

Estate File No: 31-2015995
Court File No.: 31-2015995

ONTARIO
SUPERIOR COURT OF JUSTICE
[In Bankruptcy & Insolvency]

IN THE MATTER OF THE PROPOSAL OF
ISLAND DELIVERY INC.
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO

MOTION RECORD OF PROPOSAL TRUSTEE
(RE: APPROVAL OF PROPOSAL)
(returnable October 6, 2015)

September 25, 2015

LOOPSTRA NIXON LLP
Barristers & Solicitors
135 Queens Plate Drive – Suite 600
Toronto, ON M9W 6V7

R. Graham Phoenix (LSUC # 52650N)
Tel: (416) 748-4776
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Agent for Dodick Landau Inc., in its capacity as
Proposal Trustee

TO: **Officer of the Superintendent of Bankruptcy**
25 St Clair Ave E, 6th Floor
Toronto, ON
M4T 1M2

AND TO: **Island Delivery Inc.**
4441 Sheppard Avenue East
Scarborough, ON
M1S 1V3
island_delivery@rogers.com

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ONTARIO
SUPERIOR COURT OF JUSTICE
[In Bankruptcy & Insolvency]
IN THE MATTER OF THE PROPOSAL OF
ISLAND DELIVERY INC.
OF THE CITY OF TORONTO
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MOTION RECORD OF PROPOSAL TRUSTEE
(RE: APPROVAL OF PROPOSAL)
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District of: Ontario
Division No. 09 - Toronto
Court No. 31-2015995
Estate No. 31-2015995

FORM 40.1
Notice of Hearing of Application for Court Approval of Proposal
(Paragraph 58(b) of the Act)

In the matter of the proposal of
Island Delivery Inc.
of the city of Toronto, in the Province of Ontario

In Superior Court of Justice - Toronto.

In the matter of the proposal of Island Delivery Inc., a debtor.

Take notice that an application will be made to the court, at 393 University Ave, 19th Floor, Toronto, Ontario, on the 6th day of October 2015, at 10:00 AM, to approve the proposal of Island Delivery Inc., accepted by the creditors at a meeting held on the 3rd day of September 2015.

Dated at the city of Toronto in the Province of Ontario, this 21st day of September 2015.

Dodick Landau Inc. - Trustee



4646 Dufferin St., Suite 6
Toronto ON M3H 5S4
Phone: (416) 736-4357 Fax: (416) 649-7725

TAB 2

Estate File No: 31-2015995
Court File No: 31-2015995

ONTARIO
SUPERIOR COURT OF JUSTICE
[In Bankruptcy and Insolvency]

REGISTRAR) TUESDAY, THE 6th DAY
) OF OCTOBER, 2015
)
)

IN THE MATTER OF THE PROPOSAL OF
ISLAND DELIVERY INC.
OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO

ORDER APPROVING PROPOSAL

UPON THE APPLICATION of Dodick Landau Inc., trustee (the “Trustee”) *in re* the Proposal of Island Delivery Inc., filed on August 13, 2015 (the “Proposal”), upon reading the Report of Trustee on Proposal, dated September 25, 2015, and upon hearing submissions of the Trustee and of counsel for Island Delivery Inc.; and, the Court being satisfied that the required majority of creditors duly accepted the Proposal and the terms thereof, a complete copy of which is marked Appendix "A" and annexed hereto, and being satisfied that the said terms are reasonable and calculated to benefit the general body of creditors and that no offences or facts have been proved to justify the Court in withholding its approval:

1. **THIS COURT HEREBY ORDERS** that the Proposal be and is hereby approved.

Registrar

TAB 2-A

APPENDIX "A"

(see attached)

Appendix "A"

Court No. 31-2015995

Estate No. 31-2015995

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

**IN THE MATTER OF THE PROPOSAL OF
ISLAND DELIVERY INC.**

PROPOSAL

ISLAND DELIVERY INC. hereby submits the following Proposal under the provisions of the *Bankruptcy and Insolvency Act*.

**PART I
INTERPRETATION**

Definitions

1. In this Proposal:
 - (a) "Act" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.
 - (b) "Administrative Fees and Expenses" means the fees and expenses of the Trustee incidental to the NOI and the preparation and facilitation of the Proposal and any amendments thereto, including, without limitation, fees incurred by the Trustee in the administration of the Funded Proposal Payments; and, the legal fees and expenses of the Company before and following execution, acceptance and approval of this Proposal and in connection with the NOI and the preparation of this Proposal, as well as advice to the Company in connection therewith;
 - (c) "Affected Creditors" means those Creditors of the Company forming Class 1, as defined in Part III of this Proposal;
 - (d) "Approval Order" means an order of the Court approving this Proposal to be granted pursuant to the provisions of the Act, the appeal period having expired and no appeal having been filed or any appeal therefrom having been dismissed and such dismissal having become final;

- (e) "Bankruptcy Reserve" means a reserve amount of \$10,000 to be held by the Trustee as security for the administrative costs of the bankruptcy of the Company, in the event that this Proposal is annulled and the Company becomes bankrupt;
- (f) "Business Day" means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;
- (g) "Claim" means any right of any Person with indebtedness, liability or obligation of any kind against the Company which indebtedness, liability or obligation is in existence at the Date of Filing, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by surety or otherwise and whether or not such a right is executory in nature including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause, chose in action, whether existing at present or commenced in the future based in whole or in part on facts which exist prior to or at the time of Date of Filing;
- (h) "Company" means Island Delivery Inc.;
- (i) "Court" means the Ontario Superior Court of Justice in Bankruptcy and Insolvency;
- (j) "Court Approval Date" means the date on which the Approval Order is issued;
- (k) "Creditors" means any Person having a Claim;
- (l) "Creditors Meeting" means the meeting of the Affected Creditors called for the purpose of considering and voting upon this Proposal;
- (m) "Crown Claims" means Claims of Her Majesty in right of Canada or any province of all amounts of a kind contemplated by section 60(1.1) of the Act;
- (n) "Date of Filing" means the date on which the Company filed the NOI;
- (o) "Deficiency Claim" means the value of the Claim of a Secured Creditor which is in excess of the value of the Secured Property in respect of that Claim;
- (p) "Employee Preferred Claim" means a Claim by a current or former employee of the Company, or such portion of such Claim, that would be payable in priority under Subsection 136(1) of the Act;

- (q) "Effective Date" means the date on which the transactions and agreements provided for in this Proposal are to become effective which shall be the date on which the Approval Order is issued;
- (r) "Event of Default" has the meaning given to it in Part VIII of this Proposal;
- (s) "Funded Proposal Payments" shall mean funds which will be advanced to the Trustee for distribution pursuant to Part V of this Proposal;
- (t) "Inspectors" means the inspectors appointed pursuant to Part X of this Proposal;
- (u) "Levy" means the levy imposed by the Superintendent of Bankruptcy under the Act;
- (v) "Maturity Date" means the date on which all payments to the Creditors have been made, provided that no Event of Default has occurred that has not been cured or waived;
- (w) "NOI" means the Notice of Intention to Make a Proposal filed by the Company on July 15, 2015;
- (x) "Person" means any individual, partnership, joint venture, trust corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (y) "Post-Filing Crown Claims" means all Crown Claims that became due or shall become due on or after the Date of Filing;
- (z) "Post-Filing Goods and Services" means the goods supplied, services rendered and other consideration given or provided to the Company on or after the Date of Filing;
- (aa) "Pre-Filing Crown Claims" means all Crown Claims that were outstanding as at the Date of Filing;
- (bb) "Preferred Claim" means any claim that is afforded priority under Section 136(1) of the Act;
- (cc) "Preferred Creditor" means any Unsecured Creditor holding a Preferred Claim, solely in respect to that Preferred Claim;
- (dd) "Proposal" means this proposal dated August 12, 2015, together with any amendments or additions thereto;

- (ee) "Proposal Period" means the period between the Court Approval Date and the Maturity Date;
- (ff) "Proven" as used in relation to any Claim means such Claim as finally accepted or determined by the Trustee in accordance with the provisions of the Act and this Proposal, subject to the Creditor's right of appeal to Court, the Court's determination of that Claim or any applicable appeal periods having expired and no appeal having been made,
- (gg) "Secured Claim" means the value of any Claim to the extent of the value of the Secured Property;
- (hh) "Secured Creditor" means a Creditor holding a mortgage, hypothec, pledge, charge, lien or privilege on or against the property of the Company or any part thereof as security for a Claim
- (ii) "Secured Property" mean the property against which a Creditor holds a mortgage, hypothec, pledge, charge, lien or privilege in respect of a Claim;
- (jj) "Trustee" means Dodick Landau Inc., solely in its capacity as proposal trustee of the Company;
- (kk) "Unsecured Claim" means the value of any Proven Claim which is not secured against any Secured Property or the portion of any Proven Claim which is in excess of the value of the Secured Property in respect of that Claim; and
- (ll) "Unsecured Creditors" means those Persons with Claims in respect of which no Security is held and which is not afforded priority under Section 136(1) of the Act and includes, without limitation, Deficiency Claims.

Headings

2. The division of this Proposal into parts, paragraphs and subparagraphs, and the insertion of headings herein, is for convenience of reference only and is not to affect the construction or interpretation of this Proposal.

Number, etc.

3. In this Proposal, where the context requires, a word importing the singular includes the plural and vice versa, and a word importing gender includes the masculine, feminine and neuter genders.

Date for Action

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

Accounting Principles

5. Accounting terms not otherwise defined in this Proposal have the meanings assigned to them in accordance with generally accepted Canadian accounting principles.

PART II PURPOSE AND EFFECT OF THIS PROPOSAL

Purpose of Proposal

6. The purpose of this Proposal is to effect a restructuring of the indebtedness of the Company in the manner contemplated herein and as permitted by the Act in the expectation that all Creditors will derive a greater benefit from the restructuring and the continued operation of the business and affairs of the Company than would result from a bankruptcy of the Company.

Effect of Proposal

7. This Proposal restructures the indebtedness of the Company and provides the essential terms on which all Claims will be fully and finally resolved and settled. During the Proposal Period, and provided that an Event of Default has not occurred and is continuing hereunder, all Creditors will be stayed from commencing or continuing any proceeding or remedy against the Corporation or any of its property or assets in respect of a Claim including, without limitation, any proceeding or remedy to recover payment of any monies, to recover or enforce any judgment against the Company in respect of a Claim or to commence any formal proceedings against it other than as provided for under this Proposal.

PART III CLASSIFICATION OF CREDITORS

8. For the purpose of this Proposal, the Creditors of the Company shall be comprised of a single class, consisting of Creditors having Preferred Claims and Unsecured Claims ("Class 1"). For greater certainty, Preferred Creditors entitled to vote pursuant to the Act shall vote in this class; Creditors holding Deficiency Claims are entitled to vote in this class to the extent of such claim; and, claims of Her Majesty in right of Canada and any province for all amounts other than Crown Claims shall vote in this class.

**PART IV
SECURED CREDITORS**

9. Secured Creditors shall not be affected by this Proposal to the extent of their Secured Claims – i.e., the value of the subject Secured Property. However, the Deficiency Claims of Secured Creditors shall be treated as Unsecured Claims. A Secured Creditor may vote on all questions relating to the Proposal as part of Class 1 as an Unsecured Creditor in respect of the amount equal to such Secured Creditor's Proven Deficiency Claim.

