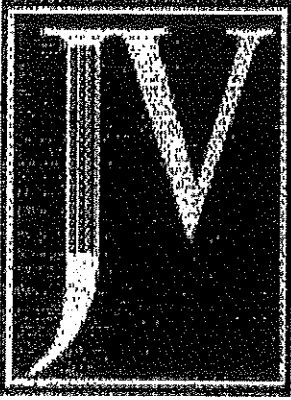


# APPENDIX “M”



**JOHN VAMVAKIDIS** PROFESSIONAL CORPORATION  
BARRISTER & SOLICITOR

3700 Steeles Avenue West, Suite 600  
Vaughan, Ontario, L4L 8K8  
Tel: 905-856-3700 x 262 Fax: 905-856-1213  
jvamvakidis@westonlaw.ca

September 10, 2015

**Att: Rahn Dodick**

**DODICK LANDAU INC.**  
*Trustee in Bankruptcy*  
4646 Dufferin St., Suite 6  
Toronto, Ontario  
M3H 5S4

**Sent Via Fax: (416) 649-7725**

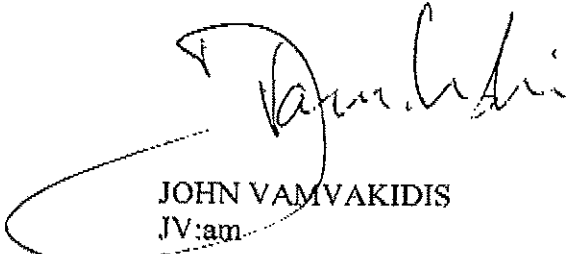
**Att: George Benchetrit**

**CHAITONS**  
*Barrister & Solicitors*  
5000 Yonge Street, 10<sup>th</sup> floor  
Toronto, Ontario  
M2N 7E9

**Sent Via Fax: (416) 218-1841**

**Re: Bankruptcy of Canada Tobacco & Global Inc.**

Please find enclosed herewith the Notice of Motion and Appeal of the Trustee's Disallowance of the Claim of Canadian Heritage Tobacco Ltd.

  
JOHN VAMVAKIDIS  
JV:am

**Court File No. 31-OR- 207816-T**  
**and**  
**Estate File No. 32-156744**

**IN THE MATTER OF THE BANKRUPTCY OF  
CANADA TOBACCO & GLOBAL INC.,  
A CORPORATION INCORPORATED PURSUANT OF THE LAWS OF ONTARIO  
WITH ITS HEAD OFFICE IN THE CITY OF HAMILTON,  
IN THE PROVINCE OF ONTARIO**

**NOTICE OF MOTION  
APPEAL OF TRUSTEES DISALLOWANCE**

THE CREDITOR, CANADIAN HERITAGE TOBACCO LTD. will make a Motion/Application to the Registrar in Bankruptcy, on Notice to the Trustee, at the Bankruptcy Court Office located at 330 University Avenue, 7<sup>th</sup> Floor, Toronto on a date to be determined by the Court, or as soon after that time as the motion can be heard

**THE PROPOSED METHOD OF HEARING:**

The motion is to be heard orally.

**THE MOTION IS FOR:**

1. An Order extending the time for servicing and filing this Appeal, if necessary;
2. The Appeal of the Trustee, Dodick Landau Inc.'s Disallowance the Claim of Canadian Heritage Tobacco Ltd. in the Bankruptcy of Canadian Tobacco & Global Inc.;
3. An Order that the Claim of Canadian Heritage Tobacco Ltd. is a good and viable claim in the Bankruptcy of Canadian Tobacco & Global Inc.
4. Such further and other relief as this Honourable Court may allow;

**THE GROUNDS FOR THE MOTION AND APPEAL ARE:**

1. The Moving Party Appellant herein, Canadian Heritage Tobacco Ltd. (“CHTL”) entered into a contract with the Bankrupt, Canada Tobacco & Global Inc. (“CT&G”) pursuant to the Agency Agreement between the parties dated November 12, 2012. This Agency Agreement appointed CHTL as the exclusive representative in the World as the purchasing agent for the purchase of custom-made marked cigarettes for and on behalf of the Buyer, CT&G.
2. The Agency Agreement provided for a Term of 10 years and provided a minimum annual purchase order of 480,000 cartons of cigarettes in accordance with the quotas agreed to between the Parties;
3. The Agency Agreement provided for an agreed upon purchase price of each of the Premium Blend and Regular Blend Cigarettes. The gross income of the Agreement is easily calculated.

4. In December of 2012, the parties entered into and attached an Agency Agreement Addendum to the Agency Agreement which provided for the method by which invoicing will be made both before the Broker, CHTL, receives its Wholesale License and after CHTL receives its Wholesale License.
5. The Broker, CHTL, in reliance of the Agency Agreement entered into a Manufacturing Agreement with the cigarette manufacturer, Bastos du Canada Ltee in Quebec for the manufacture of the cigarettes.
6. Early during the course of the Agency business relationship, CT&G breached its obligations to purchase and pay for orders in accordance with the Agency Agree and was therefore in breach of the Agency Agreement.
7. CT&G experienced some serious internal issues which culminated in an Application in the Courts regarding rights of shareholders.
8. There were various serious and seemingly insurmountable internal issues in the structure and viability of CT&G which made it obvious

that there was no ability for CT&G to comply with its financial obligation pursuant to the Agency Agreement.

9. In July of 2014, CHTL commenced an Action against CT&G seeking recovery of the damages sustained and lost profits of CHTL owing to the breach of the Agency Agreement.
10. Later that same month of July 2014, a creditor of CT&G, Myunsu You, who was also a principal of CT&G petitioned CT&G into this Bankruptcy Proceeding.
11. On or about September 17, 2014, CHTL submitted its Proof of Claim in the form of a bound volume enclosing various supporting Agreements and documents.
12. The Trustee then requested delivery of certain other documents and an explanation of certain matters. CHTL complied with the request. In addition, a meeting was held at the offices of the solicitor for the Trustee to review and further discuss various matters.

13. By Notice dated August 13th, 2015, The Trustee served a Notice of Disallowance of Claim with reasons contained therein. This is the Disallowance of Claim being Appealed herein.
  
14. The Trustee bases its Disallowance on the fact that CHTL abandoned its Wholesale Permit Application and never eventually received it. The failure to receive a Wholesale Permit has no bearing on CHTL's entitlement to receive its profits and agency fees pursuant to the Agency Agreement.



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

1. The Affidavit of Terry Kim and all Exhibits thereto.
2. The Affidavit of Paul Embury and all Exhibits thereto.
3. The Experts Report of an Expert in the Tobacco Industry in Canada.
4. Such further and other documents and Reports which this court may allow to be tendered.

DATE: September 10, 2015

**JOHN VAMVAKIDIS**

*Barrister & Solicitor*

Suite 600

3700 Steeles Avenue West

Vaughan, Ontario

L4L 3P2

Tel: (905) 856-3700

Fax: (905) 856-1213

Solicitor for the Creditor

Canadian Heritage Tobacco Ltd.

**TO: DODICK LANDAU INC.**

*Trustee in the Bankruptcy of Canada Tobacco & Global Inc.*

4646 Dufferin St., Suite 6

Toronto, Ontario

M3H 5S4

**Rahn Dodick**

IN THE MATTER OF THE BANKRUPTCY OF  
**CANADA TOBACCO & GLOBAL INC.**  
A CORPORATION INCORPORATED PURSUANT TO THE LAWS OF ONTARIO  
WITH ITS HEAD OFFICE IN THE CITY OF HAMILTON, IN THE PROVINCE OF ONTARIO

BANKRUPTCY COURT IN TORONTO

**NOTICE OF MOTION  
APPEAL OF TRUSTEES  
DISALLOWANCE OF CLAIM**

**JOHN VAMVAKIDIS**  
*Barrister & Solicitor*  
Suite 600, 3700 Steeles Avenue West  
Vaughan, Ontario  
L4L 8K8

LSUC No. 35702Y  
Solicitor for the Creditor  
Canadian Heritage Tobacco Ltd.

Tel: (905) 856-3700  
Fax: (905) 856-1213

# APPENDIX "N"

email string  
between  
CITL &  
Benechrit

# APPENDIX "O"

Notes to  
have CMTL  
claim  
dismissed.

# APPENDIX "P"

Special  
Appointment  
request

# APPENDIX "Q"

small  
of the  
between  
CIR d  
a. 2002

# APPENDIX “R”

**DODICK  
LANDAU**

Stephanie Toye <stephanie@dodick.ca>

---

**CCSRA Documents & Furniture**

---

**James Kang** <owwb@hotmail.com>  
To: "stephanie@dodick.ca" <stephanie@dodick.ca>

Mon, Sep 8, 2014 at 10:30 PM

Hi Stephanie,

I would like to request CCSRA & OKBA's documents and some furnitures, such as the dining table and 6 chairs, an orange sofa, steel desk and two file boxes delivered to the Niagara Falls Office.

Or as an alternative, I could pick them up this week at the company's expense (I have inquired about a truck rental and it costs approximately \$300).

Please let me know which method and date you prefer.

Thank you.

James



# APPENDIX “S”

District of: Ontario  
Division No: 07 - Hamilton  
Court No: 31-OR-207816-T  
Estate No: 32-158744

FORM 31  
Proof of Claim

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

In the matter of the bankruptcy of  
Canada Tobacco & Global Inc.  
of the city of Hamilton, in the Province of Ontario

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

7759 Southwood Dr. Niagara Falls, ON L2H 2X1

In the matter of the bankruptcy of Canada Tobacco & Global Inc. of the city of Hamilton in the Province of Ontario and the claim of  
Cheol-Jeong Kang, creditor.

I, Cheol-Jeong Kang (name of creditor or representative of the creditor), of the city of Niagara Falls in the  
province of Ontario, do hereby certify:

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

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

3. That the debtor was, at the date of bankruptcy, namely the 18th day of August 2014, and still is, indebted to the creditor in the sum of  
\$ 30,000.00 as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any  
counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in  
support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ \_\_\_\_\_

(other than as a customer contemplated by Section 292 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and

(Check appropriate description.)

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

Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority.

(Set out on an attached sheet details to support priority claim.)

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

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

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

C. SECURED CLAIM OF \$ \_\_\_\_\_

That in respect of this debt, I hold assets of the debtor valued at \$ \_\_\_\_\_ as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security,  
and attach a copy of the security documents.)

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

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_

(Attach a copy of sales agreement and delivery receipts.)

- E. CLAIM BY WAGE EARNER OF \$ 30,000.00 (Director of Shareholders Meeting on May 26, 2012)
- That I hereby make a claim under subsection 81.3(3) of the Act in the amount of \$ \_\_\_\_\_
- That I hereby make a claim under subsection 81.4(B) of the Act in the amount of \$ \_\_\_\_\_

- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ \_\_\_\_\_
- That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ \_\_\_\_\_
- That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ \_\_\_\_\_

G. CLAIM AGAINST DIRECTOR \$ \_\_\_\_\_  
 (To be completed when a proposal provides for the compromise of claims against directors.)  
 That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:  
 (Give full particulars of the claim, including the calculations upon which the claim is based.)

H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ \_\_\_\_\_  
 That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:  
 (Give full particulars of the claim, including the calculations upon which the claim is based.)

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

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

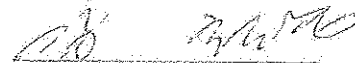
7. (Applicable only in the case of the bankruptcy of an individual.)

Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.

I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at Niagara Falls this 8th day of October 2012

  
 \_\_\_\_\_  
 Witness



Creditor  
 Phone Number: 416-889-3537  
 Fax Number: \_\_\_\_\_  
 E-mail Address: owwub@hotmail.com

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.  
 WARRANTIES: A trustee filing, pursuant to subsection 120(3) of the Act, a notice of payment to the secured creditor of the debtor is not a proof of security, by the secured creditor.  
 Subsection 20(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

# APPENDIX “T”

Dodick Landau Inc.  
4646 Dufferin St., Suite 6  
Toronto ON M3H 5S4  
Phone: (416) 736-4357 Fax: (416) 649-7725  
E-mail: stephanie@dodick.ca

District of: Ontario  
Division No. 07 - Hamilton  
Court No. 31-OR-207816-T  
Estate No. 32-158744

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

In the matter of the bankruptcy of  
Canada Tobacco & Global Inc.  
of the city of Hamilton, in the Province of Ontario

All notices or correspondence regarding this claim must be forwarded to the following address:  
7759 Southwood Dr. Niagara Falls, ON. L2H 2X1

In the matter of the bankruptcy of Canada Tobacco & Global Inc. of the city of Hamilton in the Province of Ontario and the claim of  
Cheol-Joong Kang, creditor.  
I, Cheol-Joong Kang (name of creditor or representative of the creditor), of the city of Niagara Falls in the  
province of Ontario, do hereby certify:

1. That I am a creditor of the above named debtor (or I am \_\_\_\_\_ (position/title) of \_\_\_\_\_ creditor).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of bankruptcy, namely the 19th day of August 2014, and still is, indebted to the creditor in the sum of \$ 4,629.95 as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)  
 A. UNSECURED CLAIM OF \$ 4,629.95  
(other than as a customer contemplated by Section 262 of the Act)

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

- Regarding the amount of \$ 4,629.95, I claim a right to a priority under section 136 of the Act. (Auto Finance)  
 Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority. (Oct. '13 ~ Feb. '15 (17 months x \$ 217.35))  
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ \_\_\_\_\_  
That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:  
(Give full particulars of the claim, including the calculations upon which the claim is based.)

