dominic Zita	5063 Summersky Court Mississauga ON L5M 0R3		1,500,000.00
Eisses Enterprises	901 ESSA ROAD BARRIE ON L9J 0B1		4,106.42
Enbridge Gas	P.O. BOX 680 SCARBOROUGH ON M1K 0A9		9,071.87

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

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

In the matter of the proposal of
 Forte EPS Solutions Inc.
 of the city of Midland, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Essex Energy	2199 BLACKACRE DRIVE SUITE 2 OLD CASTLE ON N0R 1L0		4,409.66
Fastenal Canada, LTD	860 TRILLIUM DRIVE SUITE 117 KITCHENER ON N2R 1K7		3,597.96
First Source Mortgage Corporation	1 VALLEYBROOK DRIVE SOUTH UNIT 100 TORONTO ON M3B 2S10		18,300.00
Fred Hook LTD	BOX 248 MIDLAND Midland ON L4R 4K11		156,041.82
Greywall Coatings INC	165 DRIVE INN ROAD, UNIT 4 SAULT ST MARIE ON P6B 5X8		2,460.33
Ideal Supply Company Limited	869 KING STREET MIDLAND ON L4R 0B10		2,954.11
Jason Pasqualino	417 Lanor Ave Mississauga ON M8W 2R7		25,300.00
JD Hubbert	200 EVANS AVE., UNIT 11 TORONTO ON M8Z 1J10		508.50
John Cipressi	72 Bourgeois Beach Road Victoria Harbour ON L0K 2A0		1,500,000.00
Klenzoid	P.O. BOX 3857 COMMERCE COURT POSTAL STN TORONTO ON M5L 1K4		6,277.24
Kreston GTA LLP	8953 WOODBINE AVE., MARKHAM ON L3R 0J12		7,673.98
Linde Canada Limited	P.O. BOX 4070 STN A TORONTO ON M5W 1M6		653.81
Lino Tonic	2020 Winston Park Drive, Suite 101 Oakville ON L6H 6X7		49,424.22
Maria Pierucci	23 Highview Ave Toronto ON M3M 1C5		205,000.00
MRT Automation Ltd	P.O. BOX 517 MIDLAND ON L4R 4L6		3,765.30

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

- FORM 33 -

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

In the matter of the proposal of
 Forte EPS Solutions Inc.
 of the city of Midland, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
NATS	2525 HAINES ROAD MISSISSAUGA ON L4Y 1Y10		270,990.00
NAXXAR Consulting	539 KINGSTON ROAD WEST AJAX ON L1S 6M4		3,359.14
New Electric Enterprises Inc.	3185 DUNDAS STREET WEST OAKVILLE ON L6M 4J7		15,217.56
North Simcoe Community Futures Development Corporation	105 Fourth St., P.O. Box 8 Midland ON L4R 4K9		225,500.00
Nova Chemicals US	P.O BOX 8011 POSTAL STN A TORONTO ON M5W 3W8		158,000.00
Pacific High Tech	4789 Yonge Street Unit 716 Toronto ON M2N 0G6		518,250.89
PBS Freight Systems Inc	8760 JANE ST., UNIT #16 VAUGHAN ON L4K 2M12		10,750.00
Phillip & Fill	33 Hiawatha Pkwy Mississauga ON L5G 3S1		60,000.00
POWER FACTOR SERVICES LTD.	1235 FAIRVIEW STREET SUITE 299 BURLINGTON ON L7S 2K12		937.90
Prestige Property Tax Specialists	1025 KING STREET EAST CAMBRIDGE ON N3H 3P8		6,274.55
Pro Windows and Doors Ltd.	1 GOODMARK PLACE SUITE 3 ETOBICOKE ON M9W 6M4		34,891.00
PUC Midland Power Utility Corporation	P.O. BOX 820 MIDLAND ON L4R 4P7		13,886.21
Regency Plastics Company Ltd	50 BRISBANE ROAD DOWNSVIEW ON M3J 2K5		7,063.78
SCC Electrical	P.O. BOX 444 MIDLAND ON L4R 4L6		1,268.59
SCE Construction	29 MEDVLIJA AVE TORONTO ON M8Z 5L9		1,000.00

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

- FORM 33 -

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

In the matter of the proposal of
 Forte EPS Solutions Inc.
 of the city of Midland, in the Province of Ontario

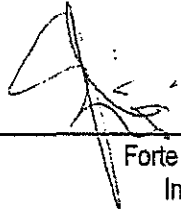
List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Sievert Financial Services Inc.	43 COLBORNE STREET TORONTO ON M5E 1E6		15,425.00
SKID - Freight Brokers, Inc.	P.O. BOX 85 SAINTE MARTHE SUR LE LAC QC J0N 1P0		2,186.55
Steam Specialties	40 CORSTATE AVE. VAUGHAN ON L4K 4X5		1,966.88
Sunnyside Machine & Hydraulics	1178 EVERTON ROAD MIDLAND ON L4R 5J5		811.95
Telus	P.O. BOX 5300 BURLINGTON ON L4R 4S11		1,277.38
Thermaloc Italy SRL	VIA BONANOMI 3, COMO, IT 22100 IT		904.76
Total Quality Logistics	P.O. BOX 634558 CINCINNATI OH 45263 4561		3,953.92
Travelers Leasing	800-9900 KING GEORGE BLVD. SURREY BC V3T 0K10		399,800.16
Travelers Transportation Services	195 HEART LAKE ROAD S. BRAMPTON ON L6W 3N9		2,926.17
Triple Tech ESJ	1050 KING STREET MIDLAND ON L4R 0B11		1,310.50
Underwriters Laboratories of Canada Inc.	P.O. BOX 15146 STN A TORONTO ON M5W 1C4		15,124.92
United Testing Systems Canada Limited	21-225 BRADWICK DRIVE CONCORD ON L4K 1K10		29,410.73
Western Ontario Community Futures Development Corporation Inc. ATT: David Penton	530 West Street, Unit 10 Branford ON N3R 7V5		440,827.21
WILSON HIGH VOLTAGE	1271 GORHAM STREET UNIT 9 NEWMARKET ON L3Y 8Y10		4,531.66

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

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

In the matter of the proposal of
Forte EPS Solutions Inc.
of the city of Midland, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Workplace Safety and Insurance Board c/o Collection Services	200 Front St W Toronto ON M5V 3J1		15,581.87
Total			7,590,012.18



Forte EPS Solutions Inc.
Insolvent Person

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
FORTE EPS SOLUTIONS INC.**

(Short title of proceeding)

Court file no. 31-2253654
Estate File no. 31-2253654

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

Motion Record

William Harvey Jones
Barrister and Solicitor
2702- 401 Bay Street,
Toronto, Ontario
M4V 3A1
LSUC # 38733J

(416) 596-8876
Fax: (416) 596-0907

Lawyer for the DEBTOR/APPLICANT