**PART V
TREATMENT OF VARIOUS CLAIMS,
FUNDING OF PROPOSAL AND DISTRIBUTION**

Crown Claims

10. At the date of this Proposal, according to the Canada Revenue Agency ("CRA"), the Company owed approximately \$90,000 to CRA for employee source deductions withheld but not remitted, including related penalties and interest calculated up to June 30, 2015. In addition to the Funded Proposal Payments, all Proven Pre-Filing Crown Claims (less any amounts received by CRA from and after July 10, 2015 on account of such claims by way of garnishment or otherwise, and less any amounts paid directly to CRA by employees of the Company on account of any compensation for which source deductions have been assessed against the Company) shall be paid out of additional funds to be delivered by the Company to the Trustee and shall be remitted by the Trustee to Her Majesty in the Right of Canada or of any province, as applicable, within six (6) months of the Court Approval Date.

Employee Preferred Claims

11. At the date of the Proposal, the Company did not owe any amount to any Person account of Employee Preferred Claims. If any amount is subsequently found to be owing on account of Employee Preferred Claims, in addition to the Funded Proposal Payments, all Employee Preferred Claims (if any) shall be paid out of additional funds to be delivered by the Company to the Trustee and shall be remitted by the Trustee to the entitled claimants (if any) immediately after the Court Approval Date.

Secured Claims

12. Secured Claims shall be unaffected by this Proposal, provided that the Proven Deficiency Claims of any Secured Creditors shall be treated as an Proven Unsecured Claims in the manner set out in Part IV of this Proposal and for the purposes of distribution under Part V of this Proposal.

Preferred Claims (in addition to Employee Preferred Claims)

13. Proven Preferred Claims, other than Employee Preferred Claims (which shall be satisfied pursuant to Paragraph 11 of this Proposal), shall be paid in full, without interest, in priority to Proven Unsecured Claims.

Unsecured Claims

14. Proven Unsecured Claims shall be paid out of the Funded Proposal Payments on a *pro rata* basis.

Funding the Proposal

15. Upon the full satisfaction of the Crown Claims and Employee Preferred Claims, the Company will cause to be paid to the Trustee the Funded Proposal Payments in the form of cash instalments in the aggregate amount of \$10,000 every three months, for 4 years, subject to Paragraph 17 of this Proposal.
16. The Company's obligation to commence funding the Funded Proposal Payments shall commence on the earlier of:
 - (i) the last day of the month following the month in which the Crown Claims are paid in full; and
 - (ii) 30-days following the day that is six (6) months after the Court Approval Date.
17. The Funded Proposal Payments will be made until an amount is paid to the Trustee equal to the lesser of:
 - (i) 50% of the value of the Proven Claims; and
 - (ii) \$160,000.

Distribution

18. Interim distributions will be made to Unsecured Creditors when sufficient Funded Proposal Payments have, in the Trustee's discretion, accumulated to warrant the interim distribution.
19. The Funded Proposal Payments shall be distributed by the Trustee in the following order of priority:
 - (a) first, to the Administrative Fees and Expenses;
 - (b) second, to establish the Bankruptcy Reserve, to be held in trust by the Trustee, which amount shall be used to fund the administrative costs of the bankruptcy of the Company in the event that this Proposal is annulled and the Company becomes bankrupt, failing which such amount shall be

distributed in accordance with Subparagraphs 19(c) and 19(d) of this Proposal;

- (c) third, to Proven Claims of Preferred Creditors, other than Employee Preferred Claims which will have been paid, without interest (if any); and
- (d) fourth, the balance of the Funded Proposal Payments shall be distributed *pro rata* among all of (i) the Unsecured Creditors on account of Proven Unsecured Claims and (ii) the Secured Creditors on account of Proven Deficiency Claims, without regard to whether the Claims are the Claims of Secured Creditors or Unsecured Creditors.

Amendments to Agreements

- 20. Notwithstanding the terms and conditions of all agreements or other arrangements with Creditors entered into before the Date of Filing, provided that no Event of Default has occurred and is continuing hereunder, all such agreements or other arrangements will be deemed to be amended to the extent necessary to give effect to all the terms and conditions of this Proposal. In the event of any conflict or inconsistency between the terms of such agreements or arrangements and the terms of this Proposal, the terms of this Proposal will govern. All Creditors will provide such acknowledgements, agreements, discharges or other documentation as may be necessary to give effect to the intent of this Proposal.

Treatment of Claims

- 21. For purposes of this Proposal, each Creditor holding a Claim will receive the treatment provided for in this Proposal on account of such Claim.

PART VI POST-FILING OBLIGATIONS

Payment of Post-Filing Goods & Services

- 22. During the Proposal Period, all Post-Filing Goods and Services shall be paid in full in the ordinary course of business by the Company

Post-Filing Crown Claims

- 23. During the Proposal Period, the Company shall remit all Post-Filing Crown Claims as and when due.

Reporting by the Company

- 24. During the Proposal Period, the Company shall provide to the Trustee every three months commencing on first day of the month following the month in which the Approval Order is issued, a report containing the information set out below:

- (i) a cash flow statement for the Company's business and affairs for the prior three months; and
- (ii) evidence of Company's filing and remittance of source deductions and HST.

**PART VII
LEVY, MANDATORY PAYMENTS AND PREFERRED CLAIMS**

Levy

25. The Levy, if applicable, shall be deducted by the Trustee from payments to creditors by the Trustee.

Payment of Fees and Expenses

26. The Administrative Fees and Expenses shall be paid in priority to the Crown Claims, the Claims of Preferred Creditors, Secured Creditors (to the extent of their Deficiency Claims) and Unsecured Creditors.

Employee Claims

27. As per Part V of this Proposal, All Employee Preferred Claims will be paid in priority to other Claims immediately after the issuance of the Approval Order.

Preferred Claims

28. As per Part V of this Proposal, Proven Claims of Preferred Creditors, without interest, are to be paid in full priority to all Claims of the Unsecured Creditors including, without limitation, any entitlement of the Unsecured Creditors to the payments to be made under Part V of this Proposal.

**PART VIII
EVENTS OF DEFAULT**

29. The following events will constitute Events of Default for purposes of section 63 of the Act and otherwise under this Proposal:
- (a) the non-payment by the Company of any of its obligations hereunder within thirty (30) days after written notice has been given by the Trustee that such payment is past due; and
 - (b) the breach or failure by the Company to observe and perform any other covenant and provision of this Proposal, other than payment as provided for in this Paragraph 29(a) which is not remedied within thirty (30) days after written notice thereof has been given to the Company by the Trustee.

**PART IX
TRUSTEE**

30. The Trustee is acting solely in its capacity as proposal trustee under the Act and not in its personal capacity and no officer, director, employee or agent of the Trustee shall incur any obligations or liabilities in connection with this Proposal or in connection with the business or liabilities of the Company.
31. Any payments made by the Trustee to Creditors hereunder shall be made by the Trustee net of any levies payable or due under the Act.

**PART X
INSPECTORS**

Appointment of Inspectors

32. At the Creditors Meeting, the Affected Creditors will be entitled to appoint one or more, but not exceeding five (5) Inspectors in total.

Powers of Inspectors

33. The inspectors, by way of majority, will have the following powers, but will have no personal liability to the Company or other Creditors:
 - (a) the power to extend the dates the Funded Proposal Payments are due under this Proposal;
 - (b) the power to waive any default in the performance of any provision of this Proposal;
 - (c) the power to advise the Trustee in respect of such matters as may be referred to the Inspectors by the Trustee.

**PART XI
CONDITIONS PRECEDENT**

Creditor Approval

34. The Trustee shall call a meeting of the Affected Creditors of the Company to seek creditor approval for the Proposal in the requisite majority in number and value of the classes, as set out in the Act, of each of the classes of creditors described in this Proposal. The performance of this Proposal by the Company shall be conditional upon approval of the Affected Creditors. If the Affected Creditors do not approve the Proposal, the Trustee shall report on the result of the vote as required under section 57 of the Act and the Company shall be deemed bankrupt.

Court Approval

35. In the event the Proposal is approved by the Affected Creditors the Proposal Trustee shall, within five (5) days of such approval, apply to the Court for a hearing to seek the Approval Order. The performance of this Proposal by the Company shall be conditional upon the issuance of the Approval Order. In the event that the Court does not approve the Proposal, the Company shall be deemed bankrupt.

PART XII RELEASE

36. As at 12:01 a.m. the Effective Date, the Company and each and every present and former officer and director of the Company (collectively, the "Released Parties"), 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, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor or person may be entitled to assert as of the Date of Filing, including without limitation, any and all claims in respect of the potential statutory liabilities of the former, present and future directors and officers of the Company, and any and all claims relating to any obligations of the Company where the present, former or future directors or officers are or may be by law liable in their capacity as directors or officers for the payment of such obligations, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Date of Filing relating to, arising out of or in connection with the claims, the business and affairs of the Company, this Proposal, and provided that nothing herein shall release or discharge any of the Released Parties from any claims coming within the exceptions set out in section 50(14) of the Act. This release shall have no force or effect if the Company goes bankrupt before the terms of the Proposal are performed.

PART XIII MISCELLANEOUS

Preferential Payments

37. Sections 95 to 101 of the Act shall not apply to any dealings by the Company at any time prior to the Date of Filing. The releases contemplated in Paragraph 36 of this Proposal include releases in favour of the Released Parties from all claims, actions, or remedies available to Creditors or others pursuant to Sections 95 to 101 of the Act, provided that nothing herein shall release any director of the

Company from any claims coming within the exceptions set out in Section 50(14) of the Act.

Consents, Waivers and Agreements

38. On the Effective Date, all Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety. For greater certainty, each such Creditor will be deemed to have waived any default by the Company in any provision, express or implied, in any agreement existing between the Creditor and the Company that has occurred on or prior to the Date of Filing, and to have agreed that, to the extent that there is any conflict between the provisions of any such agreement and the provisions of this Proposal, the provisions of this Proposal take precedence and priority and the provisions of any such agreement are amended accordingly.

Further Actions

39. The Company and the Creditors will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated hereby.

Performance

40. All obligations of the Company under this Proposal will commence as of the Effective Date. All obligations of the Company under this Proposal will be fully performed for the purposes of Section 65.3 of the Act only upon the Company having made the payments to the Trustee provided for herein.

Acceleration of Payments

41. Notwithstanding the payment structure set out in Part V of this Proposal, nothing herein prevents or restricts the Company from accelerating any of the Funded Proposal Payments or from satisfying the full amount of the Funded Proposal Payments in advance of the time period contemplated in Part V of this Proposal.

Binding Effect

42. The provisions of this Proposal will be binding on the Creditors and the Company, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Approval Order after all appeal periods have expired.

PART XIV ANNULMENT OF PROPOSAL

43. If this Proposal is annulled by an order of the Court, all payments on account of Claims made pursuant to the terms of this Proposal will reduce the Claims of Creditors.

**PART XV
AMENDMENTS**

44. The Company may propose amendments to the Proposal at any time prior to the conclusion of the Creditors Meeting provided that any such amendment does not reduce the rights and benefits given to the Creditors pursuant to the Proposal before such amendment and that any and all amendments shall be deemed to be a part of and incorporated into the Proposal.

DATED at the City of Toronto, in the Province of Ontario, this 13th day of August, 2015.

ISLAND DELIVERY INC.

Per: Allison Wood

Name: Allison Lea Wood

Title: President

Appendix "B"

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2015995
Estate No. 31-2015995

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

In the matter of the proposal of
Island Delivery Inc.
of the city of Toronto, in the Province of Ontario

Take notice that Island Delivery Inc. 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 4646 Dufferin Street, Suite 6, Toronto, ON on the 3rd day of September 2015 at 11:00 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 24th day of August 2015.