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

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ \_\_\_\_\_  
That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_  
(Attach a copy of sales agreement and delivery receipts.)

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

*(To be completed when a proposal provides for the compromise of claims against directors.)*  
 That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:  
*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

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

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:  
*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

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

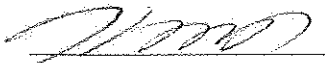
6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor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

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

Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.

I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at Niagara Falls, this 19<sup>th</sup> day of February, 2015

  
 \_\_\_\_\_  
 Witness

  
Cheal-Jooy Kang  
 Creditor

Phone Number: 416-887-3537  
 Fax Number: \_\_\_\_\_  
 E-mail Address: owwb@hotmail.com

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

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

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

# APPENDIX “U”

Cheol-Joong (James) Kang  
7759 Southwood Dr. Niagara Falls, ON. L2H 2X1  
Tel: 416-889-3537, Email: owwb@hotmail.com

September 29, 2015

Mr. Rahn Dodick, CPA, CIRP  
Dodick Landau  
4646 Dufferin St. Suite 6  
Toronto, ON. M3H 5S4  
Tel: 416-645-0552

Dear Mr. Rahn Dodick

**RE: Canada Tobacco & Global Inc.**

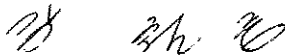
I am writing you to inquire about the bankruptcy process.

I am curious as to whether or not two more inspectors were appointed after the first creditors' meeting on September 2014. At the first meeting, you informed the creditors that two more inspectors would be appointed in the next creditors' meeting provided that only Mr. You and his family couldn't work in progress of the bankruptcy. I have not heard anything from you since, regarding the creditors' meeting.

As one of the creditors, I would like to request the current status of the business, all the creditors' claim and all inspectors' contact information.

Please provide me the above information by October 7, 2015.

Regards,



James Kang



# DODICK LANDAU

November 4, 2015

Cheol-Joong (James) Kang  
7759 Southwood Dr.  
Niagara Falls, ON L2H 2X1

Attention: Mr. Cheol-Joong (James) Kang

Re: Canada Tobacco & Global Inc.

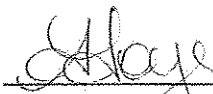
Dear: Mr. Kang,

We are in receipt of your letter dated September 29<sup>th</sup>, 2015. At a meeting of creditors, the creditors may appoint up to 5 inspectors but are not required to do so. Inspectors may only be appointed at a meeting of creditors. At the first meeting of creditors, held on September 8, 2014, the Chair informed the meeting that up to five inspectors "could" be appointed not "will" be appointed. You have misunderstood the Chair. Please be advised that unless requested by the court, by a majority of inspectors, or by 25% of the creditors holding 25% in value of the proved claims, the Trustee is not required to call additional meetings of creditors.

In addition, please note that as your proofs of claim have been disallowed and are pending court review, you do not qualify as a creditor pursuant to s. 26(3) of the *Bankruptcy and Insolvency Act*. The Trustee does not normally provide creditors with access to the estate records. Please also note that we will not provide to you the personal contact information of the inspectors.

Yours very truly,

**Dodick Landau Inc.,**  
Acting as Trustee in Bankruptcy of Canada Tobacco & Global Inc.  
and not in its personal or corporate capacity.



---

Per: Stephanie Toye, Estate Administrator  
416-645-0542

# APPENDIX “V”

"Revised"

Dodick Landau Inc.  
4646 Dufferin St., Suite 6  
Toronto ON M3H 5S4  
Phone: (416) 736-4357 Fax: (416) 649-7725  
E-mail: stephanie@dodick.ca

District of: Ontario  
Division No. 07 - Hamilton  
Court No. 31-OR-207816-T  
Estate No. 32-158744

FORM 31  
Proof of Claim  
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(6), 81.4(6), 102(2), 124(2), 128(1),  
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

In the matter of the bankruptcy of  
Canada Tobacco & Global Inc.  
of the city of Hamilton, in the Province of Ontario

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

7759 Southwood Dr. Niagara Falls, ON. L2H 2X1

In the matter of the bankruptcy of Canada Tobacco & Global Inc. of the city of Hamilton in the Province of Ontario and the claim of  
Cheol-Joong Kang, creditor,  
I, Cheol-Joong Kang (name of creditor or representative of the creditor), of the city of Niagara Falls in the  
province of Ontario, do hereby certify:

1. That I am a creditor of the above named debtor (or I am \_\_\_\_\_ (position/title) of \_\_\_\_\_ creditor).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of bankruptcy, namely the 19th day of August 2014, and still is, indebted to the creditor in the sum of \$ 30,642.03 as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)
- A. UNSECURED CLAIM OF \$ 30,642.03  
(other than as a customer contemplated by Section 262 of the Act)  
That in respect of this debt, I do not hold any assets of the debtor as security and  
(Check appropriate description.)
  - Regarding the amount of \$ 22,000.00 I claim a right to a priority under section 136 of the Act. (Loan)
  - Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority.  
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ \_\_\_\_\_  
That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:  
(Give full particulars of the claim, including the calculations upon which the claim is based.)

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

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ \_\_\_\_\_  
That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_  
(Attach a copy of sales agreement and delivery receipts.)

E. CLAIM BY WAGE EARNER OF \$ 8,642.13 (Schedule 'A')

That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ \_\_\_\_\_.

That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ \_\_\_\_\_.

F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ \_\_\_\_\_

That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ \_\_\_\_\_.

That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ \_\_\_\_\_.

G. CLAIM AGAINST DIRECTOR \$ \_\_\_\_\_

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

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

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

H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ \_\_\_\_\_

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

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

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

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

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

Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.

I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at Niagara Falls, this 2nd day of October, 2015

[Signature]  
Witness

[Signature]  
Cheryl Joang Kang  
Creditor

Phone Number: 416-889-3537

Fax Number :

E-mail Address : owwb@hotmail.com

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

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

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

**CT&G** Canada Tobacco & Global Inc.  
Suite 101 - 1040 South Service Rd. Stony Creek, ON, L8E 6G3

**Canada Trust**  
DUFFERIN AND APEX C.B.C.  
3140 DUFFERIN ST. AT APEX RD.  
TORONTO, ONTARIO M6A 2T1

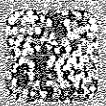
00530

DATE 1 0 0 1 2 0 1 4  
D D M M Y Y Y Y

**PAY** \*\*\*\*\*One Thousand Eight Hundred Forty-Five and 19/100

\$ \*\* 1,845.19

To the order of  
Kang, Cheol Joong  
7769 Southwood Dr.  
Niagara Falls, ON L2H 2X1



PER *[Signature]*

MEMO 2013-462, Payroll from Dec 30- Jan 10, 2014

⑈000530⑈ ⑆19932⑈004⑆ 0654⑈5257279⑈

Kang, Cheol Joong

10/01/2014

00530

Payroll from Dec 30 - Jan 10, 2014

- CAD 2,430.77
- CAD -113.66
- CAD -45.70
- CAD -426.22
- CAD 113.66
- CAD -113.66
- CAD 63.98
- CAD -63.98
- CAD 97.23
- CAD -97.23

TD Bank 2013-462, Payroll from Dec 30- Jan 10, 2014

CAD 1,845.19

- Payroll from Jan 13, 2014 ~ Jan. 17, 2014 : \$922.59
- Auto Gas : \$350.00

Total : \$8,642.13

**CT&G** Canada Tobacco & Global Inc.  
Suite 101 - 1040 South Service Rd. Stony Creek, ON L8E 8G3

**Canada Trust**  
DUFFERIN AND APEX C.B.C.  
8140 DUFFERIN ST. AT APEX RD.  
TORONTO, ONTARIO M6A 2T1

00524

DATE 27 12 2013  
D D M M Y Y Y Y

**PAY** \*\*\*\*\*One Thousand Eight Hundred Forty-One and 45/100

\$ \*\*1,841.45

To the order of

Kang, Cheol Joong  
7759 Southwood Dr.  
Niagara Falls, ON L2H 2X1



PER

*Handwritten initials*

*Handwritten initials*

MEMO 2013-347, Payroll from Dec 16- Dec 27, 2013

⑈000524⑈ ⑆19932⑈004⑆ 0654⑈5257279⑈

Kang, Cheol Joong

27/12/2013

00524

Payroll from Dec 16- Dec 27, 2013

- CAD 2,430.77
- CAD -113.66
- CAD -45.70
- CAD -429.96
- CAD 113.66
- CAD -113.66
- CAD 63.98
- CAD -63.98
- CAD 97.23
- CAD -97.23

TD Bank

2013-347, Payroll from Dec 16- Dec 27, 2013

CAD 1,841.45



**Canada Tobacco & Global Inc.**  
 Suite 101 - 1040 South Service Rd., Stoney Creek, ON L8E 6G3

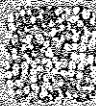
**Canada Trust**  
 DUFFERIN AND APEX C.B.C.  
 3130 DUFFERIN ST. AT APEX RD.  
 TORONTO, ONTARIO M6A 2T1

00517

DATE 13 12 20 13  
 D D M M Y Y Y Y

**PAY** \*\*\*\*\*One Thousand Eight Hundred Forty-One and 45/100 \$ \*\*1,841.45

To the order of **Kang, Cheol Joong**  
 7769 Southwood Dr.  
 Niagara Falls, ON L2H 2X1



*Handwritten signatures*

**MEMO** 2013-451, Payroll from Dec 02- Dec 13, 2013

PER

⑈000517⑈ ⑆19932⑈004⑆ 0654⑈5257279⑈

Kang, Cheol Joong

13/12/2013

00517

Payroll from Dec 02- Dec 13, 2013

CAD 2,430.77  
 CAD -113.66  
 CAD -45.70  
 CAD -429.96  
 CAD 113.66  
 CAD -113.66  
 CAD 63.98  
 CAD -63.98  
 CAD 97.23  
 CAD -97.23

TD Bank

2013-451, Payroll from Dec 02- Dec 13, 2013

CAD 1,841.45



"Schedule 'A'"

**CT&G** Canada Tobacco & Global Inc.  
Suite 101 - 1040 South Service Rd. Stoney Creek, ON L8E 0G3

**Canada Trust**  
DUFFERIN AND APEX C.B.C.  
3140 DUFFERIN ST. AT APEX RD.  
TORONTO, ONTARIO M6A 2T1

00496

DATE *11* 11 20 13  
D D M M Y Y Y Y

PAY \*\*\*\*\*One Thousand Eight Hundred Forty-One and 45/100 \$ \*\* 1,841.45

To the order of Kang, Cheol Joong  
7759 Southwood Dr.  
Niagara Falls, ON L2H 2X1



*AS* *MM* *NO*

MEMO 2013-436, Payroll from Nov 18- Nov 29, 2013

PER

⑈000496⑈ ⑆19932⑈004⑆ 0654⑈5257279⑈

Kang, Cheol Joong

14/11/2013

00496

Payroll from Nov 18- Nov 29, 2013

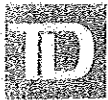
CAD 2,430.77  
CAD -113.66  
CAD -45.70  
CAD -429.96  
CAD 113.66  
CAD -113.66  
CAD 63.98  
CAD -63.98  
CAD 97.23  
CAD -97.23