Dodick Landau Inc. - Trustee



4646 Dufferin St., Suite 6

Toronto ON M3H 5S4

Phone: (416) 736-4357 Fax: (416) 649-7725

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

IN THE MATTER OF THE PROPOSAL OF ISLAND DELIVERY INC.
OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO

Estate File No.: 31-2015995
Court File No.: 31-2015995

ONTARIO
SUPERIOR COURT OF JUSTICE
[In Bankruptcy and Insolvency]

Proceeding commenced at Toronto

ORDER
(APPROVING PROPOSAL)

LOOPSTRA NIXON LLP
Barristers & Solicitors
135 Queens Plate Drive - Suite 600
Toronto, ON M9W 6V7

R. Graham Phoenix (LSUC # 52650N)
Tel: (416) 748-4776
Fax: (416) 746-8319
Email: gphoenix@loonix.com

Lawyers for Island Delivery Inc.

TAB 3

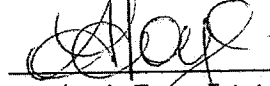
District of Ontario
Division No. 09-Toronto
Court No. 31-2015995
Estate No. 31-2015995

IN THE MATTER OF THE PROPOSAL OF
ISLAND DELIVERY INC.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

I, the undersigned, of the Trustee's Office of Dodick Landau Inc., 4646 Dufferin Street, Suite 6, Toronto, ON. M3H 5S4, hereby make oath and say:

1. That on the 21st day of September, 2015, I did cause to be mailed, to the debtor, and to the known creditors of the debtor, whose names and addresses appear on the paper writing marked Appendix "A" attached hereto, a copy of the following:
 - i. Notice of Hearing of Application for Court Approval of Proposal.
2. That on the 21st day of September, 2015, I did cause to be e-filed, a copy of the 'Notice of Hearing of Application for Court Approval of Proposal'. A true copy of the e-filing confirmation is attached hereto as Appendix "B".

Dodick Landau Inc. - Administrator



Stephanie Toy - Estate Administrator
4646 Dufferin Street, Suite 6
Toronto, ON M3H 5S4

SWORN before me, in the city of Toronto
in the Province of Ontario, this 21st day of
September, 2015.



Howard Landau - A Commissioner.
Expires May 16, 2017

**Howard Landau, a Commissioner, etc.,
Province of Ontario for Dodick & Associates Inc.,
Trustee in Bankruptcy, and Dodick Landau Inc.,
Trustee in Bankruptcy. Expires May 16, 2017.**

Creditor Mailing List
APPENDIX 4A6
 In the matter of the proposal of
 Island Delivery Inc.
 of the city of Toronto, in the Province of Ontario

Creditor Type	Name	Attention	Address
Director	Allison Lea Wood		1949 Glendale Drive Pickering ON L1V 1V8
Secured	Bodkin Leasing Corporation	John Dalton	1 - 2150 Dunwin Dr. Mississauga ON L5L 5M8 Fax: (866) 228-1580 customerservice@bodkin.com
	CRA - Canada Revenue Agency - Tax - Ontario	c/o London Taxes Services Office Division Regional Intake Centre for Insolvency	86415869RP0001 PO Box 5548 3 - 451 Talbot St London ON N6A 4R3 Fax: (519) 645-5397
	Equirex Leasing Corp.	Melanie Darling, Legal Department	302 - 700 Dorval Drive Oakville ON L6K 3V3 Fax: (866) 405-4869 melanied@equirex.com
Unsecured	407 ETR Express Toll Route	Marion Richardson/Collections	340728213 6300 Steeles Ave W Woodbridge ON L4H 1J1 Fax: (905) 264-7511 tsangha@407etr.com
	Bell Mobility	Insolvency Team	503448812 200 Bouchard Blvd, 3rd Floor Dorval QC H9S 5X5 Fax: (800) 865-3055 bellmobilityinsolvencyteam@bell.ca
	BMO Financial Group c/o BankruptcyHighway.com	Mike Timko	PO Box 57100 Etobicoke ON M8Y 3Y2 Fax: (416) 253-3610 bankruptcydocuments@asset.net
	Bodkin Leasing Corporation	John Dalton	1 - 2150 Dunwin Dr. Mississauga ON L5L 5M8 Fax: (866) 228-1580 customerservice@bodkin.com
	Business Express		302 32 Cranberry Lane Aurora ON LAG 5Y2
	Canadian Industrial Fire Protection		6 Wilson House Dr., R.R. #1 Ashburn ON L0B 1A0
	CRA - Canada Revenue Agency - Tax - Ontario	c/o London Taxes Services Office Division Regional Intake Centre for Insolvency	86415869RP0001 PO Box 5548 3 - 451 Talbot St London ON N6A 4R3 Fax: (519) 645-5397
	CRA - Canada Revenue Agency - Tax - Ontario	c/o London Taxes Services Office Division Regional Intake Centre for Insolvency	86415869RT0001 PO Box 5548 3 - 451 Talbot St London ON N6A 4R3 Fax: (519) 645-5397
	Enbridge Gas Distribution - Ontario	Back Office Collections Department	18 01 93 40068 6 PO Box 650 Scarborough ON M1K 5E3 Fax: (888) 882-5638 customercare@enbridge.com

Creditor Mailing List

In the matter of the proposal of
Island Delivery Inc.
of the city of Toronto, in the Province of Ontario

Creditor Type	Name	Attention	Address
Unsecured	Equirex Leasing Corp.	Melanie Darling, Legal Department	302 - 700 Dorval Drive Oakville ON L6K 3V3 Fax: (866) 405-4869 melanied@equirex.com
	Ford Credit Canada Limited	Bankruptcy Department	PO Box 2400 Edmonton AB T5J 5C7 Fax: (780) 443-5367
	Hasiuk Trailers		PO Box 722 Colborne ON K0K 1S0
	Lawries Bindery Service		705 Progress Ave., Unit 2 Scarborough ON M1H 2X1
	Leo's Truck Services Ltd.		105 Nugget Ave. Scarborough ON M1S 3B1
	Load King		2204 420 Rodinea Road Maple ON L6A 4P5
	National Bank of Canada (Proposals) c/o FCT Default Solutions		PO Box 2514, Stn B London ON N6A 4G9 Fax: (647) 439-1419 dsproposal@collectlink.com
	Pitney Bowes Canada Ltd. c/o BankruptcyHighway.com	Mike Timko	1074995 PO Box 57100 Etobicoke ON M8Y 3Y2 Fax: (416) 253-3610 bankruptcydocuments@asset.net
	Pitney Works		6100 9080 0010 2129 PO Box 280 Orangeville ON L9W 2Z7
	Quick Truck Leasing		105 Nugget Ave. Scarborough ON M1S 3B1
	RBC Royal Bank Visa c/o BankruptcyHighway.com	Razel Bowen	PO Box 57100 Etobicoke ON M8Y 3Y2 Fax: (416) 253-3610 bankruptcydocuments@asset.net
	Small Business Services Inc.		4441 Sheppard Avenue East Scarborough ON M1S 1V3
	Telus Communications - Corporate	Rick Wan	27470785 8th Fl - 3777 Kings Way Burnaby BC V5H 3Z7 Fax: (800) 665-1170 bankruptcy@telus.com
	Triple A Tire		1492 Midland Ave. Scarborough ON M1P 3B9
	Unique Mobile Wash Inc.		80 Softneedle Ave. Brampton ON L6R 1L2
	Workplace Safety and Insurance Board	c/o Collection Services	2434888 200 Front St W Toronto ON M5V 3J1 Fax: (905) 521-4203

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2015995
Estate No. 31-2015995

FORM 40.1
Notice of Hearing of Application for Court Approval of Proposal
(Paragraph 58(b) of the Act)

In the matter of the proposal of
Island Delivery Inc.
of the city of Toronto, in the Province of Ontario

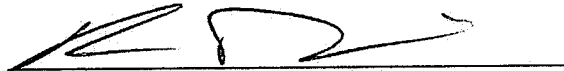
In Superior Court of Justice - Toronto.

In the matter of the proposal of Island Delivery Inc., a debtor.

Take notice that an application will be made to the court, at 393 University Ave, 19th Floor, Toronto, Ontario, on the 6th day of October 2015, at 10:00 AM, to approve the proposal of Island Delivery Inc., accepted by the creditors at a meeting held on the 3rd day of September 2015.

Dated at the city of Toronto in the Province of Ontario, this 21st day of September 2015.

Dodick Landau Inc. - Trustee



4646 Dufferin St., Suite 6

Toronto ON M3H 5S4

Phone: (416) 736-4357 Fax: (416) 649-7725



Government of Canada

Gouvernement du Canada



SCHEDULE "B"

Industry Canada

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1.

2.

Update filing - update is confirmed

4.

Estate Information

Please Note: The following estate(s) were updated:

- **Estate Number:** 31-2015995
- **Estate Name:** Island Delivery Inc.

Document(s) submitted

The following document(s) have been successfully submitted

- Form 40.1: Notice of Hearing of Application for Court Approval of Proposal

Reference

- The Reference Number for this transaction is: **11251749**.
- Submitted by Rahn Dodick.
- 2015-09-21 15:46 EDT

[Submit another document for this estate.](#)

If you would like to submit a document against a different estate, please click on the **Update** link in the left hand side menu.

TAB 4

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

**IN THE MATTER OF THE PROPOSAL OF
ISLAND DELIVERY INC.
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO**

REPORT OF TRUSTEE ON PROPOSAL

SEPTEMBER 25, 2015

INTRODUCTION

1. On July 15, 2015, Island Delivery Inc. (the "**Company**" or "**Island**") filed a Notice of Intention to Make a Proposal ("**NOI**") to its creditors pursuant to subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and Dodick Landau Inc. ("**DLI**") was named Proposal Trustee (the "**Trustee**").
2. On August 13, 2015, pursuant to section 62 of the BIA, Island filed with the Official Receiver a proposal (the "**Proposal**"), a copy of which is attached hereto as **Appendix "A"**.
3. The purpose of this first report (the "**Report**") is to support the Proposal Trustee's request for the Court to grant orders:
 - a) approving the Proposal; and
 - b) authorizing the Trustee to take all steps necessary to implement the Proposal.

DISCLAIMER

4. In preparing this Report, the Trustee has relied upon certain unaudited, draft and/or internal financial information, the Company's books and records, discussions with the Company's management ("**Management**"), creditors (the "**Creditors**") and information from other third-party sources (collectively, the "**Information**"). Except as described in this Report:
 - a) the Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook and, accordingly, the Trustee expresses no opinion or other form of assurance in respect of the Information;

- b) some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants handbook, has not been performed; and
 - c) the Trustee has prepared this Report in its capacity as a Court appointed officer and has made a copy of this Report available on DLI's website at www.dodick.ca. Parties using this Report, other than for the purpose of evaluating the Proposal, are cautioned that it may not be appropriate for their purposes. DLI will continue to maintain on its website copies of any court orders, reports and other material public filings it considers relevant to this proceeding.
5. Future oriented financial information referred to in this Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
6. The capitalized terms not defined in this report are defined in the Proposal. Unless otherwise stated, all monetary amounts contained herein are in Canadian dollars.

BACKGROUND

Operations

7. Island's primary business is the transportation of freight throughout the greater Toronto area. Island also carries-out a limited amount of warehousing for its clients. Island continues to operate its business.
8. The Company operates from leased premises at 3420 Pharmacy Ave., Toronto, Ontario and employs 14 full time staff.
9. The Company was founded by Mr. Allison Lea Wood and was incorporated under the Ontario *Business Corporations Act* on June 23, 2000.