TD Bank

2013-436, Payroll from Nov 18- Nov 29, 2013

CAD 1,841.45





DUFFERIN & APEX COMMERCIAL BKG CTR  
 3140 DUFFERIN ST  
 TORONTO, ON M6A 2T1

TD Canada Trust

Tel: 1-866-222-3456  
 TTY: 1-800-361-1180

TDCDA11100\_3968988\_007 E D 01993 17712

CANADA TOBACCO & GLOBAL INC.  
 1040 SOUTH SERVICE RD SUITE 101  
 STONEY CREEK ON L8E 6G3

*Feb/14*

Statement of Account	
Branch No.	Account No.
1993	0654-5257279

Account Type
BUSINESS CHEQUING ACCOUNT - CAD UNLIMITED

Statement From - To
JAN 31/14 - FEB 28/14
Page 1 of 1

DESCRIPTION	CHEQUE/DEBIT	DEPOSIT/CREDIT	DATE	BALANCE									
BALANCE FORWARD			JAN31	1,584.41									
MANUFACT LOGIST MSP		13.59	FEB03	1,598.00									
WAWANESA INS INS	173.92		FEB04										
RTN FUNDS HELD		173.92	FEB04										
CHQ#00502-0200602711	1,375.00		FEB04										
CHQ#00528-0500217588	350.00		FEB04										
RTN#00528 FUNDS HELD		350.00	FEB04										
RTN#00502 FUNDS HELD		1,375.00	FEB04	1,598.00									
NSF RETURN FEE	45.00		FEB05										
NSF RETURN FEE	45.00		FEB05										
NSF RETURN FEE	45.00		FEB05	1,463.00									
WAWANESA INS INS	173.92		FEB10										
RTN FUNDS HELD		173.92	FEB10	1,463.00									
NSF RETURN FEE	45.00		FEB11	1,418.00									
SECOM BPY	212.00		FEB20										
RTN FUNDS HELD		212.00	FEB20	1,418.00									
NSF RETURN FEE	45.00		FEB21	1,373.00									
MONTHLY PLAN FEE	125.00		FEB28	1,248.00									
0 CHQS ENCLOSED NEXT STATEMENT DATE IS MAR 31/14 MONTHLY AVER. CR. BAL. \$1,435.06 MONTHLY MIN. BAL. \$1,248.00 DEP CONTENT- CASH 0 ITEMS 0 UNC BATCH 0				<table border="1"> <thead> <tr> <th></th> <th>No.</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Credits</td> <td>6</td> <td>2,298.43</td> </tr> <tr> <td>Debits</td> <td>11</td> <td>2,634.84</td> </tr> </tbody> </table>		No.	Amount	Credits	6	2,298.43	Debits	11	2,634.84
	No.	Amount											
Credits	6	2,298.43											
Debits	11	2,634.84											

*Auto Gas*

Please ensure that you report in writing any errors or irregularities found within this statement within 30 days of the statement date. If you do not, the statement of account shall be conclusively deemed correct except for any amount credited to the account in error.

Accounts issued by THE TORONTO-DOMINION BANK

"New"

Dodick Landau Inc.  
4646 Dufferin St., Suite 6  
Toronto ON M3H 5S4  
Phone: (416) 736-4357 Fax: (416) 649-7725  
E-mail: stephanie@dodick.ca

District of: Ontario  
Division No. 07 - Hamilton  
Court No. 31-OR-207816-T  
Estate No. 32-158744

FORM 31  
Proof of Claim

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

In the matter of the bankruptcy of  
Canada Tobacco & Global Inc.  
of the city of Hamilton, in the Province of Ontario

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

7759 Southwood Dr. Niagara Falls, ON. L2H 2X1

In the matter of the bankruptcy of Canada Tobacco & Global Inc. of the city of Hamilton in the Province of Ontario and the claim of  
Cheol-Joong Kang creditor  
I, Cheol-Joong Kang (name of creditor or representative of the creditor), of the city of Niagara Falls in the  
province of Ontario, do hereby certify:

1. That I am a creditor of the above named debtor (or I am \_\_\_\_\_ (position/title) of \_\_\_\_\_ creditor).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of bankruptcy, namely the 19th day of August 2014, and still is, indebted to the creditor in the sum of \$ 11,132.47, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ 11,132.47  
(other than as a customer contemplated by Section 262 of the Act)

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

- Regarding the amount of \$ 1,906.52, I claim a right to a priority under section 136 of the Act. (Auto Finance)
- Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority. (Mar. '15 ~ Sept. '15  
(Set out on an attached sheet details to support priority claim.) (7 months x \$272.36)

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

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

C. SECURED CLAIM OF \$ \_\_\_\_\_

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

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

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

June 3, 2014 ~ August 19, 2014  
(3 x \$1,845.95 = \$9,225.95)

- E. CLAIM BY WAGE EARNER OF \$ 9,225.95
- That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ \_\_\_\_\_
- That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ \_\_\_\_\_
- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ \_\_\_\_\_
- That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ \_\_\_\_\_
- That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ \_\_\_\_\_
- G. CLAIM AGAINST DIRECTOR \$ \_\_\_\_\_

*(To be completed when a proposal provides for the compromise of claims against directors.)*  
 That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:  
*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

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

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:  
*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

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

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

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

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

Dated at Niagara Falls, this 2<sup>nd</sup> day of October, 2015.

[Signature]  
Witness

[Signature]  
Cheat-Jeong Kang  
Creditor  
Phone Number: 416-889-3537  
Fax Number : \_\_\_\_\_  
E-mail Address : awwb@hotmail.com

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

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.  
 Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

# APPENDIX “W”

Cheol-Joong (James) Kang  
7759 Southwood Dr. Niagara Falls, ON. L2H 2X1  
Tel: 416-889-3537, Email: owwb@hotmail.com

October 4, 2015

Mr. Rahn Dodick, CPA, CIRP  
Dodick Landau  
4646 Dufferin St. Suite 6  
Toronto, ON. M3H 5S4  
Tel: 416-645-0552

Dear Mr. Rahn Dodick

**RE: In the Matter of the Bankruptcy of Canada Tobacco & Global Inc.**  
**Request for Documents, Personal Belongings and Some Furniture**

I am writing you to request for the documents and some furniture, as follows;

1. A copy of the loan agreement or relating documents for an amount of \$20,000 between the company and myself, provided that you possess all of the company's records, computers and even my personal documents.
2. My personal belongings held by you and Mr. Myung Su You without my permission.
3. CCSRA & OKBA's documents possessed by you and Mr. Myung Su You, without my permission.
4. Some furniture, such as the dining table with 6 chairs, an orange sofa, steel desk and two file boxes, which are not the company's asset. You and Mr. You are holding them without my permission.

Please provide me the documents above and deliver the furniture to the my home by October 7, 2015.

Regards,



James Kang

# DODICK LANDAU

November 4, 2015

Cheol-Joong (James) Kang  
7759 Southwood Dr.  
Niagara Falls, ON L2H 2X1

Attention: Mr. Cheol-Joong (James) Kang

Re: Canada Tobacco & Global Inc.

Dear: Mr. Kang,

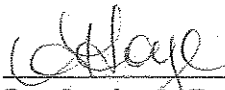
We are in receipt of your letter dated October 4th, 2015. The responses to your requests are as follows:

1. We cannot locate the loan agreement you are claiming exists to support your claim. Given that you entered into the agreement personally, we would expect that you have retained a copy of the loan agreement for your records which you can submit as support to your claim.
2. Please provide a list of the personal belongings you are claiming are in the possession of the Trustee and proof that you are the owner of these items.
3. Please provide a list of documents you claim belong to CCSRA and OKBA and are in the possession of the Trustee.
4. Any furniture and file boxes which the Trustee had taken possession of from the landlord, Losani Homes, including items you now claim personally, were abandoned by yourself to the landlord when you vacated the premises. If the Trustee has in fact taken possession of items belonging to you, than before the Trustee is able to release any items to you, it requires a description of the assets and proof that you are the owner.

We look forward to your response.

Yours very truly,

**Dodick Landau Inc.,**  
Acting as Trustee in Bankruptcy of Canada Tobacco & Global Inc.  
and not in its personal or corporate capacity.



Per: Stephanie Toye, Estate Administrator  
416-645-0542

# APPENDIX “X”

AMENDED

District of: Ontario  
Division No. 07 - Hamilton  
Court No. 31-OR-207816-T  
Estate No. 32-158744

FORM 31  
Proof of Claim

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

In the matter of the bankruptcy of  
Canada Tobacco & Global Inc.  
of the city of Hamilton, in the Province of Ontario

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

7759 Southwood Dr. Niagara Falls, ON. L2H 2X1

In the matter of the bankruptcy of Canada Tobacco & Global Inc. of the city of Hamilton in the Province of Ontario and the claim of  
Cheol-Joong Kang, creditor.  
I, Cheol-Joong Kang (name of creditor or representative of the creditor), of the city of Niagara Falls in the  
province of Ontario, do hereby certify:

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

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

3. That the debtor was, at the date of bankruptcy, namely the 19th day of August 2014, and still is, indebted to the creditor in the sum of  
\$ 160,722.00, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any  
counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in  
support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ 20,760.77

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

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

Regarding the amount of \$ 6,808.75, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority.

(Set out on an attached sheet details to support priority claim.)

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

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

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

C. SECURED CLAIM OF \$ \_\_\_\_\_

That in respect of this debt, I hold assets of the debtor valued at \$ \_\_\_\_\_ as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security,  
and attach a copy of the security documents.)

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

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_

(Attach a copy of sales agreement and delivery receipts.)



- E. CLAIM BY WAGE EARNER OF \$ 133,153.16
- That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ \_\_\_\_\_.
- That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ \_\_\_\_\_.
- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ \_\_\_\_\_
- That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ \_\_\_\_\_.
- That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ \_\_\_\_\_.
- G. CLAIM AGAINST DIRECTOR \$ \_\_\_\_\_

*(To be completed when a proposal provides for the compromise of claims against directors.)*  
 That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:  
*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

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

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:  
*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

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

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

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

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

Dated at Niagara Falls, this 18<sup>th</sup> day of November, 2015.

[Signature]  
 Witness

[Signature]  
Ched-Jung Kang  
 Creditor  
 Phone Number: 416-889-3537  
 Fax Number: \_\_\_\_\_  
 E-mail Address: owub@hotmail.com

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.  
 WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a pool of security, by the secured creditor.  
 Subsection 29(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

\* Attached Schedule "A"

## Schedule A

### 1. Wage & Auto Gas

Period	Amount	Remarks
April 2011 ~ December 31, 2011	\$30,000.00	Decision approved by all shareholders in Shareholders Meeting held on May 26, 2012 (Attached #1)
January 1 ~ December 31, 2012 Bonus (5%)	\$80,000.00 \$4,000.00	Decision approved by all shareholders in Shareholders Meeting held on May 26, 2013 (Attached #2)
November 29, 2013 ~ January 10, 2014	\$7,381.96	- \$1,845.19 x 4 cqs = \$7,381.96 #3 & #4 - \$1,845.19/2 = \$922.60 (Unpaid Wage) - \$922.60 x 11 = \$10,148.60 (Unpaid Wage, #5) - Returned because of Bank Account Freezing (#6 & #7) - Unpaid Auto Gas
January 11 ~ January 17, 2014 (1 week)	\$922.60	
June 3 ~ August 19, 2014 (11 weeks) Auto Gas(CQ#528)	\$10,148.60 \$350.00	
Auto Gas(Jan. 11 ~ Jan. 17, 1 week)	\$350.00	
<b>Total</b>	<b>\$133,153.16</b>	

### 2. Auto Finance

Period	Wage Amount	Remarks
November 14, 2013 ~ November 13, 2015 (24 months)	\$6,808.75	\$272.35 x 24 months = \$6,808.75 (Attached #8)
<b>Total</b>	<b>\$6,808.75</b>	

### 3. Loan & Interest

Date/Period	Loan	Interest	Amount	Remarks
Jan. 06, 2014	\$17,200		\$17,200.00	(Attached #9)
Nov. 8, 2013 ~ Nov. 28, 2014(20 days)	(\$15,000)	\$82.19	\$82.19	10% Interest (Attached #10)
Nov. 29, 2013 ~ Jan. 05, 2014(38 days)	(\$20,000)	\$208.22	\$208.22	
Jan. 06, 2014 ~ Nov. 19, 2015(694 days)	(\$17,200)	\$3,270.36	\$3,270.36	
<b>Total</b>			<b>\$20,760.77</b>	

- Attached ;
  - #1: Minute of The Shareholders Meeting on May 26, 2012
  - #2: Payroll Plan
  - #3: Wage Payment Transaction
  - #4: Wage Cqs(#496, #517, #524 & #530)
  - #5: Business Summary(June 3 ~ June 28, 2014, Korean Version)
  - #6: Auto Finance Payment Transaction
  - #7: TD Bank Statement(Jan.31,2014 ~ Feb. 28, 2014)
  - #8: Auto Finance Payment Transaction
  - #9: Shareholder's Loan Transaction
  - #10: Loan Interest Payment Transaction
  - #11: Storage Agreement

## 총회회의록

- 일 시 : 2012년 5월 26일 오후 1시
- 장 소 : Hamilton 사무실
- 참 석 자 : 전주주
- 안 건 :
  1. Unanimous Shareholder Agreement, By-Law 1 & 2 승인
  2. 김동균회계사를 회사 회계사로 선임
  3. 강철중대표에게 지난 업무에 대한 보상으로 임금 \$30,000.00 지급 결정

# ]

## CT & G Inc

### Payroll Plan

(A)

PERIOD	2012-2013	Payroll Budget
President	\$80,000	
GM	\$60,000	
Manager	\$45,000	
A.Manager	\$40,000	
Associate	\$33,000	
Total	\$258,000	
Bonus( 5%)	\$12,900	
G.Total	\$270,900	
Remark	\$125,100	\$396,000

- \* Surplus Amount Usage : Cell phone( president, general manager only)  
Insurance will be discussed in 2nd quarter.
- \* In case of 2 associates, still within the budget.
- \* President expense limit : \$ 20,000/year subject to approval by BOD
- \* G M expense limit ; \$ 10,000/year subject to approval by CEO.

# 2

*Salaries*

### Canada Tobacco & Global Inc. Transactions by Account

All Transactions

Type	Date	Num	Name	Memo	Class	Cir	Split	Amount	Balance
Cheque	01/10/2013	36	Kang, Cheol Joong	Payroll from J...			TD Bank	1,000.00	1,000.00
Cheque	01/24/2013	42	Kang, Cheol Joong	Payroll from J...			TD Bank	1,000.00	2,000.00
Cheque	02/07/2013	53	Kang, Cheol Joong	Payroll from J...			TD Bank	1,000.00	3,000.00
Cheque	02/22/2013	62	Kang, Cheol Joong	Payroll from F...			TD Bank	1,000.00	4,000.00
Cheque	03/08/2013	76	Kang, Cheol Joong	Payroll from F...			TD Bank	2,430.77	6,430.77
Cheque	03/22/2013	89	Kang, Cheol Joong	Payroll from ...			TD Bank	2,430.77	8,861.54
Cheque	04/05/2013	106	Kang, Cheol Joong	Payroll from ...			TD Bank	2,430.77	11,292.31
Cheque	04/19/2013	127	Kang, Cheol Joong	Payroll from A...			TD Bank	2,430.77	13,723.08
Cheque	05/03/2013	144	Kang, Cheol Joong	Payroll from A...			TD Bank	2,430.77	16,153.85
Cheque	05/17/2013	178	Kang, Cheol Joong	Payroll from ...			TD Bank	2,430.77	18,584.62
Cheque	05/31/2013	193	Kang, Cheol Joong	Payroll from ...			TD Bank	2,430.77	21,015.39
Cheque	06/14/2013	246	Kang, Cheol Joong	Payroll from J...			TD Bank	2,430.77	23,446.16
Cheque	06/28/2013	265	Kang, Cheol Joong	Payroll from J...			TD Bank	2,430.77	25,876.93
Cheque	07/12/2013	282	Kang, Cheol Joong	Payroll from J...			TD Bank	2,430.77	28,307.70
Cheque	07/26/2013	303	Kang, Cheol Joong	Payroll from J...			TD Bank	2,430.77	30,738.47
Cheque	08/09/2013	329	Kang, Cheol Joong	Payroll from J...			TD Bank	2,430.77	33,169.24
Cheque	08/23/2013	352	Kang, Cheol Joong	Payroll from A...			TD Bank	2,430.77	35,600.01
Cheque	09/06/2013	377	Kang, Cheol Joong	Payroll from A...			TD Bank	2,430.77	38,030.78
Cheque	09/20/2013	397	Kang, Cheol Joong	Payroll from S...			TD Bank	2,430.77	40,461.55
Cheque	10/04/2013	423	Kang, Cheol Joong	Payroll from S...			TD Bank	2,430.77	42,892.32
Cheque	10/18/2013	440	Kang, Cheol Joong	Oct 07 - Oct 1...			TD Bank	2,430.77	45,323.09
Cheque	11/01/2013	466	Kang, Cheol Joong	Payroll from ...			TD Bank	2,430.77	47,753.86
Cheque	11/15/2013	483	Kang, Cheol Joong	Payroll from N...			TD Bank	2,430.77	50,184.63
Cheque	11/29/2013	496	Kang, Cheol Joong	Payroll from N...			TD Bank	2,430.77	52,615.40
Cheque	12/13/2013	517	Kang, Cheol Joong	Payroll from D...			TD Bank	2,430.77	55,046.17
Cheque	12/27/2013	524	Kang, Cheol Joong	Payroll from D...			TD Bank	2,430.77	57,476.94
Cheque	01/10/2014	530	Kang, Cheol Joong	Payroll from D...			TD Bank	2,430.77	59,907.71
Total Kang, Cheol Joong								59,907.71	59,907.71
TOTAL								59,907.71	59,907.71

#3

" schedule 'A' "



Canada Tobacco & Global Inc.  
Suite 101 - 1040 South Service Rd. Stoney Creek, ON L8E 6G3

Canada Trust  
DUFFERIN AND APEX C.B.C.  
3140 DUFFERIN ST. AT APEX RD.  
TORONTO, ONTARIO M6A 2T1

00496



DATE <sup>37</sup> 11 2013  
D D M M Y Y Y Y

PAY \*\*\*\*\*One Thousand Eight Hundred Forty-One and 45/100 \$ \*\*1,841.45

To the order of Kang, Cheol Joong  
7759 Southwood Dr  
Niagara Falls, ON L2H 2X1

MEMO 2013-436, Payroll from Nov 18- Nov 29, 2013

PER *AB* *W* *D*

⑈000496⑈ ⑆19932⑈004⑆ 0654⑈5257279⑈

Kang, Cheol Joong

14/11/2013

00496

Payroll from Nov 18- Nov 29, 2013

- CAD 2,430.77
- CAD -113.66
- CAD -45.70
- CAD -429.96
- CAD 113.66
- CAD -113.66
- CAD 63.98
- CAD -63.98
- CAD 97.23
- CAD -97.23

TD Bank

2013-436, Payroll from Nov 18- Nov 29, 2013

CAD 1,841.45

#4



**Canada Tobacco & Global Inc.**  
 Suite 101 - 1040 South Service Rd. Stoney Creek, ON L8E 6G3

**Canada Trust**  
 DUFFERIN AND APEX C.B.C.  
 3140 DUFFERIN ST. AT APEX RD.  
 TORONTO, ONTARIO M6A 2T1

00517

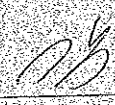



DATE: 13 12 20 13  
 D D M M Y Y Y Y

PAY \*\*\*\*\*One Thousand Eight Hundred Forty-One and 45/100

\$ \*\*1,841.45

To the order of Kang, Cheol Joong  
 7759 Southwood Dr  
 Niagara Falls, ON L2H 2X1

PER  

MEMO 2013-451, Payroll from Dec 02- Dec 13, 2013

⑈000517⑈ ⑆19932⑈004⑆ 0654⑈5257279⑈

Kang, Cheol Joong

13/12/2013

00517

Payroll from Dec 02- Dec 13, 2013

CAD 2,430.77  
 CAD -113.66  
 CAD -45.70  
 CAD -429.96  
 CAD 113.66  
 CAD -113.66  
 CAD 63.98  
 CAD -63.98  
 CAD 97.23  
 CAD -97.23

TD Bank

2013-451, Payroll from Dec 02- Dec 13, 2013

CAD 1,841.45



**Canada Tobacco & Global Inc.**  
 Suite 101 - 1040 South Service Rd. Stoney Creek, ON L8E 6G3

**Canada Trust**  
 DUFFERIN AND APEX C.B.C.  
 3140 DUFFERIN ST. AT APEX RD.  
 TORONTO, ONTARIO M5A 2T1

00524



DATE 27 12 20 13  
 D D M M Y Y Y Y

PAY \*\*\*\*\*One Thousand Eight Hundred Forty-One and 45/100 \$ \*\*1,841.45

To the order of Kang, Cheol Joong  
 7759 Southwood Dr.  
 Niagara Falls, ON L2H 2X1

MEMO 2013-347, Payroll from Dec 16- Dec 27, 2013

PER *[Signature]* *[Signature]*

⑈000524⑈ ⑆19932004⑆ 0654⑈5257279⑈

Kang, Cheol Joong

27/12/2013

00524

Payroll from Dec 16- Dec 27, 2013

CAD 2,430.77  
 CAD -113.66  
 CAD -45.70  
 CAD -429.96  
 CAD 113.66  
 CAD -113.66  
 CAD 63.98  
 CAD -63.98  
 CAD 97.23  
 CAD -97.23

TD Bank

2013-347, Payroll from Dec 16- Dec 27, 2013

CAD 1,841.45



Kang, Cheol Joong

10/01/2014

00528

Auto Gas from Dec 30- Jan 10, 2014

CAD 350.00

TD Bank

2013-460, Auto Gas

CAD 350.00



**Canada Tobacco & Global Inc.**  
 Suite 101 - 1040 South Service Rd. Stoney Creek, ON L8E 6G3

**Canada Trust**  
 DUFFERIN AND APEX C.B.C.  
 3140 DUFFERIN ST. AT APEX RD.,  
 TORONTO, ONTARIO M6A 2T1

00530



DATE 1 0 0 1 2 0 1 4  
 D D M M Y Y Y Y

PAY \*\*\*\*\*One Thousand Eight Hundred Forty-Five and 19/100 \$ \*\* 1,845.19

To the order of Kang, Cheol Joong  
 7759 Southwood Dr.  
 Niagara Falls, ON L2H 2X1

MEMO 2013-462, Payroll from Dec 30- Jan 10, 2014

PER *[Signature]* *[Signature]*

⑈000530⑈ ⑆19932⑈004⑆ 0654⑈5257279⑈

Kang, Cheol Joong

10/01/2014

00530

Payroll from Dec 30 - Jan 10, 2014

- CAD 2,430.77
- CAD -113.66
- CAD -45.70
- CAD -426.22
- CAD 113.66
- CAD -113.66
- CAD 63.98
- CAD -63.98
- CAD 97.23
- CAD -97.23

TD Bank 2013-462, Payroll from Dec 30- Jan 10, 2014

CAD 1,845.19

• Payroll from Jan 13, 2014 ~ Jan. 17, 2014 : \$922.59  
 • Auto Gas : \$350.<sup>00</sup>  
 -----  
 Total : \$8,642.13

## 비상대책위 업무보고

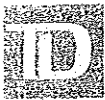
- 기간 : 2014년 6월 3일 ~ 6월 28일
- 일자별 업무 내용

일 자	내 용	비 고
6월 3일	임시주주총회 개최 - 이사 9명 전원 사퇴에 따른 회사 업무를 위한 비상대책위 원 3명 선출(이승휴, 이석훈, 강철중)	
“	Bastos 측에 담배 Return 및 Tax Refund 공문 발송	
“	비상대책위원과 Landlord 측 미팅 - 5, 6월 Rent 비 납부 요청(\$5,496.74) 및 미납시 담 배 Return 및 회사 물건 이전 불가 - 계약 기간 이전에 Termination 할 경우 3개월 렌트 비 납부 요구	
9일	Bastos 측에 담배 Return 재차 요청 및 CT&G와의 상호 비 지니스 협력 제안	- Bastos에서 생산되는 Smoking, Azur 담배를 CT&G에서 판매하는 방안 제안
“	Bastos 측에서 회신 - CT&G에서 정부에 Federal/ Provincial Tax 인상분 정리(납부) 하면 Return 업무 착수 - CT&G와 협력 관계를 위한 미팅 희망	- Federal Tax 인상에 대한 Inventory 미보고 ( 4월 30일 까지 보고 및 Tax 인상분 납부 기간)
“	Loblaws 측에 Credit 지불건 관련 메일 발송	
9일/19일	김동균 회계사에 업무 협조 요청	- 정부 Tax 및 회계 보고건
12일	비상대책위 모임(이승휴, 이석훈, 강철중) - CAPS 소송 진행건 취하기로 결정 (이창훈변호사에 통보) - TD Bank 결제권 변경 : TD Bank 측에서 거부	- TD Bank 측에서 결제권 변경을 위하여 지난 1월 소송 당사자 (이 승휴, 이용균)측 Hassel 변호사의 법정소송건 종료 확인 서류 요구
16일	Landlord 와 미팅 -- 이전 및 Sub-lease 건 논의	
17일	임시주주총회 개최 공고	- 회사 법인 정리건 상정
18일	이승휴대표에게 재임시 '수입 및 지출 확인 요청' 메일 발송	- 6월 21일까지 담배 Inventory 및 수입 금액 차이에 대한 자료 요 청
19일	당시 감사위원(김경진, 이해권, 윤재신)에게 '담배 Inventory 대한 감사 자료 요청' 메일 발송	- 6월 26일까지 자료 요청
23일	이승휴대표에게 담배 In-Out Inventory 및 회계(수입/지출) 자료 재요청/ 전임이사 & 감사들이 보관중인 모든 회사 자료 및 기록물 회사 제출 요청(6월 26일 까지)	- 6월 21일까지 아무런 회신이 없어 재요청함.
28일	- 임시주주총회 개최(성원 미달) - 비상대책위 회의에서 '주주채권단(이승휴, 유명수, 강철 중)에 회사 운영권 위임 결정 - 이석훈, 강철중 비상대책위원직 사임	- 이승휴, 김경진, 이해권, 윤재신 씨로 부터 어떠한 자료도 받지 못 함