Financial Results

10. Island's internally prepared financial statements indicate that for the fiscal years ended December 31, 2013 and December 31, 2014 it incurred nominal operating losses.

CAUSES OF FINANCIAL DIFFICULTIES

Canada Revenue Agency

11. In July 2014, Canada Revenue Agency (“CRA”) examined Island’s treatment of its truck drivers as independent contractors and determined that they should be treated as employees instead. Consequently, CRA assessed Island for approximately \$114,000 in unremitted source deductions, including interest and penalties, for 2012, 2013 and the first half of 2014. According to CRA, this amount should have been withheld from the truck drivers’ gross compensation and remitted to CRA during those years. Instead, Island had paid the truck drivers their gross compensation and relied on the truck drivers to make their own remittances.
12. Following the results of CRA’s examination in July 2014, Island began treating all its truck drivers as employees and began withholding and remitting source deductions to CRA on their behalf.
13. In June 2015, CRA carried out a second trust examination. During that examination, CRA determined that Island continued to owe CRA approximately \$92,000 in unremitted source deductions, including interest and penalties. According to Management, since it was assessed for non-remittance in July 2014, it had remitted all current source deductions owing, however, despite its best efforts, it did not have sufficient cash flow generated from its operations, or financing available, to fund all the amounts payable as a result of the first examination.
14. On July 10, 2015, CRA issued requirements to pay (“RTP”) to two banks that service Island, as well as to a number of Island’s customers. The RTPs sent to Island’s banks required that all the funds in Island’s bank accounts be remitted to CRA. The RTPs sent to Island’s customers required that all accounts receivables owing to Island be instead paid to CRA.
15. Following the issuance of the NOI on July 15, 2015, and as a result of the stay of proceedings initiated by the NOI, CRA was required to suspend the RTPs it issued and return any funds it had collected for the period after the date of the NOI to Island. CRA returned within 45-days from the date of the NOI approximately \$18,000 and \$11,000 which it received from Island’s bank and customers, respectively.

Secured and Unsecured Debt

16. A search conducted of the Ontario Personal Property Security Registry on July 13, 2015 in respect of Island revealed several security registrations for vehicle leases. The secured obligations in respect of such leases are equal to the value of the underlying vehicles. According to Management, Island has no other secured creditors.

17. As described above, Island currently has unremitted source deductions owing to CRA totalling approximately \$92,000 which is ranked ahead of all other Creditors in a Proposal. According to Management, there are no outstanding amounts owing to employees for wages.
18. According to Management, unsecured trade debt totaled approximately \$240,000 at the date of the NOI, July 15, 2015. The unsecured indebtedness is owed to approximately 25 unsecured creditors.

THE PROPOSAL

Class

19. For the purpose of this Proposal, the Creditors of the Company are comprised of a single class, consisting of Creditors having preferred and unsecured claims ("**Class 1**"). For greater certainty, the Creditors entitled to vote in Class 1 consist of:
 - a) ordinary Unsecured Creditors (i.e., holding claims without priority under the BIA);
 - b) Preferred Creditors pursuant to the BIA;
 - c) Secured Creditors holding Deficiency Claims (i.e., the value of the claim of a Secured Creditor which is in excess of the value of the secured property in respect of that claim);
and
 - d) claims of Her Majesty in right of Canada and any province for all amounts other than Crown Claims.
20. All proven pre-filing claims of CRA, or any province, contemplated by section 60(1.1) of the BIA, consisting of unremitted source deductions, ("**Crown Claims**") will be paid out of additional funds to be delivered by the Company to the Trustee and remitted by the Trustee to CRA, or the province, as applicable, within six (6) months of receipt of Court approval of the Proposal.
21. Secured Creditors are not affected by this Proposal to the extent of their Secured Claims (i.e. the value of the subject secured property). However, the Deficiency Claims of Secured Creditors are treated as Unsecured Claims.
22. A claim, if any, by a current or former employee of the Company that would be payable in priority under Subsection 136(1) of the Act ("**Employee Preferred Claim**"), will be paid out of additional funds to be delivered by the Company to the Trustee and shall be remitted by the Trustee to the employee.

Funding the Proposal

23. The funded Proposal payments to be paid to the Trustee will commence, subject to the provisions described in paragraph 24 hereof, after the Crown Claims and Employee Preferred Claims are paid and will be composed of cash instalments in the aggregate amount of \$10,000 every three months for four (4) years ("**Funded Proposal Payments**").
24. The initial three month period will commence the earlier of: i) the last day of the month following the month in which the Crown Claims are paid in full; and ii) 30 days following the day that is six (6) months after the date on which the Court approved this Proposal.
25. The Funded Proposal Payments will be made until an amount is paid to the Trustee equal to the lesser of 50% of the value of the Proven Claims and \$160,000.

MEETING OF CREDITORS

33. On August 24, 2015, the Trustee gave notice to debtor, to the division office and to every known creditor affected by the proposal, whose name and addresses are shown in **Appendix "B"** to this Report, of the calling of a meeting of creditors (the "**Creditor's Meeting**") to be held on September 3, 2015 to consider the proposal.
34. The notice included a condensed statement of the assets and liabilities of the debtor, a list of creditors affected by the proposal who have claims of \$250 or more and showing the amounts of their claims, a copy of the proposal, a form of proof of claim and proxy in blank and a voting letter. The condensed statement of the assets and liabilities of the debtor and a list of creditors affected by the proposal are shown as **Appendix "C"** to this Report.
35. The Creditor's Meeting to consider the Proposal was held at the office of the Trustee, 4646 Dufferin St., Suite 6, Toronto, Ontario, on September 3, 2015, and was presided over by Mr. Rahn Dodick of Dodick Landau Inc.
36. Details relating to the filing of claims, and other documents, were outlined in the Report of Trustee on Proposal included in the creditor mailed to each known creditor of the Company, or their duly appointed representative on August 24, 2015. The creditor package was also available on the Trustee's website (www.dodick.ca).
37. Mr. Dodick acted as the chair (the "**Chair**") of the Creditor's Meeting, and Ms. Stephanie Toye of Dodick Landau Inc. acted as secretary and scrutineer (the "**Scrutineer**") of the Creditor's Meeting.

38. The Scrutineer reported that a quorum was present at the Creditor’s Meeting and accordingly, the Chair declared that the Creditor’s Meeting was properly constituted.

Results of the Vote on Acceptance of the Proposal

39. A motion to consider a resolution to approve the Proposal was proposed at the Creditor’s Meeting (the “**Resolution**”). The Resolution tabled at the meeting was as follows:

“Be and it is hereby resolved to accept the Proposal of Island Delivery Inc. dated August 13, 2015, and, if approved, the Trustee and Island Delivery Inc. take all necessary steps to implement the terms of the Proposal.”

40. The Scrutineer tabulated the results of the vote, and the Chair reported the results at the Creditor’s Meeting. The Creditors, or their proxy holders, at the Creditor’s Meeting voted on the Resolution to approve the Proposal as follows:

	For		Against	
	#	\$	#	\$
Creditors having a voting claim voting in person, by proxy or by voting letter	1	\$423.75	0	\$0.00
Percentage of the total votes	100%	100%	0%	0%

41. In summary, a majority in number representing in excess of two-thirds in value of the Creditors by class holding proven claims and voting in person or by proxy at the Creditor’s Meeting, or by voting letter, voted in favour of the Resolution to approve the Proposal. Copies of the minutes of the Creditor’s Meeting are attached as **Appendix “D”**.

Approval and Implementation of the Proposal

42. The BIA requires the Proposal be approved by the Court following approval by the requisite majorities of Creditors. As such, the Trustee requests that the Court issue an order approving the Proposal. The Trustee is not aware of the Company having committed any of the offences set out in sections 198-200 of the BIA.

Distribution to Creditors

43. The Funded Proposal Payments will be collected by the Trustee and held in a trust account until a sufficient balance has accumulated, in the Trustee's discretion, to warrant a distribution to the creditors. All distributions are subject to the Superintendent's Levy, if it is applicable.
44. The Funded Proposal payments will be distributed in the following order of priority:
 - a) *Administrative Fees and Expenses* - To fund all administrative fees and expenses of the Trustee.
 - b) *Bankruptcy Reserve* - To establish a reserve of \$10,000 to be held in trust by the Trustee, which amount shall be used to fund the administrative costs of the bankruptcy of the Company in the event that the Proposal is annulled and the Company becomes bankrupt, failing which such amount shall be distributed to the Creditors.
 - c) *Proven Claims of Preferred Creditors* – To pay all proven preferred claims, other than the Preferred Claims of employees, if any, which would have been paid out of additional funds.
45. *Unsecured Creditors* – To be distributed among the Unsecured Creditors, who will share *pro rata* out of the funds available after payment of the foregoing.
46. To date, the Trustee has received 4 proofs of claim from Preferred and Unsecured Creditors. Based on known Preferred and Unsecured Creditors included in the Debtor's Statement of Affairs, the Trustee understands that there are approximately 21 additional known Preferred and Unsecured Creditors who, to date, have not submitted a proof of claim to the Trustee. Enclosed as **Appendix "E"** is a copy of Island Deliveries' claims register as at September 23, 2015.

ALTERNATIVES TO THE PROPOSAL

Liquidation Analysis

47. The following liquidation analysis represents the estimated value of the Company's assets in the event that the Proposal is not accepted by the Court and Island is deemed bankrupt and the assets are realized in a forced liquidation scenario.
48. The Trustee has relied on representations of the Company in determining the estimated liquidation value of the assets. The liquidation analysis was prepared at a point in time, being July 15, 2015. However, the value of the cash and accounts receivable are changing daily as work is

performed, receipts are collected and payments are made. Accordingly, in the event that the Company were to become bankrupt and a liquidation of the assets was conducted, the realizable value of the assets at that time may be different than presented below.

Summary of Estimated Liquidation Value
As at July 15, 2015
(000's)

	<u>Book Value</u>	<u>Estimated Liquidation Value</u>	<u>Notes</u>
<i>Assets</i>			
Cash	\$18	\$18	(1)
Accounts Receivable	252	80	(2)
Loan Receivable	113	0	(3)
Vehicles	3	70	(4)
Total Assets	<u>\$386</u>	<u>\$168</u>	

Notes:

- a) *Cash is the balance in the bank account on July 15, 2015. The balance in the bank account will change as receipts are collected and disbursements are made.*
- b) *Accounts Receivable represent amounts owing from clients for work performed. The Trustee has taken a 68% provision against the receivables in order to reflect age of receivables, possible damage, accounting or other claims that may be asserted by the clients in a liquidation scenario.*
- c) *Loan receivable are funds loaned by Island to Allison Wood. At this time, it is unknown what amount of this loan may be recoverable from Mr. Wood, or not subject to set-off by Mr. Wood, should a forced liquidation occur in a bankruptcy scenario. Therefore, for the purposes of this calculation, we have assessed the realizable value of the loan at zero.*
- d) *Vehicles represent three (3) heavy trucks and three (3) tractor trailers, one (1) pick-up truck and one (1) passenger vehicle owned by Island. The remaining vehicles used by Island are either leased or rented.*

Estimated Recovery – Bankruptcy vs. Proposal Scenario

49. The following chart sets out the expected recovery to CRA and the Unsecured Creditors under a Bankruptcy scenario and the Proposal scenario. As can be seen below, the estimated recovery to CRA in a bankruptcy scenario and the Proposal scenario is 100%, however, the estimated

recovery to the Unsecured Creditors in a bankruptcy scenario is approximately 16% versus approximately 50% under the Proposal scenario. The analysis under the Proposal scenario assumes that the Company makes all Funded Proposal Payments as required under the Proposal's terms.

<u>Estimated Recovery in a Bankruptcy Scenario</u>		<u>Estimated Recovery in a Proposal Scenario</u>	
Liquidation Value of Assets	\$168	Estimated Funded Proposal Payments (Note 1)	\$252
Less: Crown Claims - Deemed Trust Portion (Note 2)	<u>92</u>	Less: Crown Claims- Deemed Trust Portion	<u>92</u>
Gross amount available for Unsecured Creditors	76	Gross amount available for Unsecured Creditors	160
Less: Estimated professional fees and expenses (Note 3)	35	Less: Estimated Professional fees and expenses (Note 3)	35
Less: Superintendent's Levy (Note 4)	<u>2</u>	Less: Superintendent's Levy (Note 4)	<u>6</u>
Net amount available for Unsecured Creditors	39	Net amount available for Unsecured Creditors	119
Estimated Claims of Unsecured Creditors	<u>240</u>	Estimated Claims of Unsecured Creditors	<u>240</u>
Estimated Recovery to Unsecured Creditors	<u>16%</u>	Estimated Recovery to Unsecured Creditors	<u>50%</u>
Recovery on Crown Claims	<u>100%</u>	Recovery on Crown Claims	<u>100%</u>

Notes:

- a) *The estimated Funded Proposal Payments amount is based on the terms of the Proposal and the calculation of the amount assumes the Claims of the Creditors are equal to the value as recorded in the Company's records. Should the actual value of the Claims be different, the actual estimated recovery to the Creditors will be different.*
- b) *In a bankruptcy scenario, CRA's deemed trust for Crown Claims only extends over the employee portion of deductions, not the employer contributions or the interest and penalties. In a bankruptcy scenario the liability for employer contributions and the interest and penalties would be an Unsecured Claim. The Trustee was not able to determine from the Company's records what portion of the liability to CRA represents a deemed trust amount. For purposes of the liquidation analysis we have assumed the entire portion is a deemed trust amount.*
- c) *This amount represents a provision for the estimated professional fees associated with realization of the assets in the bankruptcy scenario or, in the case of a proposal, administering the proposal.*

- d) *The Superintendent's Levy is not applicable to payments made to satisfy deemed trust claims. It is applicable to payments made to Unsecured Creditors and is calculated as 5% of each payment.*
- e) *Neither scenario reflects any payment to Preferred Creditors, including employees. As at the date of filing there were no known amounts owing to Preferred Creditors*

50. The Trustee believes that, if the Proposal is not approved by the Court, the most likely alternative would be a forced liquidation of the assets of the Company pursuant to the BIA, or other statute, and the distribution of the net proceeds from such a forced liquidation to the Creditors in accordance with their respective priorities. Any forced liquidation process would be fraught with considerable execution risk and cost. For the reasons described above, the Trustee is of the view that the Proposal will produce a more favourable result for the Creditors of Island than would a forced liquidation of the assets in a bankruptcy.

CONDUCT OF THE DEBTOR

Preference Transactions and Transfers at Undervalue

- 51. The Proposal contemplates that Sections 95-101 of the BIA shall not apply in connection with this Proposal and as a result the Trustee shall have no responsibility, liability or authority whatsoever in connection herewith. Accordingly, the Trustee has not undertaken a detailed review for possible preference transactions or transfers at undervalue.
- 52. If Island was to become bankrupt, and either preference transactions or transfers at undervalue did exist, it is possible that some of these transactions could be voided. The Trustee is not aware of any such transactions existing.

Conduct Post Filing

- 53. Pursuant to Section 50(10) of the BIA, the Trustee is required to monitor the affairs of the Company until the Proposal is approved by the Court.
- 54. During the NOI period, Island worked diligently with the Trustee to prepare this Proposal, as well as to manage costs and continue operations. The Company is working diligently to complete the Proposal. The Company continues to actively solicit new business and is reducing costs where possible to improve its cash flow and meet its liquidity needs in order to be able to successfully implement the Proposal.

55. As a result of confusion on the part of Island's bank and one of its customers that received RTPs from CRA and, shortly thereafter, a notice from CRA suspending the RTPs, those parties inadvertently forwarded to CRA approximately \$19,000 of bank deposits, and \$11,000 of accounts receivable, respectively. At the date of this Report, CRA had returned the full amount of approximately \$30,000 to Island.

SUMMARY COMMENTS/RECOMMENDATION

56. The Trustee is of the opinion that:

- a. the assets of the debtor and their fair realizable value are as set out in paragraphs 28-46 hereof; and
- b. the liabilities of the debtor are as set out in paragraphs 11-18 hereof.

57. That the Trustee is also of the opinion that:

- a. The causes of the insolvency of the debtor are as set out in paragraphs 11- 18 hereof;
- b. The conduct of the debtor is not subject to censure; and
- c. There are no known facts, as described in section 173 of the Act, which may be proved against the debtor.


58. It is the Trustee's further opinion that the Proposal is an advantageous one for the Creditors and will allow for a greater recovery to the Creditors of Island than they would receive in a liquidation of the Company. Therefore, the Trustee respectfully recommends that the Court grant an order approving the Proposal and authorizing the Trustee to take all steps necessary to implement the Proposal.

59. The Trustee forwarded a copy of this report to the official receiver on this day.

Yours very truly,

DODICK LANDAU INC.
Trustee *re* the Proposal of Island Delivery Inc.

Per:


Rahn Dodick, CPA, CA, CIRP, LTIR

TAB 4-A

Appendix "A"

Court No. 31-2015995
Estate No. 31-2015995

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

**IN THE MATTER OF THE PROPOSAL OF
ISLAND DELIVERY INC.**

PROPOSAL

ISLAND DELIVERY INC. hereby submits the following Proposal under the provisions of the *Bankruptcy and Insolvency Act*.

**PART I
INTERPRETATION**

Definitions

1. In this Proposal:
 - (a) "Act" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.
 - (b) "Administrative Fees and Expenses" means the fees and expenses of the Trustee incidental to the NOI and the preparation and facilitation of the Proposal and any amendments thereto, including, without limitation, fees incurred by the Trustee in the administration of the Funded Proposal Payments; and, the legal fees and expenses of the Company before and following execution, acceptance and approval of this Proposal and in connection with the NOI and the preparation of this Proposal, as well as advice to the Company in connection therewith;
 - (c) "Affected Creditors" means those Creditors of the Company forming Class 1, as defined in Part III of this Proposal;
 - (d) "Approval Order" means an order of the Court approving this Proposal to be granted pursuant to the provisions of the Act, the appeal period having expired and no appeal having been filed or any appeal therefrom having been dismissed and such dismissal having become final;

- (e) "Bankruptcy Reserve" means a reserve amount of \$10,000 to be held by the Trustee as security for the administrative costs of the bankruptcy of the Company, in the event that this Proposal is annulled and the Company becomes bankrupt;
- (f) "Business Day" means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;
- (g) "Claim" means any right of any Person with indebtedness, liability or obligation of any kind against the Company which indebtedness, liability or obligation is in existence at the Date of Filing, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by surety or otherwise and whether or not such a right is executory in nature including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause, chose in action, whether existing at present or commenced in the future based in whole or in part on facts which exist prior to or at the time of Date of Filing;
- (h) "Company" means Island Delivery Inc.;
- (i) "Court" means the Ontario Superior Court of Justice in Bankruptcy and Insolvency;
- (j) "Court Approval Date" means the date on which the Approval Order is issued;
- (k) "Creditors" means any Person having a Claim;
- (l) "Creditors Meeting" means the meeting of the Affected Creditors called for the purpose of considering and voting upon this Proposal;
- (m) "Crown Claims" means Claims of Her Majesty in right of Canada or any province of all amounts of a kind contemplated by section 60(1.1) of the Act;
- (n) "Date of Filing" means the date on which the Company filed the NOI;
- (o) "Deficiency Claim" means the value of the Claim of a Secured Creditor which is in excess of the value of the Secured Property in respect of that Claim;
- (p) "Employee Preferred Claim" means a Claim by a current or former employee of the Company, or such portion of such Claim, that would be payable in priority under Subsection 136(1) of the Act;

- (q) "Effective Date" means the date on which the transactions and agreements provided for in this Proposal are to become effective which shall be the date on which the Approval Order is issued;
- (r) "Event of Default" has the meaning given to it in Part VIII of this Proposal;
- (s) "Funded Proposal Payments" shall mean funds which will be advanced to the Trustee for distribution pursuant to Part V of this Proposal;
- (t) "Inspectors" means the inspectors appointed pursuant to Part X of this Proposal;
- (u) "Levy" means the levy imposed by the Superintendent of Bankruptcy under the Act;
- (v) "Maturity Date" means the date on which all payments to the Creditors have been made, provided that no Event of Default has occurred that has not been cured or waived;
- (w) "NOI" means the Notice of Intention to Make a Proposal filed by the Company on July 15, 2015;
- (x) "Person" means any individual, partnership, joint venture, trust corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (y) "Post-Filing Crown Claims" means all Crown Claims that became due or shall become due on or after the Date of Filing;
- (z) "Post-Filing Goods and Services" means the goods supplied, services rendered and other consideration given or provided to the Company on or after the Date of Filing;
- (aa) "Pre-Filing Crown Claims" means all Crown Claims that were outstanding as at the Date of Filing;
- (bb) "Preferred Claim" means any claim that is afforded priority under Section 136(1) of the Act;
- (cc) "Preferred Creditor" means any Unsecured Creditor holding a Preferred Claim, solely in respect to that Preferred Claim;
- (dd) "Proposal" means this proposal dated August 12, 2015, together with any amendments or additions thereto;

- (ee) "Proposal Period" means the period between the Court Approval Date and the Maturity Date;
- (ff) "Proven" as used in relation to any Claim means such Claim as finally accepted or determined by the Trustee in accordance with the provisions of the Act and this Proposal, subject to the Creditor's right of appeal to Court, the Court's determination of that Claim or any applicable appeal periods having expired and no appeal having been made,
- (gg) "Secured Claim" means the value of any Claim to the extent of the value of the Secured Property;
- (hh) "Secured Creditor" means a Creditor holding a mortgage, hypothec, pledge, charge, lien or privilege on or against the property of the Company or any part thereof as security for a Claim
- (ii) "Secured Property" mean the property against which a Creditor holds a mortgage, hypothec, pledge, charge, lien or privilege in respect of a Claim;
- (jj) "Trustee" means Dodick Landau Inc., solely in its capacity as proposal trustee of the Company;
- (kk) "Unsecured Claim" means the value of any Proven Claim which is not secured against any Secured Property or the portion of any Proven Claim which is in excess of the value of the Secured Property in respect of that Claim; and
- (ll) "Unsecured Creditors" means those Persons with Claims in respect of which no Security is held and which is not afforded priority under Section 136(1) of the Act and includes, without limitation, Deficiency Claims.

Headings

2. The division of this Proposal into parts, paragraphs and subparagraphs, and the insertion of headings herein, is for convenience of reference only and is not to affect the construction or interpretation of this Proposal.

Number, etc.

3. In this Proposal, where the context requires, a word importing the singular includes the plural and vice versa, and a word importing gender includes the masculine, feminine and neuter genders.

Date for Action

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

Accounting Principles

5. Accounting terms not otherwise defined in this Proposal have the meanings assigned to them in accordance with generally accepted Canadian accounting principles.