*Auto Gas*

Canada Tobacco & Global Inc.  
Transactions by Account  
All Transactions

Type	Date	Num	Name	Memo	Class	Clr	Split	Amount	Balance
Kang, Cheol Joong									
Bill	12/31/2012						Accounts Paya...		
Cheque	01/29/2013	45	Kang, Cheol Joong	Auto Gas for ...			TD Bank	8,028.90	8,028.90
Cheque	02/22/2013	61	Kang, Cheol Joong	Auto Gas fro...			TD Bank	1,378.35	9,407.25
Cheque	03/08/2013	80	Kang, Cheol Joong	Auto Gas fro...			TD Bank	1,293.75	10,701.00
Cheque	03/22/2013	94	Kang, Cheol Joong	Auto Gas fro...			TD Bank	700.00	11,401.00
Cheque	04/05/2013	111	Kang, Cheol Joong	Auto Gas fro...			TD Bank	700.00	12,101.00
Cheque	04/19/2013	133	Kang, Cheol Joong	Auto Gas fro...			TD Bank	700.00	12,801.00
Cheque	05/03/2013	150	Kang, Cheol Joong	Auto Gas fro...			TD Bank	700.00	13,501.00
Cheque	05/17/2013	176	Kang, Cheol Joong	Auto Gas			TD Bank	700.00	14,201.00
Cheque	05/31/2013	199	Kang, Cheol Joong	Auto Gas fro...			TD Bank	700.00	14,901.00
Cheque	06/14/2013	243	Kang, Cheol Joong	Auto Gas fro...			TD Bank	700.00	15,601.00
Cheque	06/28/2013	262	Kang, Cheol Joong	Auto Gas fro...			TD Bank	700.00	16,301.00
Cheque	07/12/2013	281	Kang, Cheol Joong	Auto Gas fro...			TD Bank	700.00	17,001.00
Cheque	07/26/2013	300	Kang, Cheol Joong	Auto Gas fro...			TD Bank	700.00	17,701.00
Cheque	08/09/2013	326	Kang, Cheol Joong	Auto Gas fro...			TD Bank	700.00	18,401.00
Cheque	08/23/2013	349	Kang, Cheol Joong	Auto Gas fro...			TD Bank	700.00	19,101.00
Cheque	09/06/2013	375	Kang, Cheol Joong	Auto Gas fro...			TD Bank	700.00	19,801.00
Cheque	09/20/2013	394	Kang, Cheol Joong	Auto Gas fro...			TD Bank	700.00	20,501.00
Cheque	10/04/2013	420	Kang, Cheol Joong	Auto Gas fro...			TD Bank	700.00	21,201.00
Cheque	10/18/2013	436	Kang, Cheol Joong	Auto Gas fro...			TD Bank	700.00	21,901.00
Cheque	11/01/2013	461	Kang, Cheol Joong	Auto gas from...			TD Bank	700.00	22,601.00
Cheque	11/15/2013	479	Kang, Cheol Joong	Auto Gas fro...			TD Bank	700.00	23,301.00
Cheque	11/29/2013	492	Kang, Cheol Joong	Auto gas from...			TD Bank	700.00	24,001.00
Cheque	12/13/2013	514	Kang, Cheol Joong	Auto Gas fro...			TD Bank	700.00	24,701.00
Cheque	01/10/2014	528	Kang, Cheol Joong	Auto Gas fro...			TD Bank	350.00	25,051.00
Total Kang, Cheol Joong									
								25,751.00	25,751.00
<b>TOTAL</b>								<b>25,751.00</b>	<b>25,751.00</b>



DUFFERIN & APEX COMMERCIAL BKG CTR  
 3140 DUFFERIN ST  
 TORONTO, ON M6A 2T1

TD Canada Trust

Tel: 1-866-222-3456  
 TTY: 1-800-361-1180

TDCDA11100\_3968988\_007 E D 01993 17712

CANADA TOBACCO & GLOBAL INC.  
 1040 SOUTH SERVICE RD SUITE 101  
 STONEY CREEK ON L8E 6G3

*Feb/14*

Statement of Account		Account Type	Statement From - To
Branch No.	Account No.	BUSINESS CHEQUING ACCOUNT - CAD UNLIMITED	JAN 31/14 - FEB 28/14
1993	0654-5257279		Page 1 of 1

DESCRIPTION	CHEQUE/DEBIT	DEPOSIT/CREDIT	DATE	BALANCE
BALANCE FORWARD			JAN31	1,584.41
MANUFACT LOGIST MSP		13.59	FEB03	1,598.00
WAWANESA INS INS	173.92		FEB04	
RTN FUNDS HELD		173.92	FEB04	
CHQ#00502-0200602711	1,375.00		FEB04	
CHQ#00528-0500217588	350.00		FEB04	
RTN#00528 FUNDS HELD		350.00	FEB04	
RTN#00502 FUNDS HELD		1,375.00	FEB04	1,598.00
NSF RETURN FEE	45.00		FEB05	
NSF RETURN FEE	45.00		FEB05	
NSF RETURN FEE	45.00		FEB05	1,463.00
WAWANESA INS INS	173.92		FEB10	
RTN FUNDS HELD		173.92	FEB10	1,463.00
NSF RETURN FEE	45.00		FEB11	1,418.00
SECOM BPY	212.00		FEB20	
RTN FUNDS HELD		212.00	FEB20	1,418.00
NSF RETURN FEE	45.00		FEB21	1,373.00
MONTHLY PLAN FEE	125.00		FEB28	1,248.00

*into Gies*

0 CHQS ENCLOSED	NEXT STATEMENT DATE IS	MAR 31/14	No.	Amount
MONTHLY AVER. CR. BAL.		\$1,435.06	Credits	6
MONTHLY MIN. BAL.		\$1,248.00	Debits	11
DEP CONTENT- CASH 0	ITEMS 0	UNC BATCH 0		2,634.84

Please ensure that you report in writing any errors or irregularities found within this statement within 30 days of the statement date. If you do not, the statement of account shall be conclusively deemed correct except for any amount credited to the account in error.

Accounts issued by: THE TORONTO-DOMINION BANK

*#7*

# Canada Tobacco & Global Inc. Transactions by Account

All Transactions					
<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
Vehicles					
Cheque	09/19/2013	400	Kang, Cheol Joong	PT Cruiser Finance for Sep 13, 2013	272.35
Cheque	10/17/2013	446	Kang, Cheol Joong	PT Cruiser Finance for Oct, 2013	272.35
Cheque	11/12/2013	477	Kang, Cheol Joong	PT Cruiser Nov Finance	272.35
Total Vehicles					<u>817.05</u>
<b>TOTAL</b>					<u><u>817.05</u></u>

#8

Canada Tobacco & Global Inc.  
 Transactions by Account

Type	Date	Num	All Transactions Name	Memo	Amount
<b>Shareholder's Loan</b>					
Loan					
General Journal	07/08/2013	63		Kang, cheol Joong Loan	20,000.00
Cheque	10/21/2013	448	Kang, Cheol Joong	Principal repayment	-5,000.00
General Journal	11/29/2013	83		Loan from Kang, Cheol Joong	5,000.00
Cheque	01/06/2014	526	Kang, Cheol Joong	Loan Principal from Kim, Hong Gi	-2,800.00
Total Loan					<u>17,200.00</u>

#9

Canada Tobacco & Global Inc.  
 Transactions by Account

Type	Date	Num	All Transactions Name	Memo	Amount
Shareholder's Loan					
General Journal	07/09/2013	65	Lee, Seung Hyu Loan		30,000.00
Total Loan					<u>30,000.00</u>



Canada Tobacco & Global Inc.  
**Transactions by Account**  
 All Transactions

Type	Date	Num	Name	Memo	Amount
You, Myungsu					
General Journal	05/31/2013	52		Loan from You, Myungsu (\$600,000) 3 month term (8/31)	600,000.00
Cheque	09/30/2013	402	You, Myungsu	Principal	-50,000.00
General Journal	01/06/2014	93		Loan from You, Myungsu	20,000.00
					<u>570,000.00</u>

Canada Tobacco & Global Inc.  
Transactions by Account  
All Transactions

*Loan interest*

Type	Date	Num	Name	Memo	Amount
<b>Kang, Cheol Joong</b>					
Cheque	08/08/2013	320	Kang, Cheol Joong	Loan Interest of \$20,000 from July 08- Aug 08, 2013	166.67
Cheque	09/06/2013	382	Kang, Cheol Joong	10% Interest of Sep. 2013	166.67
Cheque	10/17/2013	445	Kang, Cheol Joong	Interest of \$20,000 from Sep 8- Oct 7, 2013	166.67
Cheque	11/12/2013	475	Kang, Cheol Joong	10% Interest of \$15,000	125.00
Total Kang, Cheol Joong					<u>625.01</u>
<b>Kim, Oh Jin</b>					
Cheque	08/07/2013	319	Kim, Oh Jin	Loan Interest of \$30,000 from July 05- Aug 05, 2013	250.00
Cheque	09/05/2013	373	Kim, Oh Jin	Interest	250.00
Cheque	09/12/2013	385	Kim, Oh Jin	Interest 10%	83.34
Cheque	11/29/2013	489	Kim, Oh Jin	Final Interest adjustment	13.58
Total Kim, Oh Jin					<u>596.92</u>
<b>You, Myungsu</b>					
Cheque	06/30/2013	189	You, Myungsu	Loan Interest 1/3	5,000.00
Cheque	07/30/2013	190	You, Myungsu	Loan Interest 2/3	5,000.00
Cheque	08/30/2013	191	You, Myungsu	Loan Interest 3/3	5,000.00
Cheque	09/30/2013	402	You, Myungsu	Loan Interest 5% of \$600,000	2,500.00
Cheque	10/23/2013	451	You, Myungsu	Interest 5% of \$550,000 for Oct 2013	2,291.67
Cheque	11/29/2013	500	You, Myungsu	Interest 5% of \$550,000 for Nov 2013	2,291.67
Cheque	11/30/2013	404	You, Myungsu	Interest 5% of \$500,000	0.00
Cheque	12/30/2013	405	You, Myungsu	Interest 5% of \$450,000	0.00
Cheque	12/31/2013	501	You, Myungsu	Interest 3% of \$550,000 for Dec 2013	1,375.00
Cheque	01/30/2014	406	You, Myungsu	Interest 5% of \$400,000	0.00
Cheque	01/31/2014	502	You, Myungsu	Interest 3% of \$550,000 for Jan 2014	1,375.00
Cheque	02/28/2014	407	You, Myungsu	Interest 5% of \$350,000	0.00
Cheque	02/28/2014	503	You, Myungsu	Interest 3% of \$550,000 for Feb 2014	1,375.00
Cheque	03/30/2014	408	You, Myungsu	Interest 5% of \$300,000	0.00
Cheque	03/31/2014	504	You, Myungsu	Interest 3% of \$550,000 for Mar 2014	1,375.00
Cheque	04/30/2014	409	You, Myungsu	Interest 5% of \$250,000	0.00
Cheque	04/30/2014	505	You, Myungsu	Interest 3% of \$550,000 for Apr 2014	1,375.00
Cheque	05/30/2014	410	You, Myungsu	Interest 5% of \$200,000	0.00
Cheque	06/30/2014	411	You, Myungsu	Interest 5% of \$150,000	0.00
Cheque	07/30/2014	412	You, Myungsu	Interest 5% of \$100,000	0.00
Cheque	08/30/2014	413	You, Myungsu	Interest 5% of \$50,000	0.00
Total You, Myungsu					<u>28,958.34</u>
<b>TOTAL</b>					<u><u>30,180.27</u></u>

#10

STORAGE AGREEMENT PAGE 1 OF 2

THIS STORAGE AGREEMENT is made as of this 28<sup>th</sup> day of July 2014, between Platinum Liquidations Inc. with offices at 1001 Petrolia Road, Toronto, Ontario, M3J 2X7 (hereinafter referred to as "PL") and Canada Tobacco & Global Inc., with offices at 101-1040 South Service Road, Stoney Creek, Ontario L8E 6G3, (hereinafter referred to as "CTG").

WITNESSETH

WHEREAS, PL is the owner of a certain parcel of real property located at 1001 Petrolia Road, Toronto, Ontario, M3J 2X7 (hereinafter referred to as the "Premises"); and

WHEREAS, CTG is desirous of obtaining an agreement with PL for the purpose of outside vehicle storage and inside pallet storage (herein referred to as the "Permitted Use"); and

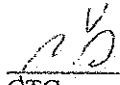
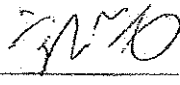
NOW, THEREFORE, in consideration of the terms and conditions contained herein, the parties hereto agree as follows:

1. PL hereby gives CTG permission to use the Premises for the Permitted Use and shall provide the Services, upon payment by CTG to PL of the fees as outlined as follows:
  - a. Vehicle storage: \$5.00 per vehicle per day (including weekends and holidays) to be waived if the vehicle is released for sale within 45 days and sold at PL via public auction.
  - b. Skid/Pallet storage: \$40.00 per skid per month inside storage
2. This Storage Agreement shall be for a term commencing on or about July 28, 2014 and can be terminated by either party with 15 days written notice.
3. PL shall, during the term of this Storage Agreement, keep the Premises in a safe, clean and proper condition and shall be responsible for any improvements it makes to the Premises including but not limited to fencing and lighting.
4. PL's liability for loss or damage to an item commences when an item is delivered to PL and ceases when the item has been picked up or sold by PL.
5. Each party shall indemnify and save harmless the other party from and against any and all suits, liabilities, obligations, losses, damages, penalties, claims, costs, charges and expenses, including reasonable attorneys' fees ("Claims") which may be imposed upon or incurred by or asserted against the indemnified party, by reason of actual (i) injury or death to persons (including, without limitation, employees of the indemnifying party and employees of its contractors, subcontractors, vendors, or agents), (ii) damage to the property of the indemnified party arising from or out of the operations of the indemnifying party hereunder, except to the extent that such Claims arise out of the negligence or willful misconduct of the indemnified party.
6. PL is to submit an invoice to CTG at the end of every month. Payment is to be made within 30 days via cheque.

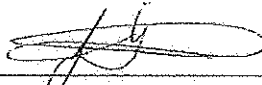
# 11

STORAGE AGREEMENT PAGE 1 OF 2

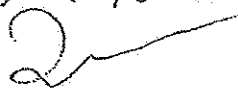
IN WITNESS THEREOF, the parties have duly executed this agreement as of the day and year first above written.

CTG:  
Canada Tobacco & Global Inc.  
By: James Kang  
Title:



PL:  
Platinum Liquidations Inc.  
By: John Farquharson  
Title: General Manager

*all expense  
will pay my way You*  


Court File No.: 31-OR-207816-T  
Estate File No.: 32-158744

IN THE MATTER OF THE BANKRUPTCY OF  
CANADA TOBACCO & GLOBAL INC.,  
OF THE CITY OF HAMILTON, IN THE PROVINCE OF ONTARIO

NOTICE OF REVISION AND DISALLOWANCE OF CLAIM  
(Subsection 135(3) of the *Bankruptcy and Insolvency Act* ("Act"))

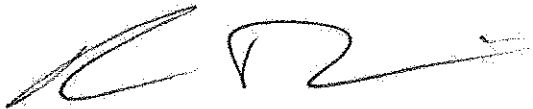
TO: **Cheol-Joong Kang**  
7759 Southwood Dr.  
Niagara Falls, ON  
L2H 2X1

TAKE NOTICE THAT, as Trustee acting in the bankruptcy of Canada Tobacco & Global Inc. ("CT&G" or the "Company"), we have this day partially disallowed the claim of Cheol-Joong Kang ("Mr. Kang") in CT&G's bankrupt estate for the reasons set out in **Schedule "A"**.

AND FURTHER TAKE NOTICE that the revision and disallowance of your claim is final and conclusive unless, within the 30-day period after the service of this notice, or within such further time as the Court may, on application made within that 30-day period, allow, you appeal from the Trustee's decision to the court in accordance with the General Rules under the *Bankruptcy and Insolvency Act*.

DATED at Toronto, Ontario, this 27<sup>th</sup> day of November, 2015.

**DODICK LANDAU INC.,  
TRUSTEE IN THE BANKRUPTCY OF  
CANADA TOBACCO & GLOBAL INC.  
AND NOT IN ITS PERSONAL CAPACITY.**



Per: \_\_\_\_\_

Rahn Dodick CPA, CA, CIRP  
Dodick Landau Inc.  
4646 Dufferin St., Suite 6  
Toronto, Ontario  
M3H 5S4  
(416)-645-0552

As Mr. Kang acted as an officer and as a director of CT&G during this period, he is not eligible to file a claim for priority pursuant to s. 81.3(1) of the Act. Therefore, it is determined that Mr. Kang's priority claim for \$133,153.16 will be dealt with as an unsecured claim.

4. The following is a review of the amounts claimed by Mr. Kang totaling \$133,153.16:

a) \$30,000 - Wages for April - December 21, 2011

The documentation included with the proof of claim as support for this amount is written in Korean. Mr. Kang must provide a written translation by an accredited translator in English. In addition, the document provided by Mr. Kang as alleged evidence of approval by the shareholders is not signed. For these reasons, this amount is disallowed.

b) \$84,000.00 – Salary and bonus for 2012.

The Trustee reviewed the books and records of CT&G and confirmed the following:

- CT&G's by-laws were enacted, and a shareholders' agreement was signed, on May 26, 2012. Therefore, the board of directors did not exist until they were appointed in May 2012;
- Section 5.02 of CT&G's by-laws read as follows:

*“Term, Remuneration and Removal – Subject to unanimous shareholder agreement, the terms of employment and remuneration of all officers elected or appointed by the board (including the president) shall be determined from time to time by a resolution of the board...”*

The section in the minute book labelled “Director's Minutes and Resolutions” is empty. There are no director minutes or resolutions elsewhere in the minute book.

- Mr. Kang was a director and officer of CT&G beginning in May 2012 until the date of bankruptcy (there is no resignation letter in the minute books).
- CT&G was established in order to wholesale cigarettes. The permit from the Ministry of Finance of Ontario was granted on January 1, 2013 and CT&G began wholesaling cigarettes in the second half of 2013.

The Trustee has determined that Mr. Kang must provide either a signed directors' resolution approving the “Payroll Plan” permitting him to draw salary of \$80,000, plus bonus, or an employment agreement approved by the directors entitling him to the amounts he has claimed for 2012. Neither document appears

to exist based on the Trustee's review of CT&G's minute books.

For the reasons described above, the Trustee has disallowed Mr. Kang's claim for \$84,000.00 in its entirety.

- c) \$7,381.96 - This amount was miscalculated. The amount of \$7,369.54 has been allowed subject to any allowable set-offs, as described below.
- d) \$922.60 - This amount has been allowed subject to any allowable set-offs.
- e) \$10,148.60 - Mr. Kang has provided no documentation to support that he worked for this period. Mr. Kang provided a document written in Korean and must provide a certified translation to English by an accredited translator if he is to submit this document as support for his claim.

Based on the Trustee's review of the Company's bank statements, beginning April 28, 2014 there were no funds in the bank account and no banking activity carried out by the Company. As such, it appears that the Company was no longer operating after April 28, 2014 and Mr. Kang was not working during this period.

The Trustee visited the premises on July 29, 2014 and there were no employees working at the premises during the Trustee's visit. Mr. Kang provided the Trustee with access to the premises during this visit as he held the key. At the time, Mr. Kang confirmed that the business was no longer operating.

For the reasons described above, this claim amount has been disallowed.

- f) \$350.00 - This amount has been allowed subject to any allowable set-offs.
  - g) \$350.00 - This amount has been allowed subject to any allowable set-offs.
5. Mr. Kang's claim of \$6,808.75 is based on twenty-four monthly car lease payments of \$272.35 for the period of November 14, 2013 to November 13, 2015. The claim therefore consists of two parts; a pre-bankruptcy claim for \$2,451.15 and a post-bankruptcy claim for \$4,357.60.

The post-bankruptcy claim for \$4,357.60 has been disallowed pursuant to s. 121(1) of the Act (below) which states the following:

*"All debts and liabilities, present or future, to which the bankrupt is subject on the day on which the bankrupt becomes bankrupt or to which the bankrupt may become subject before the bankrupt's discharge by reason of any obligation incurred before the day on which the bankruptcy becomes bankrupt shall be deemed to be claims provable under this Act."*

In addition, the claim of \$6,808.75 has been disallowed in its entirety due to the following:

- i) the vehicle in question was owned by Mr. Kang throughout this period and not the Company, therefore, the car lease payments were not an obligation of the Company;
- ii) Mr. Kang received \$1,400 per month as a car allowance which was sufficient to cover all vehicle expenses including car lease payments; and
- iii) no evidence of board approval permitting the payment of this additional expense reimbursement was provided with Mr. Kang's proof of claim.

In addition, Mr. Kang asserted a right to priority for his claim of \$6,808.75 pursuant to s. 136 (d) of the Act. As Mr. Kang was a director and officer of CT&G during this period, he is not entitled to a preferred claim in accordance with s. 140 of the Act which states:

*"Postponement of wage claims of officers and directors - Where a corporation becomes bankrupt, no officer or director thereof is entitled to have his claim preferred as provided by section 136 in respect of wages, salary, commission or compensation for work done or services rendered to the corporation in any capacity."*

- 6. Mr. Kang's unsecured claim of \$20,760.77 consists of an outstanding loan and the associated accrued and unpaid interest for the period from November 8, 2013 to November 19, 2015. The Trustee has disallowed \$2,034.78 which represents the portion of the claim that is related to the period after the date of bankruptcy, pursuant to s. 121(1), as described above. The remaining amount totaling \$18,725.99 is allowed. Mr. Kang was not at arm's length to CT&G at the time this loan was made as he was the President, a director and an officer of the Company, and therefore pursuant to s. 137(1) of the Act this portion of his claim is postponed. In addition, his postponed claim remains subject to permitted set-off claims by the estate. S. 137(1) of the Act states:

*"137. (1) A creditor who, at any time before the bankruptcy of a debtor, entered into a transaction with the debtor and who was not at arm's length with the debtor at that time is not entitled to claim a dividend in respect of a claim arising out of that transaction until all claims of the other creditors have been satisfied, unless the transaction was in the opinion of the trustee or of the court a proper transaction."*

- 7. The Estate of CT&G may have claims against Mr. Kang totaling up to \$135,969.31 which may be allowed for set-off against Mr. Kang's allowed claim. The Trustee sent a letter to Mr. Kang on October 3, 2014 setting out the details of various transactions and asking Mr. Kang for information and his response to the points raised in that letter. Mr. Kang replied by providing a document in the Korean language. The Trustee has requested that Mr. Kang provide the requested information in the English language. If Mr. Kang fails to do so or if the information provided by Mr. Kang does not satisfy the Trustee, the Trustee will apply a set-off to the claim by Mr. Kang in the Estate.



8. Summary of Mr. Kang's allowed claim before any allowed set-off:

\$ 7,369.54 - Wages for November 1, 2013-January 10, 2014;

\$ 922.60 - Wages for January 11-January 17, 2014;

\$ 350.00 - Auto gas expense;

\$ 350.00 - Auto gas expense (January 11- January 17, 2014); and

\$18,725.99 - Loan & Interest payments – Claim postponed.

\$27,718.13 - Total

# APPENDIX “Y”

Cheol-Joong (James) Kang  
7759 Southwood Dr. Niagara Falls, ON. L2H 2X1  
Tel: 416-889-3537, Email: owwb@hotmail.com

November 20, 2015

Mr. Rahn Dodick, CPA, CIRP  
Dodick Landau Inc.  
4646 Dufferin St. Suite 6  
Toronto, ON. M3H 5S4  
Tel: 416-645-0552

Dear Mr. Rahn Dodick

**RE: In the Matter of the Bankruptcy of Canada Tobacco & Global Inc.**

I requested you, Mr. Dodick to provide me with all the inspector's contact information on September 29, 2015. There has yet to be a response.

As one of the creditors, I am writing you to request for documents as follows;

1. All inspector's contact information (name, phone number and email address)
2. Current Assets ( Tax Refund Revenue from the Government, all expenditures if any and etc.)

Please provide me the documents above by November 25, 2015.

Regards,



James Kang

cc:

Mr. George Benchetrit, lawyer of Dodick Landau Inc.- Trustee  
Ms. Stephanie Toye, Estate Administrator

# DODICK LANDAU

December 7, 2015

Cheol-Joong (James) Kang  
7759 Southwood Drive  
Niagara Falls, ON L2H 2X1

Attention: Cheol-Joong (James) Kang

Re: Canada Tobacco & Global Inc.

Dear: Mr. Kang,

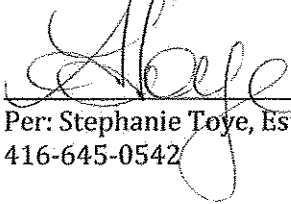
We are in receipt of your letter dated November 25<sup>th</sup>, 2015. Please be advised that the inspectors have advised the Trustee that they do not want their personal information shared with the creditors, and as such, we have not provided it.

As requested, we have attached a copy of the Trustee's Interim Statement of Receipts and Disbursements for your records.

Should you have any questions, please do not hesitate to contact our office.