PART II PURPOSE AND EFFECT OF THIS PROPOSAL

Purpose of Proposal

6. The purpose of this Proposal is to effect a restructuring of the indebtedness of the Company in the manner contemplated herein and as permitted by the Act in the expectation that all Creditors will derive a greater benefit from the restructuring and the continued operation of the business and affairs of the Company than would result from a bankruptcy of the Company.

Effect of Proposal

7. This Proposal restructures the indebtedness of the Company and provides the essential terms on which all Claims will be fully and finally resolved and settled. During the Proposal Period, and provided that an Event of Default has not occurred and is continuing hereunder, all Creditors will be stayed from commencing or continuing any proceeding or remedy against the Corporation or any of its property or assets in respect of a Claim including, without limitation, any proceeding or remedy to recover payment of any monies, to recover or enforce any judgment against the Company in respect of a Claim or to commence any formal proceedings against it other than as provided for under this Proposal.

PART III CLASSIFICATION OF CREDITORS

8. For the purpose of this Proposal, the Creditors of the Company shall be comprised of a single class, consisting of Creditors having Preferred Claims and Unsecured Claims ("Class 1"). For greater certainty, Preferred Creditors entitled to vote pursuant to the Act shall vote in this class; Creditors holding Deficiency Claims are entitled to vote in this class to the extent of such claim; and, claims of Her Majesty in right of Canada and any province for all amounts other than Crown Claims shall vote in this class.

**PART IV
SECURED CREDITORS**

9. Secured Creditors shall not be affected by this Proposal to the extent of their Secured Claims – i.e., the value of the subject Secured Property. However, the Deficiency Claims of Secured Creditors shall be treated as Unsecured Claims. A Secured Creditor may vote on all questions relating to the Proposal as part of Class 1 as an Unsecured Creditor in respect of the amount equal to such Secured Creditor's Proven Deficiency Claim.

**PART V
TREATMENT OF VARIOUS CLAIMS,
FUNDING OF PROPOSAL AND DISTRIBUTION**

Crown Claims

10. At the date of this Proposal, according to the Canada Revenue Agency ("CRA"), the Company owed approximately \$90,000 to CRA for employee source deductions withheld but not remitted, including related penalties and interest calculated up to June 30, 2015. In addition to the Funded Proposal Payments, all Proven Pre-Filing Crown Claims (less any amounts received by CRA from and after July 10, 2015 on account of such claims by way of garnishment or otherwise, and less any amounts paid directly to CRA by employees of the Company on account of any compensation for which source deductions have been assessed against the Company) shall be paid out of additional funds to be delivered by the Company to the Trustee and shall be remitted by the Trustee to Her Majesty in the Right of Canada or of any province, as applicable, within six (6) months of the Court Approval Date.

Employee Preferred Claims

11. At the date of the Proposal, the Company did not owe any amount to any Person account of Employee Preferred Claims. If any amount is subsequently found to be owing on account of Employee Preferred Claims, in addition to the Funded Proposal Payments, all Employee Preferred Claims (if any) shall be paid out of additional funds to be delivered by the Company to the Trustee and shall be remitted by the Trustee to the entitled claimants (if any) immediately after the Court Approval Date.

Secured Claims

12. Secured Claims shall be unaffected by this Proposal, provided that the Proven Deficiency Claims of any Secured Creditors shall be treated as an Proven Unsecured Claims in the manner set out in Part IV of this Proposal and for the purposes of distribution under Part V of this Proposal.

Preferred Claims (in addition to Employee Preferred Claims)

13. Proven Preferred Claims, other than Employee Preferred Claims (which shall be satisfied pursuant to Paragraph 11 of this Proposal), shall be paid in full, without interest, in priority to Proven Unsecured Claims.

Unsecured Claims

14. Proven Unsecured Claims shall be paid out of the Funded Proposal Payments on a *pro rata* basis.

Funding the Proposal

15. Upon the full satisfaction of the Crown Claims and Employee Preferred Claims, the Company will cause to be paid to the Trustee the Funded Proposal Payments in the form of cash instalments in the aggregate amount of \$10,000 every three months, for 4 years, subject to Paragraph 17 of this Proposal.
16. The Company's obligation to commence funding the Funded Proposal Payments shall commence on the earlier of:
 - (i) the last day of the month following the month in which the Crown Claims are paid in full; and
 - (ii) 30-days following the day that is six (6) months after the Court Approval Date.
17. The Funded Proposal Payments will be made until an amount is paid to the Trustee equal to the lesser of:
 - (i) 50% of the value of the Proven Claims; and
 - (ii) \$160,000.

Distribution

18. Interim distributions will be made to Unsecured Creditors when sufficient Funded Proposal Payments have, in the Trustee's discretion, accumulated to warrant the interim distribution.
19. The Funded Proposal Payments shall be distributed by the Trustee in the following order of priority:
 - (a) first, to the Administrative Fees and Expenses;
 - (b) second, to establish the Bankruptcy Reserve, to be held in trust by the Trustee, which amount shall be used to fund the administrative costs of the bankruptcy of the Company in the event that this Proposal is annulled and the Company becomes bankrupt, failing which such amount shall be

distributed in accordance with Subparagraphs 19(c) and 19(d) of this Proposal;

- (c) third, to Proven Claims of Preferred Creditors, other than Employee Preferred Claims which will have been paid, without interest (if any); and
- (d) fourth, the balance of the Funded Proposal Payments shall be distributed *pro rata* among all of (i) the Unsecured Creditors on account of Proven Unsecured Claims and (ii) the Secured Creditors on account of Proven Deficiency Claims, without regard to whether the Claims are the Claims of Secured Creditors or Unsecured Creditors.

Amendments to Agreements

- 20. Notwithstanding the terms and conditions of all agreements or other arrangements with Creditors entered into before the Date of Filing, provided that no Event of Default has occurred and is continuing hereunder, all such agreements or other arrangements will be deemed to be amended to the extent necessary to give effect to all the terms and conditions of this Proposal. In the event of any conflict or inconsistency between the terms of such agreements or arrangements and the terms of this Proposal, the terms of this Proposal will govern. All Creditors will provide such acknowledgements, agreements, discharges or other documentation as may be necessary to give effect to the intent of this Proposal.

Treatment of Claims

- 21. For purposes of this Proposal, each Creditor holding a Claim will receive the treatment provided for in this Proposal on account of such Claim.

PART VI POST-FILING OBLIGATIONS

Payment of Post-Filing Goods & Services

- 22. During the Proposal Period, all Post-Filing Goods and Services shall be paid in full in the ordinary course of business by the Company

Post-Filing Crown Claims

- 23. During the Proposal Period, the Company shall remit all Post-Filing Crown Claims as and when due.

Reporting by the Company

- 24. During the Proposal Period, the Company shall provide to the Trustee every three months commencing on first day of the month following the month in which the Approval Order is issued, a report containing the information set out below:

- (i) a cash flow statement for the Company's business and affairs for the prior three months; and
- (ii) evidence of Company's filing and remittance of source deductions and HST.

**PART VII
LEVY, MANDATORY PAYMENTS AND PREFERRED CLAIMS**

Levy

25. The Levy, if applicable, shall be deducted by the Trustee from payments to creditors by the Trustee.

Payment of Fees and Expenses

26. The Administrative Fees and Expenses shall be paid in priority to the Crown Claims, the Claims of Preferred Creditors, Secured Creditors (to the extent of their Deficiency Claims) and Unsecured Creditors.

Employee Claims

27. As per Part V of this Proposal, All Employee Preferred Claims will be paid in priority to other Claims immediately after the issuance of the Approval Order.

Preferred Claims

28. As per Part V of this Proposal, Proven Claims of Preferred Creditors, without interest, are to be paid in full priority to all Claims of the Unsecured Creditors including, without limitation, any entitlement of the Unsecured Creditors to the payments to be made under Part V of this Proposal.

**PART VIII
EVENTS OF DEFAULT**

29. The following events will constitute Events of Default for purposes of section 63 of the Act and otherwise under this Proposal:
- (a) the non-payment by the Company of any of its obligations hereunder within thirty (30) days after written notice has been given by the Trustee that such payment is past due; and
 - (b) the breach or failure by the Company to observe and perform any other covenant and provision of this Proposal, other than payment as provided for in this Paragraph 29(a) which is not remedied within thirty (30) days after written notice thereof has been given to the Company by the Trustee.

**PART IX
TRUSTEE**

30. The Trustee is acting solely in its capacity as proposal trustee under the Act and not in its personal capacity and no officer, director, employee or agent of the Trustee shall incur any obligations or liabilities in connection with this Proposal or in connection with the business or liabilities of the Company.
31. Any payments made by the Trustee to Creditors hereunder shall be made by the Trustee net of any levies payable or due under the Act.

**PART X
INSPECTORS**

Appointment of Inspectors

32. At the Creditors Meeting, the Affected Creditors will be entitled to appoint one or more, but not exceeding five (5) Inspectors in total.

Powers of Inspectors

33. The inspectors, by way of majority, will have the following powers, but will have no personal liability to the Company or other Creditors:
 - (a) the power to extend the dates the Funded Proposal Payments are due under this Proposal;
 - (b) the power to waive any default in the performance of any provision of this Proposal;
 - (c) the power to advise the Trustee in respect of such matters as may be referred to the Inspectors by the Trustee.

**PART XI
CONDITIONS PRECEDENT**

Creditor Approval

34. The Trustee shall call a meeting of the Affected Creditors of the Company to seek creditor approval for the Proposal in the requisite majority in number and value of the classes, as set out in the Act, of each of the classes of creditors described in this Proposal. The performance of this Proposal by the Company shall be conditional upon approval of the Affected Creditors. If the Affected Creditors do not approve the Proposal, the Trustee shall report on the result of the vote as required under section 57 of the Act and the Company shall be deemed bankrupt.

Court Approval

35. In the event the Proposal is approved by the Affected Creditors the Proposal Trustee shall, within five (5) days of such approval, apply to the Court for a hearing to seek the Approval Order. The performance of this Proposal by the Company shall be conditional upon the issuance of the Approval Order. In the event that the Court does not approval the Proposal, the Company shall be deemed bankrupt.

PART XII RELEASE

36. As at 12:01 a.m. the Effective Date, the Company and each and every present and former officer and director of the Company (collectively, the "Released Parties"), 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, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor or person may be entitled to assert as of the Date of Filing, including without limitation, any and all claims in respect of the potential statutory liabilities of the former, present and future directors and officers of the Company, and any and all claims relating to any obligations of the Company where the present, former or future directors or officers are or may be by law liable in their capacity as directors or officers for the payment of such obligations, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Date of Filing relating to, arising out of or in connection with the claims, the business and affairs of the Company, this Proposal, and provided that nothing herein shall release or discharge any of the Released Parties from any claims coming within the exceptions set out in section 50(14) of the Act. This release shall have no force or effect if the Company goes bankrupt before the terms of the Proposal are performed.

PART XIII MISCELLANEOUS

Preferential Payments

37. Sections 95 to 101 of the Act shall not apply to any dealings by the Company at any time prior to the Date of Filing. The releases contemplated in Paragraph 36 of this Proposal include releases in favour of the Released Parties from all claims, actions, or remedies available to Creditors or others pursuant to Sections 95 to 101 of the Act, provided that nothing herein shall release any director of the

Company from any claims coming within the exceptions set out in Section 50(14) of the Act.

Consents, Waivers and Agreements

38. On the Effective Date, all Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety. For greater certainty, each such Creditor will be deemed to have waived any default by the Company in any provision, express or implied, in any agreement existing between the Creditor and the Company that has occurred on or prior to the Date of Filing, and to have agreed that, to the extent that there is any conflict between the provisions of any such agreement and the provisions of this Proposal, the provisions of this Proposal take precedence and priority and the provisions of any such agreement are amended accordingly.