Yours very truly,

**Dodick Landau Inc.,**  
Acting as Trustee of Canada Tobacco & Global Inc.  
and not in its personal or corporate capacity.



Per: Stephanie Toye, Estate Administrator  
416-645-0542

District of Ontario  
 Division No. 07 - Hamilton  
 Court No. 31-OR-207816-T  
 Estate No. 32-158744

In the matter of the bankruptcy of  
 Canada Tobacco & Global Inc.  
 of the city of Hamilton, in the Province of Ontario

Form 12  
 Interim Statement of Receipts and Disbursements  
 As at December 7, 2015

**RECEIPTS**

1. Asset Realization		
Accounts receivable	4,421.73	
Sale of assets en bloc	<u>1,808.00</u>	6,229.73
2. Deposit on Purchase		
Refunds- miscellaneous	<u>2.97</u>	2.97
3. Proceeds from Destruction of Cigarettes		
Tax Refunds from Destruction of Cigarettes	<u>553,646.86</u>	553,646.86
4. Tobacco Refund Credit		
Tobacco Refund Credit	<u>10,000.00</u>	10,000.00
5. Miscellaneous		
Funds from retainer	1,000.00	
Interest Income	<u>443.84</u>	1,443.84
<b>TOTAL RECEIPTS</b>		<u><u>571,323.40</u></u>

**DISBURSEMENTS**

6. Collection of Accounts Receivable		
Collection of Accounts Receivable	<u>22.17</u>	22.17
7. Fees Paid		
To official receiver	<u>150.00</u>	150.00
8. Notice of first meeting		
Local paper	<u>1,649.54</u>	1,649.54
9. Trustee's remuneration		
Trustee's fees	71,768.01	
HST charged on Trustee remuneration	<u>9,329.85</u>	81,097.86
10. Federal and Provincial taxes		
HST paid on disbursements exclusive of fees	450.95	
HST on legal fees	<u>1,586.18</u>	2,037.13
11. Miscellaneous		
Contract Labour Expense	66.00	
Bank charges	55.01	
HST paid (ITC)	214.38	
Courier	468.23	
Accounting services	1,285.05	
Legal fees/disbursements	<u>15,469.25</u>	17,557.92
<b>TOTAL DISBURSEMENTS</b>		<u><u>102,514.62</u></u>

Amount available for distribution

468,808.78



REPLY TO: GEORGE BENCHETRIT  
FILE: 56410  
DIRECT: 416.218.1141  
FAX: 416.218.1841  
E-MAIL: george@chaitons.com

December 11, 2015 VIA EMAIL (owwb@hotmail.com)

Cheol Joong (James) Kang  
7759 Southwood Drive  
Niagara Falls, Ontario L2H 2X1

Dear Mr. Kang,

**Re: Bankruptcy of Canada Tobacco & Global Inc. ("CTGI")**

I am responding on behalf of Dodick Landau Inc., in its capacity as trustee in the bankruptcy estate of CTGI (the "Trustee"), to your email message sent on December 10, 2015.

In your email message, you indicated that "I will submit the Motion to the court of Discharging Trustee and Inspectors." Please deliver your motion materials as soon as possible. A timetable for that motion can be discussed at the hearing before Master Jean that has been scheduled for January 14, 2016. Please note that the Trustee intends to oppose the motion and to seek an order requiring you to pay its costs of the motion. The Trustee is also reserving its right to bring a motion requiring you to post security for its costs as a condition of proceeding with your motion.

Your request for the personal contact information of the inspectors has been addressed by the Trustee on two separate occasions. You have been informed by the Trustee that the inspectors have not provided their permission to provide you with their contact information. You can bring that to the attention of Master Jean if you wish on January 14, 2016, but absent a court order directing the Trustee to provide that information, the Trustee will not be responding to that request again.

Yours truly,  
CHAITONS LLP

A handwritten signature in black ink, appearing to be "GB", with a long horizontal line extending to the right.

George Benchetrit  
PARTNER  
GB/ac

# APPENDIX “Z”



Industry Canada

Office of the Superintendent  
of Bankruptcy Canada

Federal Building  
55 Bay Street N, 9<sup>th</sup> Floor  
Hamilton, Ontario  
L8R 3P7  
[osb.ic.gc.ca](http://osb.ic.gc.ca)

Industrie Canada

Bureau du surintendant  
des faillites Canada

Édifice Fédéral  
55, rue Bay Nord, 9<sup>e</sup> étage  
Hamilton (Ontario)  
L8R 3P7  
[bsf.ic.gc.ca](http://bsf.ic.gc.ca)

Reference number: 599379

January 7, 2016

Cheol-Joong (James) Kang  
7759 Southwood Dr.  
Niagara Falls, Ontario  
L2H 2X

Dear Mr. Kang:

**Subject: 32-158744, Canada Tobacco & Global Inc.**

The purpose of this letter is to provide the response of the Office of the Superintendent of Bankruptcy (OSB) to your complaint letter received by our office on December 16, 2015.

We have reviewed the relevant documents relating to this estate, contacted the trustee to obtain his comments, and considered the issues you raised concerning your experience with the insolvency process. The results of our review are summarized below.

The complaint letter alleges that the trustee has committed fraud by manipulating estate records, including bank statements and corporate records, in order to refuse the claims of three creditors, Cheol-Joong Kang, Yong Sul Kim and Marvin Honggi Kim. The complaint further alleges that the trustee has committed fraud by manipulating estate records, including bank statements and corporate records, in order to make a false claim against the three identified creditors. Furthermore, the complaint letter alleges that the trustee and estate inspectors have sent the estate claims to a collection agency.

The OSB understands that pursuant to the endorsement of Master Jean, dated December 9, 2015, the appeal of the trustee's disallowance of your claim is scheduled for a court hearing on January 14 and 15, 2016. Based on the information available, the upcoming bankruptcy court hearing is the appropriate forum for the review of your concerns and no further action will be taken by the OSB at this time.

The complaint letter requested that the current trustee be removed and a new trustee appointed in his place. Section 14 of the *Bankruptcy and Insolvency Act* (BIA) the creditors of the estate have the power to substitute another licensed trustee for the currently appointed trustee. The substitution of the trustee requires the creditors to pass a special resolution at a meeting of creditors. A special resolution requires the approval of

Canada



Protecting the  
integrity of the  
Insolvency System

Protéger l'intégrité  
du système  
d'insolvabilité

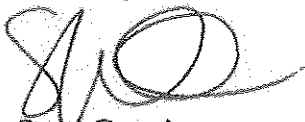


the majority of the creditors at the meeting who hold at least three-quarters in value of proven claims present. Section 14.04 of the BIA provides that any interested person may apply to court to have a trustee removed and to appoint another licensed trustee in the trustee's place. It is recommended that you consult with a lawyer with insolvency experience if you require advice or further information on these provisions.

The complaint letter requested that the current inspectors be removed and that new ones be appointed in their place. Be advised that under subsection 116(5) of the BIA, the creditors may at any meeting of creditors revoke the appointment of an inspector and appoint another person in his or her place. Furthermore, this provision also allows any creditor to apply to court to do the same.

Thank you for bringing this matter to our attention.

Sincerely,



Scott Guertin

Senior Bankruptcy Analyst, Office of the Superintendent of Bankruptcy Canada  
Innovation, Science and Economic Development Canada / Government of Canada  
Scott.Guertin@canada.ca / Tel: 905-572-2012 / TTY: 1-866-694-8389

Analyste Principal de Faillite, Bureau du surintendant des faillites Canada  
Innovation, Sciences et Développement économique Canada / Gouvernement du Canada  
Scott.Guertin@canada.ca / Tél: 905-572-2012 / TTY: 1-866-694-8389

Cc: Rahn Dodick, Trustee, Dodick Landau Inc. (via email)

# APPENDIX “AA”

# DODICK LANDAU

SENT VIA COURIER

October 3, 2014

Cheol-Joong Kang  
7759 Southwood Dr.  
Niagara Falls, ON  
L2H 2X1

**Attention:** Cheol-Joong Kang

Dear Mr. Kang,

**Re: In the Matter of the Bankruptcy of Canada Tobacco & Global Inc.**

Please be advised that on August 19, 2014 Dodick Landau Inc. was appointed by the Ontario Superior Court of Justice as Trustee in Bankruptcy of Canada Tobacco & Global Inc. (the "Company" or "Bankrupt"). Enclosed herein as **Appendix "A"** is a copy of the bankruptcy Court order.

A duty of the Trustee is to examine the books and records of the Bankrupt in order to determine whether there have been any transactions that have occurred prior to the commencement of the Bankruptcy that diminished the value of the Bankrupt's Estate resulting in a reduction to the amount of money available for distribution to creditors. These types of transactions are called: (i) transfers at undervalue, and (ii) preferences.

***Transfer at Undervalue*** - A transfer at undervalue is the disposition of property or provision of services for which no consideration is received by the Company or for which the consideration received is conspicuously less than the fair market value of the consideration given by the Company.

***Preference*** - A preference occurs when an insolvent company pays one or more creditors at the expense of other creditors.

These laws are aimed at ensuring fairness and equality when dealing with these types of transactions in the insolvency system. Attached herein as **Appendix "B"** for your reference are Sections 95 and 96 of the Bankruptcy and Insolvency Act describing the laws of Preferences and Transfers at Undervalue.

## **Miscellaneous Expenses**

As a result of our review of expense and payment transactions recorded in the books and records of the Company, there are a number of transactions in the period of March 2012 to January 2014 totalling \$104,073.97 for which we require more information from you. We understand that these payments were either paid to you personally or were paid by you on behalf of the

4646 Dufferin St., Suite 6 Toronto, Ontario M3H 5S4

OFFICE: 416.645.0552 MOBILE: 416.520.6455 FAX: 416.649.7725 EMAIL: rahm.dodick@dotlick.ca www.dodick.ca

# DODICK LANDAU

Company while you were Chief Executive Officer of the Company. Therefore, you should be aware of these expenses and related payments and you should be able to provide the Trustee with answers to its questions and any requested documentation needed to support your response. Attached herein are the following appendices with lists of transactions and related questions for you to answer.

**Appendix "C"** – Expenses paid in cash in 2012 - \$2,596.22

**Appendix "D"** – Expenses paid in cash in 2013 - \$2,452.96

**Appendix "E"** – Expenses paid by cheque in 2012 - \$49,951.79

**Appendix "F"** – Travel expenses paid by cheque from Dec. 2012 to Jan. 2014 - \$46,173.00

**Appendix "G"** - Canada Convenience Store Retail Association Expenses - \$2,900.00

## Share Capital

The Trustee has reviewed the Company's share capital account for the period of March 31, 2013 to date. The review was of the share capital transactions recorded in the Company's books and records as compared to the receipts and disbursements of share capital amounts in the Company's TD Bank account for the same period. Following our review, we concluded that \$31,895.34 of share capital recorded in the Company's balance sheet was not deposited into the Company's bank account. Enclosed as **Appendix "H"** is the Trustee's summary of its calculation.

We require that you explain to the Trustee the reason for the difference of \$31,895.34 and advise where the funds were deposited in the bank or were the funds received in cash. If the funds were received in cash than who received the funds and what happened to these funds?

## Employee Expenses

Following the commencement of the Bankruptcy proceeding, the Trustee reviewed the payroll records of the Company. Included in the payroll records are payments to Monica Harrietha for \$9,692.33 and to Daniel Kim for \$6,946.17 in 2013. According to certain shareholders of the Company, these two individuals never actually worked for the Company and were related, or connected, to Eui Soo Seo and Jae Hwa Kim.

We ask that you provide to the Trustee a detailed description of the job functions of Monica Harrietha and Daniel Kim, their terms of employment, or a copy of their letter of employment outlining their terms of employment, outlining their rate of pay and any other information to support the payments made to them by the Company.

# DODICK LANDAU

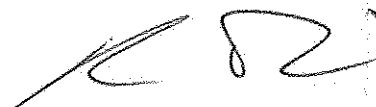
We require your response to this letter by no later than Friday, October 17, 2014.

Be advised that if no response is received from you, or the Trustee is not satisfied with the response received from you, the Trustee will take such further steps as it deems necessary to obtain the additional information requested and recover payment of any amounts owing to the Estate. Those steps could include the commencement of legal proceedings in the Bankruptcy Court without further notice or demand, expanding the Trustee's examination of pre-Bankruptcy transactions and will include adding the charge of interest on overdue amounts and the recovery of collection costs to its claim.