Further Actions

39. The Company and the Creditors will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated hereby.

Performance

40. All obligations of the Company under this Proposal will commence as of the Effective Date. All obligations of the Company under this Proposal will be fully performed for the purposes of Section 65.3 of the Act only upon the Company having made the payments to the Trustee provided for herein.

Acceleration of Payments

41. Notwithstanding the payment structure set out in Part V of this Proposal, nothing herein prevents or restricts the Company from accelerating any of the Funded Proposal Payments or from satisfying the full amount of the Funded Proposal Payments in advance of the time period contemplated in Part V of this Proposal.

Binding Effect

42. The provisions of this Proposal will be binding on the Creditors and the Company, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Approval Order after all appeal periods have expired.

PART XIV ANNULMENT OF PROPOSAL

43. If this Proposal is annulled by an order of the Court, all payments on account of Claims made pursuant to the terms of this Proposal will reduce the Claims of Creditors.

**PART XV
AMENDMENTS**

44. The Company may propose amendments to the Proposal at any time prior to the conclusion of the Creditors Meeting provided that any such amendment does not reduce the rights and benefits given to the Creditors pursuant to the Proposal before such amendment and that any and all amendments shall be deemed to be a part of and incorporated into the Proposal.

DATED at the City of Toronto, in the Province of Ontario, this 13th day of August, 2015.

ISLAND DELIVERY INC.

Per: Allison Wood
Name: Allison Lea Wood
Title: President

TAB 4-B

Appendix "B"

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2015995
Estate No. 31-2015995

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

In the matter of the proposal of
Island Delivery Inc.
of the city of Toronto, in the Province of Ontario

Take notice that Island Delivery Inc. 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.

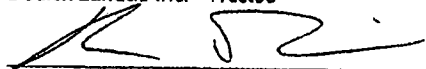
A general meeting of the creditors will be held at 4646 Dufferin Street, Suite 6, Toronto, ON on the 3rd day of September 2015 at 11:00 AM.

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 24th day of August 2015.

Dodick Landau Inc. - Trustee



4646 Dufferin St., Suite 6

Toronto ON M3H 5S4

Phone: (416) 736-4357 Fax: (416) 649-7725

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

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
407 ETR Express Toll Route Marion Richardson/Collections	6300 Steeles Ave W Woodbridge ON L4H 1J1	340728213	1,890.13
CRA - Canada Revenue Agency - Tax - Ontario c/o London Taxes Services Office Division Regional Intake Centre for Insolvency	PO Box 5548 3 - 451 Talbot St London ON N6A 4R3	864158696RP0001	92,381.00
CRA - Canada Revenue Agency - Tax - Ontario c/o London Taxes Services Office Division Regional Intake Centre for Insolvency	PO Box 5548 3 - 451 Talbot St London ON N6A 4R3	864158696RT0001	71,000.00
Hasiuk Trailers	PO Box 722 Colborne ON K0K 1S0		2,698.00
Lawries Bindery Service	705 Progress Ave , Unit 2 Scarborough ON M1H 2X1		423.75
Leo's Truck Services Ltd.	105 Nugget Ave Scarborough ON M1S 3B1		11,162.68
Load King	420 Rodinea Road Maple ON L6A 4P5	2204	20,724.37
Pitney Works	PO Box 280 Orangeville ON L9W 2Z7	6100 9080 0010 2129	255.02
Quick Truck Leasing	105 Nugget Ave Scarborough ON M1S 3B1		118,500.00
Small Business Services Inc.	4441 Sheppard Avenue East Scarborough ON M1S 1V3		2,003.00
Telus Communications - Corporate Rick Wan	8th Fl - 3777 Kings Way Burnaby BC V5H 3Z7	27470785	893.54
Triple A Tire	1492 Midland Ave Scarborough ON M1P 3B9		4,524.22
Unique Mobile Wash Inc.	80 Softneedle Ave Brampton ON L6R 1L2		1,126.50

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	2434888	8,209.87
Total			335,792.08

TAB 4-C

Appendix 'C'

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2015995
 Estate No. 31-2015995

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
 Island Delivery Inc.
 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 14th day of July 2015. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	ASSETS (as stated and estimated by the officer)																																																																				
<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">1. Unsecured creditors as per list "A"</td> <td style="text-align: right;">244,066.13</td> </tr> <tr> <td>Balance of secured claims as per list "B"</td> <td style="text-align: right;">82,381.00</td> </tr> <tr> <td>Total unsecured creditors</td> <td style="text-align: right;">336,447.13</td> </tr> <tr> <td>2. Secured creditors as per list "B"</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>3. Preferred creditors as per list "C"</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>4. Contingent, trust claims or other liabilities as per list "D" estimated to be receivable for</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>Total liabilities</td> <td style="text-align: right;">336,447.13</td> </tr> <tr> <td>Surplus</td> <td style="text-align: right;">NIL</td> </tr> </table>	1. Unsecured creditors as per list "A"	244,066.13	Balance of secured claims as per list "B"	82,381.00	Total unsecured creditors	336,447.13	2. Secured creditors as per list "B"	0.00	3. Preferred creditors as per list "C"	0.00	4. Contingent, trust claims or other liabilities as per list "D" estimated to be receivable for	0.00	Total liabilities	336,447.13	Surplus	NIL	<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">1. Inventory</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>2. Trade fixtures, etc.</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>3. Accounts receivable and other receivables, as per list "E"</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Good</td> <td style="text-align: right;">80,000.00</td> </tr> <tr> <td style="padding-left: 20px;">Doubtful</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td style="padding-left: 20px;">Bad</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td style="padding-left: 20px;">Estimated to produce</td> <td style="text-align: right;">80,000.00</td> </tr> <tr> <td>4. Bills of exchange, promissory note, etc., as per list "F"</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>5. Deposits in financial institutions</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>6. Cash</td> <td style="text-align: right;">18,000.00</td> </tr> <tr> <td>7. Livestock</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>8. Machinery, equipment and plant</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>9. Real property or immovable as per list "G"</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>10. Furniture</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>11. RRSPs, RRRIFs, life insurance, etc.</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>12. Securities (shares, bonds, debentures, etc.)</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>13. Interests under wills</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>14. Vehicles</td> <td style="text-align: right;">70,000.00</td> </tr> <tr> <td>15. Other property, as per list "H"</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td colspan="2">If debtor is a corporation, add:</td> </tr> <tr> <td style="padding-left: 20px;">Amount of subscribed capital</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td style="padding-left: 20px;">Amount paid on capital</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td style="padding-left: 20px;">Balance subscribed and unpaid</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td style="padding-left: 20px;">Estimated to produce</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">168,000.00</td> </tr> <tr> <td>Deficiency</td> <td style="text-align: right;">188,447.13</td> </tr> </table>	1. Inventory	0.00	2. Trade fixtures, etc.	0.00	3. Accounts receivable and other receivables, as per list "E"		Good	80,000.00	Doubtful	0.00	Bad	0.00	Estimated to produce	80,000.00	4. Bills of exchange, promissory note, etc., as per list "F"	0.00	5. Deposits in financial institutions	0.00	6. Cash	18,000.00	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, RRRIFs, life insurance, etc.	0.00	12. Securities (shares, bonds, debentures, etc.)	0.00	13. Interests under wills	0.00	14. Vehicles	70,000.00	15. Other property, as per list "H"	0.00	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	168,000.00	Deficiency	188,447.13
1. Unsecured creditors as per list "A"	244,066.13																																																																				
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Total liabilities	336,447.13																																																																				
Surplus	NIL																																																																				
1. Inventory	0.00																																																																				
2. Trade fixtures, etc.	0.00																																																																				
3. Accounts receivable and other receivables, as per list "E"																																																																					
Good	80,000.00																																																																				
Doubtful	0.00																																																																				
Bad	0.00																																																																				
Estimated to produce	80,000.00																																																																				
4. Bills of exchange, promissory note, etc., as per list "F"	0.00																																																																				
5. Deposits in financial institutions	0.00																																																																				
6. Cash	18,000.00																																																																				
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, RRRIFs, life insurance, etc.	0.00																																																																				
12. Securities (shares, bonds, debentures, etc.)	0.00																																																																				
13. Interests under wills	0.00																																																																				
14. Vehicles	70,000.00																																																																				
15. Other property, as per list "H"	0.00																																																																				
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	168,000.00																																																																				
Deficiency	188,447.13																																																																				

I, Allison Lea Wood, of the town of Pickering 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 14th day of August 2015 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 14th day of August 2015.

Allison Wood
 Allison Lea Wood

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2015995
 Estate No. 31-2015995

FORM 78 - Continued

List "A"
 Unsecured Creditors
 Island Delivery Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	407 ETR Express Toll Route Attn: Marion Richards/Collections 340728213	6300 Steeles Ave W Woodbridge ON L4H 1J1	1,890.13	0.00	1,890.13
2	Be! Mobility Attn: Insolvency Team 503448812	200 Bouchard Blvd, 3rd Floor Dorval QC H9S 5X5	117.46	0.00	117.46
3	BMO Financial Group c/o BankruptcyHighway.com Attn: Mike Timko	PO Box 57100 Etobicoke ON M8Y 3Y2	1.00	0.00	1.00
4	Bodkin Leasing Corporation Attn: John Dalton	1 - 2158 Dunwin Dr. Mississauga ON L5L 5M8	1.00	0.00	1.00
5	Business Express 302	32 Cranberry Lane Aurora ON L4G 5Y2	126.15	0.00	126.15
6	Canadian Industrial Fire Protection	8 Wilson House Dr., R.R. #1 Ashburn ON L0B 1A0	219.79	0.00	219.79
7	CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insol 864158898RPO001	PO Box 5548 3 - 451 Talbot St London ON N6A 4R3	0.00	92,381.00	92,381.00
8	CRA - Canada Revenue Agency - Tax - Ontario Attn: Back Office Collections Department 18 01 93 40558 8	PO Box 5548 3 - 451 Talbot St London ON N6A 4R3	71,000.00	0.00	71,000.00
9	Enbridge Gas Distribution - Ontario Attn: Back Office Collections Department 18 01 93 40558 8	PO Box 850 Scarborough ON M1K 6E3	85.85	0.00	85.85
10	Equirex Leasing Corp. Attn: Malgorzata Darling, Legal Department	302 - 700 Dorval Drive Oakville ON L6K 3V3	1.00	0.00	1.00
11	Ford Credit Canada Limited Attn: Bankruptcy Department	PO Box 2400 Edmonton AB T5J 5C7	1.00	0.00	1.00
12	Hasiuk Trailers	PO Box 722 Colborne ON K0K 1S0	2,698.00	0.00	2,698.00
13	Latras Bindery Service	705 Progress Ave., Unit 2 Scarborough ON M1H 2X1	423.75	0.00	423.75
14	Leo's Truck Services Ltd.	105 Nugget Ave. Scarborough ON M1S 3B1	11,162.68	0.00	11,162.68
15	Load King 2204	420 Rodinea Road Maple ON L6A 4P5	20,724.37	0.00	20,724.37
16	National Bank of Canada (Proposals) c/o FCT Default Solutions	PO Box 2514, Sin B London ON N6A 4G9	1.00	0.00	1.00
17	Pitney Bowes Canada Ltd. c/o BankruptcyHighway.com Attn: Mike Timko 1074985	PO Box 57100 Etobicoke ON M8Y 3Y2	100.00	0.00	100.00
18	Pitney Works 6100 8080 0010 2129	PO Box 280 Orangeville ON L9W 2Z7	255.02	0.00	255.02
19	Quick Truck Leasing	105 Nugget Ave. Scarborough ON M1S 3B1	118,500.00	0.00	118,500.00
20	RBC Royal Bank Visa c/o BankruptcyHighway.com Attn: Razel Bowen	PO Box 57100 Etobicoke ON M8Y 3Y2	1.00	0.00	1.00
21	Small Business Services Inc.	4441 Sheppard Avenue East Scarborough ON M1S 1V3	2,003.00	0.00	2,003.00

14-Aug-2015

Date

Allison Wood

Allison Lea Wood

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2015995
 Estate No. 31-2015995

FORM 76 - Continued

List "A"
 Unsecured Creditors
 Island Delivery Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
22	Telus Communications - Corporate Attn: Rick Wan 27470785	8th Fl - 3777 Kings Way Burnaby BC V5H 3Z7	893.54	0.00	893.54
23	Triple A Tire	1402 Midland Ave. Scarborough ON M1P 3B9	4,524.22	0.00	4,524.22
24	Unique Mobile Wash Inc.	80 Safinacde Ave. Brampton ON L6R 1L2	1,128.50	0.00	1,128.50
25	Workplace Safety and Insurance Board Attn: c/o Collection Services 2434888	200 Front St W Toronto ON M5V 3J1	8,209.87	0.00	8,209.87
Total:			244,066.13	92,381.00	336,447.13

14-Aug-2015

Date

Allison Wood

Allison Lee Wood

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2015995
 Estate No. 31-2015995

FORM 78 - Continued

List "B"
 Secured Creditors

Island Delivery Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insol 864158686R0001	PO Box 5548 3-451 Talbot St London ON N6A 4R3	92,381.00			0.00		92,381.00
Total:			92,381.00			0.00	0.00	92,381.00

14-Aug-2015

Date



Allison Lea Wood

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2015995
Estate No. 31-2015995

FORM 78 - Continued

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

Island Delivery Inc.

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

14-Aug-2015

Date



Allison Leis Wood

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2015995
Estate No. 31-2015995

FORM 78 - Continued


List "D"
Contingent or Other Liabilities

Island Delivery Inc.

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

14-Aug-2015

Date



Allison Len Wood

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2015995
 Estate No. 31-2015995

FORM 78 - Continued

List "E"
 Debts Due to the Debtor
 Island Delivery Inc.

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			80,000.00 0.00 0.00			80,000.00	
Total				80,000.00 0.00 0.00			80,000.00	

14-Aug-2015

Date

Allison Wood

Allison Lea Wood

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2015995
Estate No. 31-2015995

FORM 78 - Continued

List 'F'

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

Island Delivery Inc.

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	

14-Aug-2015

Date

Allison Wood

Allison Lea Wood

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2015995
Estate No. 31-2015995

FORM 78 -- Continued

List "G"
Real Property or Immovables Owned by Debtor
Island Delivery Inc.

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

14-Aug-2015

Date



Allison Lea Wood

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2015995
 Estate No. 31-2015995

FORM 78 - Concluded

List "H"
 Property

Island Delivery Inc.

FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand		Cash on hand	18,000.00	18,000.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles		Other - Vehicles	0.00	70,000.00
(l) Taxes			0.00	0.00
(m) Other			0.00	0.00
			Total:	88,000.00

14-Aug-2015

Date

Allison Wood

Allison Lea Wood

TAB 4-D

Appendix "D"

District of: Ontario
Division No.: 09 - Toronto
Court No.: 31-2015995
Estate No.: 31-2015995

IN THE MATTER OF THE PROPOSAL OF:
ISLAND DELIVERY INC.
DODICK LANDAU INC. - TRUSTEE
MINUTES OF MEETING OF CREDITORS OF ISLAND DELIVERY INC.
HELD ON SEPTEMBER 3, 2015, AT 11:00A.M. AT 4646 DUFFERIN ST, SUITE 6,
TORONTO, ONTARIO

1. The chair, RAHN DODICK called the meeting to order at 11:00a.m. Mr. Dodick explained that he was the President of Dodick Landau Inc., and the Proposal Trustee of Island Delivery Inc. ("**Island Delivery**"). Mr. Dodick further advised the meeting that Stephanie Toye, of Dodick Landau Inc. would act as secretary and scrutineer for the meeting.
2. Mr. Dodick informed the meeting that the scrutineer reported that a quorum was present and that the meeting was duly constituted. Mr. Dodick tabled the attendance sheet for inclusion in the minutes of this meeting.
3. Upon request by a creditor, a conference call bridge was opened to allow a creditor to attend by phone, however, no creditor attended by phone.
4. Mr. Dodick informed the meeting that notice of the meeting, the proposal, the trustee's report, a statement of affairs, proof of claim form, proxy and voting letter were mailed to all known creditors on August 24, 2015. Mr. Dodick tabled the Affidavit of Mailing for inclusion in the minutes of this meeting.

5. After reviewing the key terms of the proposal Mr. Dodick explained that if the proposal is not approved by the requisite majorities of creditors, the proposal will not be implemented, and then there will be an automatic bankruptcy of the company and the assets will be liquidated by the Trustee in Bankruptcy.
6. Next, Mr. Dodick explained the voting procedure and that the proposal is required to be approved by a majority in number of creditors representing two-thirds in value of claims for purposes of voting held by such creditors who are present and voting either in person or by proxy at this meeting or by voting letter received by the Trustee prior to this meeting.
7. The Chair then advised that voting on the proposal will be conducted by ballot and that the meeting will now proceed with the vote in respect of the resolution approving the proposal.
8. Mr. Dodick advised that the scrutineer's report shows that of the 1 voting letter received, 1 in number of the unsecured creditors, representing \$423.75 in claims, (or 100% in number and 100% in value), voted in favour of the Proposal. As such the Chair announced that the resolution has been duly carried by a majority of the votes cast at the meeting comprising more than two-thirds in value of the unsecured claims.
9. The Chair then explained that the Proposal provided for the appointment of up to five inspectors. Robert Lawrie of Lawrie's Bindery Services Inc. had verbally agreed to act as an inspector prior to the meeting of creditors. The Trustee, as proxy holder for Lawrie's Bindery Services Inc., brought and seconded the motion to have Robert Lawrie appointed as inspector.

10. The Chair explained that the trustee shall apply for Court approval of the proposal on or about September 8, 2015. Following this meeting, the Court confirmed a hearing date of October 6, 2015 for approval of the proposal.
11. There being no further business the meeting terminated at 11:40 a.m.

A handwritten signature in black ink, appearing to read 'Rahn Dodick', written over a horizontal line.

Rahn Dodick
Chairperson

ATTENDANCE SHEET

IN THE MATTER OF THE PROPOSAL OF

Island Delivery Inc.

CLAIMANTS PRESENT OR REPRESENTED AT FIRST MEETING OF CREDITORS ON SEPTEMBER 3, 2015:

	PRINT NAME	REPRESENTING	CLAIM AMOUNT
1.	Paula Dohick	Proposed Trustee	n/a
2.	Graham Phoenix	Counsel to Proposant	n/a
3.	Stephanie Toye	Proposed Trustee	n/a
4.	Stephanie Toye Allison Wood	Proposed Trustee	\$15,000
5.	Robert Lawton - by Proxy (Dorack Landau)	ISLAW Lawyer's Binding Service	n/a \$425-
6.			
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TAB 4-E

Appendix "E"

Dodick Landau Inc.

Claims Register

In the matter of the proposal of
Island Delivery Inc.
of the city of Toronto, in the Province of Ontario

Insolvency Date: 14-Jul-2015
Estate Number: 31-2015995

Creditor Name	Proof of Claim?	Claim Status	Rank / Class	SOA Amount	Amount Filed	Admitted for Dividend
Secured creditors						
1. Bodkin Leasing Corporation Attn: John Dalton	Yes	Disallowed			31,201.31	
2. CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insol 864158696RP0001	No	Not proved		92,381.00		
3. Equirex Leasing Corp. Attn: Melanie Darling, Legal Department	Yes	Disallowed			4,385.76	
4. Ford Credit Canada Limited Attn: Bankruptcy Department	Yes	Disallowed			19,408.10	
Total : Secured creditors				92,381.00	54,995.17	
Unsecured creditors						
1. 407 ETR Express Toll Route Attn: Marion Richardson/Collections 340728213	No	Not proved		1,890.13		
2. Bell Mobility Attn: Insolvency Team 503448812	No	Not proved		117.46		
3. BMO Financial Group c/o BankruptcyHighway.com Attn: Mike Timko	No	Not proved		1.00		
4. Business Express 302	No	Not proved		126.15		
5. Canadian Industrial Fire Protection	No	Not proved		219.79		
6. CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insol 864158696RT0001	Yes	Admitted		71,000.00	125,995.34	125,995.34
7. Enbridge Gas Distribution - Ontario Attn: Back Office Collections Department 18 01 93 40068 6	No	Not proved		85.65		
8. Hasiuk Trailers	Yes	Admitted		2,698.00	2,698.00	2,698.00
9. Lawries Bindery Service	Yes	Admitted		423.75	423.75	423.75
10. Leo's Truck Services Ltd.	No	Not proved		11,162.68		
11. Load King 2204	No	Not proved		20,724.37		
12. National Bank of Canada (Proposals) c/o FCT Default Solutions	Yes	Admitted		1.00	10,386.45	10,386.45
13. Pitney Bowes Canada Ltd. c/o BankruptcyHighway.com Attn: Mike Timko 1074995	No	Not proved		100.00		
14. Pitney Works 6100 9080 0010 2129	No	Not proved		255.02		
15. Quick Truck Leasing	No	Not proved		118,500.00		

Claims Register for Island Delivery Inc. - Concluded

Insolvency Date: 14-Jul-2015
 Estate Number: 31-2015995

<i>Creditor Name</i>	<i>Proof of Claim?</i>	<i>Claim Status</i>	<i>Rank / Class</i>	<i>SOA Amount</i>	<i>Amount Filed</i>	<i>Admitted for Dividend</i>
16. RBC Royal Bank Visa c/o BankruptcyHighway.com Attn: Razel Bowen	No	Not proved		1.00		
17. Small Business Services Inc.	No	Not proved		2,003.00		
18. Telus Communications - Corporate Attn: Rick Wan 27470785	No	Not proved		893.54		
19. Triple A Tire	No	Not proved		4,524.22		
20. Unique Mobile Wash Inc.	No	Not proved		1,126.50		
21. Workplace Safety and Insurance Board Attn: c/o Collection Services 2434888	No	Not proved		8,209.87		
Total : Unsecured creditors				244,063.13	139,503.54	139,503.54
				Grand Total:	336,444.13	194,498.71
						139,503.54

IN THE MATTER OF THE PROPOSAL OF ISLAND DELIVERY INC.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

Estate File No.: 31-2015995
Court File No.: 31-2015995

ONTARIO
SUPERIOR COURT OF JUSTICE
[In Bankruptcy & Insolvency]

Proceeding commenced at Toronto

MOTION RECORD OF THE
PROPOSAL TRUSTEE
(RE: APPROVAL OF PROPOSAL)
(returnable October 6, 2015)

LOOPSTRA NIXON LLP
Barristers & Solicitors
135 Queens Plate Drive - Suite 600
Toronto, ON M9W 6V7

R. Graham Phoenix (LSUC # 52650N)
Tel: (416) 748-4776
Fax: (416) 746-8319
Email: gphoenix@loonix.com

Agents for Dodick Landau Inc., in
its capacity as Proposal Trustee