Yours very truly,

**DODICK LANDAU INC.**  
Trustee in Bankruptcy of  
Canada Tobacco & Global Inc.  
and not in its personal capacity.

Per:



Rahn Dodick, CPA • CIRP  
President

APPENDIX "A"

Court File No.: 31-OR-207816-T



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

MASTER *JEAN*

) TUESDAY, THE 19<sup>TH</sup>  
)  
) DAY OF AUGUST, 2014

**IN THE MATTER OF THE BANKRUPTCY OF  
CANADA TOBACCO & GLOBAL INC.,**

a corporation incorporated pursuant to the laws of Ontario with its  
head office in the City of Hamilton, in the Province of Ontario

**BANKRUPTCY ORDER**

UPON THE APPLICATION of MYUNSU YOU, a creditor, in the City of  
Mississauga in the Province of Ontario, filed on the 30<sup>th</sup> day of July 2014, for a Bankruptcy Order  
against CANADA TOBACCO & GLOBAL INC., heard this day at 330 University Avenue,  
Toronto, Ontario.

AND UPON reading the Application, the Affidavit of Verification of Myunsu You  
sworn July 29, 2014, the Consent of Dodick Landau Inc., and upon hearing the submissions of  
counsel for the applicant creditor, no one appearing on behalf of the debtor Canada Tobacco &  
Global Inc., although duly served;

AND IT APPEARING to the Court that the following acts of bankruptcy have  
been committed by Canada Tobacco & Global Inc., namely that it has ceased to meet its liabilities  
generally as they become due:

1. **THIS COURT ORDERS** that Canada Tobacco & Global Inc. of Suite 101 – 1040 South Service Road, Hamilton, Ontario be and is hereby adjudged bankrupt, and a Bankruptcy Order is hereby made against Canada Tobacco & Global Inc.
  
2. **THIS COURT FURTHER ORDERS** that Dodick Landau Inc. be and is hereby appointed Trustee of the Estate of Canada Tobacco & Global Inc.
  
3. **THIS COURT FURTHER ORDERS** that the Trustee shall forthwith give security in cash or by bond in accordance with Section 16(1) of the *Bankruptcy and Insolvency Act*.
  
4. **THIS COURT FURTHER ORDERS** that the costs of the applicant creditor be paid out of the estate of the bankrupt on taxation of the estate.



---

IN THE MATTER of the Bankruptcy of Canada Tobacco & Global Inc.,  
a corporation incorporated pursuant to the laws of Ontario with their head office in the City of Hamilton, in the Province of Ontario  
Court File No. 31-OR-208038-1

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

**PROCEEDING COMMENCED AT  
TORONTO**

**ORDER**

**KRONIS, ROTSZTAIN,  
MARGLES, CAPPEL LLP**  
Barristers and Solicitors  
8 King Street East, Suite 1000  
Toronto ON M5C 1B5

**Philip Cho (LSUC # 45615U)**  
pcho@krmc-law.com  
Tel: (416) 218-5494  
Fax: (416) 306-9874

Lawyers for the applicant



## APPENDIX "B"

95. (1) A transfer of property made, a provision of services made, a charge on property made, a payment made, an obligation incurred or a judicial proceeding taken or suffered by an insolvent person

- o (a) in favour of a creditor who is dealing at arm's length with the insolvent person, or a person in trust for that creditor, with a view to giving that creditor a preference over another creditor is void as against — or, in Quebec, may not be set up against — the trustee if it is made, incurred, taken or suffered, as the case may be, during the period beginning on the day that is three months before the date of the initial bankruptcy event and ending on the date of the bankruptcy; and
- o (b) in favour of a creditor who is not dealing at arm's length with the insolvent person, or a person in trust for that creditor, that has the effect of giving that creditor a preference over another creditor is void as against — or, in Quebec, may not be set up against — the trustee if it is made, incurred, taken or suffered, as the case may be, during the period beginning on the day that is 12 months before the date of the initial bankruptcy event and ending on the date of the bankruptcy.

Marginal note: Preference presumed

(2) If the transfer, charge, payment, obligation or judicial proceeding referred to in paragraph (1)(a) has the effect of giving the creditor a preference, it is, in the absence of evidence to the contrary, presumed to have been made, incurred, taken or suffered with a view to giving the creditor the preference — even if it was made, incurred, taken or suffered, as the case may be, under pressure — and evidence of pressure is not admissible to support the transaction.

Marginal note: Exception

(2.1) Subsection (2) does not apply, and the parties are deemed to be dealing with each other at arm's length, in respect of the following:

- o (a) a margin deposit made by a clearing member with a clearing house; or
- o (b) a transfer, charge or payment made in connection with financial collateral and in accordance with the provisions of an eligible financial contract.

Marginal note: Definitions

(3) In this section,

"clearing house"

« *chambre de compensation* »

"clearing house" means a body that acts as an intermediary for its clearing members in effecting securities transactions;

"clearing member"

« *membre* »

“clearing member” means a person engaged in the business of effecting securities transactions who uses a clearing house as intermediary;

“creditor”  
« créancier »

“creditor” includes a surety or guarantor for the debt due to the creditor;

“margin deposit”  
« dépôt de couverture »

“margin deposit” means a payment, deposit or transfer to a clearing house under the rules of the clearing house to assure the performance of the obligations of a clearing member in connection with security transactions, including, without limiting the generality of the foregoing, transactions respecting futures, options or other derivatives or to fulfil any of those obligations.

96. (1) On application by the trustee, a court may declare that a transfer at undervalue is void as against, or, in Quebec, may not be set up against, the trustee — or order that a party to the transfer or any other person who is privy to the transfer, or all of those persons, pay to the estate the difference between the value of the consideration received by the debtor and the value of the consideration given by the debtor — if

- o (a) the party was dealing at arm’s length with the debtor and
  - (i) the transfer occurred during the period that begins on the day that is one year before the date of the initial bankruptcy event and that ends on the date of the bankruptcy,
  - (ii) the debtor was insolvent at the time of the transfer or was rendered insolvent by it, and
  - (iii) the debtor intended to defraud, defeat or delay a creditor; or
- o (b) the party was not dealing at arm’s length with the debtor and
  - (i) the transfer occurred during the period that begins on the day that is one year before the date of the initial bankruptcy event and ends on the date of the bankruptcy, or
  - (ii) the transfer occurred during the period that begins on the day that is five years before the date of the initial bankruptcy event and ends on the day before the day on which the period referred to in subparagraph (i) begins and
    - (A) the debtor was insolvent at the time of the transfer or was rendered insolvent by it, or
    - (B) the debtor intended to defraud, defeat or delay a creditor.

Marginal note: Establishing values

(2) In making the application referred to in this section, the trustee shall state what, in the trustee’s opinion, was the fair market value of the property or services and what, in the trustee’s opinion, was the value of the actual consideration given or received by the debtor, and the values

on which the court makes any finding under this section are, in the absence of evidence to the contrary, the values stated by the trustee.

Meaning of "person who is privy"

(3) In this section, a "person who is privy" means a person who is not dealing at arm's length with a party to a transfer and, by reason of the transfer, directly or indirectly, receives a benefit or causes a benefit to be received by another person.

APPENDIX "C"

Canada Tobacco & Global Inc.					
Cash Expenses					
July 2012 to January 2013					
Date	Method of Payment	Amount	Description	Question	
Aug.18,12	Cash	27.50	Cigar Sample	What is this and why was it purchased with cash? Was an invoice received?	
July 24,12	cash	43.00	Cigar Sample	What is this and why was it purchased with cash? Was an invoice received?	
Nov. 29, 12	cash	12.43	Demonstration (Cigar Sample)	What is this and why was it purchased with cash? Was an invoice received?	
Nov. 29, 12	Cash	107.40	Demonstration (Cigar Sample)	What is this and why was it purchased with cash? Was an invoice received?	
Nov. 29, 12	Cash	60.00	Demonstration (Cigar Sample)	What is this and why was it purchased with cash? Was an invoice received?	
Nov. 30, 12	cash	33.15	Demonstration (Cigar Sample)	What is this and why was it purchased with cash? Was an invoice received?	
Dec. 01, 12	cash	39.54	Demonstration (Cigar Sample)	What is this and why was it purchased with cash? Was an invoice received?	
Dec. 01, 12	cash	79.21	Demonstration (Cigar Sample)	What is this and why was it purchased with cash? Was an invoice received?	
Nov. 29, 12	cash	11.70	Demonstration (Cigar Sample)	What is this and why was it purchased with cash? Was an invoice received?	
Dec. 01, 12	cash	560.00	Demonstration (Cigar Sample)	What is this and why was it purchased with cash? Was an invoice received?	
Dec. 15, 12	cash	40.00	Demonstration (Cigar Sample)	What is this and why was it purchased with cash? Was an invoice received?	
Nov. 09, 12	cash	11.70	Demonstration (Cigar Sample)	What is this and why was it purchased with cash? Was an invoice received?	
Nov. 29, 12	cash	96.10	Demonstration (Cigar Sample)	What is this and why was it purchased with cash? Was an invoice received?	
Nov. 29, 12	cash	20.00	Demonstration (Cigar Sample)	What is this and why was it purchased with cash? Was an invoice received?	
24-Jul-12	Cash	35.00	Meals	What was the reason for this business meal expense? Can you provide an invoice?	
24-Jul-12	Cash	25.00	Meals	What was the reason for this business meal expense? Can you provide an invoice?	
Aug.02, 12	Cash	64.72	Meals	What was the reason for this business meal expense? Can you provide an invoice?	
Aug. 25, 12	Cash	70.00	Meals	What was the reason for this business meal expense? Can you provide an invoice?	
Sept.01, 12	Cash	130.29	Meals	What was the reason for this business meal expense? Can you provide an invoice?	
Sept.12, 12	Cash	56.49	Meals	What was the reason for this business meal expense? Can you provide an invoice?	
Sept.15,12	Cash	35.00	Meals	What was the reason for this business meal expense? Can you provide an invoice?	
Sept.20,12	Cash	30.00	Meals	What was the reason for this business meal expense? Can you provide an invoice?	
Oct. 02, 12	Cash	112.55	Meals	What was the reason for this business meal expense? Can you provide an invoice?	
Oct. 02, 12	Cash	44.95	Meals	What was the reason for this business meal expense? Can you provide an invoice?	
Oct. 05,12	Cash	63.92	Meals	What was the reason for this business meal expense? Can you provide an invoice?	
Oct. 06,12	Cash	85.00	Meals	What was the reason for this business meal expense? Can you provide an invoice?	
Oct. 10, 12	Cash	94.47	Meals	What was the reason for this business meal expense? Can you provide an invoice?	
Oct. 15, 12	Cash	52.00	Meals	What was the reason for this business meal expense? Can you provide an invoice?	

Oct. 23, 12	Cash	64.08	Meals	What was the reason for this business meal expense? Can you provide an invoice?
oct. 26, 12	Cash	44.96	Meals	What was the reason for this business meal expense? Can you provide an invoice?
Nov. 03, 12	Cash	70.00	Meals	What was the reason for this business meal expense? Can you provide an invoice?
Nov. 18, 12	Cash	120.00	Meals	What was the reason for this business meal expense? Can you provide an invoice?
Nov. 23, 12	Cash	32.00	Meals	What was the reason for this business meal expense? Can you provide an invoice?
Nov. 12, 12	Cash	35.00	Meals	What was the reason for this business meal expense? Can you provide an invoice?
Jan. 07, 13	Cash	37.06	Meals	What was the reason for this business meal expense? Can you provide an invoice?
Dec. 08, 12	cash	35.00	Meals	What was the reason for this business meal expense? Can you provide an invoice?
Dec. 19, 12	cash	35.00	Meals	What was the reason for this business meal expense? Can you provide an invoice?
Dec. 14, 12	Cash	27.00	Meals	What was the reason for this business meal expense? Can you provide an invoice?
Jan. 03, 13	Cash	55.00	meals	What was the reason for this business meal expense? Can you provide an invoice?
<b>Total</b>		<b>2,596.22</b>		

**APPENDIX "D"**

Canada Tobacco & Global Inc.						
Cash Expenses						
January 2013 to February 2013						
Date	Method of Payment	Recipient	Description	Account	Amount	
1/29/2013	Cash	Kang, Cheol Joong	Meals	Petty Cash	35.00	
1/29/2013	Cash	Kang, Cheol Joong	Meals	Petty Cash	290.99	
2/7/2013	56	Choi, Eun Kyu	Refreshment for KCCA	TD Bank	23.59	
2/19/2013	Cash	Kang, Cheol Joong	Meals	Petty Cash	75.00	
2/19/2013	Cash	Kang, Cheol Joong	Meals	Petty Cash	226.09	
2/27/2013	Cash	Kang, Cheol Joong	Meals	Petty Cash	42.00	
<b>Total Meals and Entertainment</b>					<b>2,452.16</b>	

APPENDIX 'E'

Canada Tobacco & Global Inc.		Expenses Paid by Cheque		March 2012 to January 2011	
Date	Cheque #	Amount	Description	Recipient	Question
25 Jun 12	C016	155.80	Auto Gas (General Manager)	Mr. Eric Chey	Provide explanation of how this expense is a business related expense? Please provide a copy of the invoice.
July 21 12	7	398.10	Auto Gas (General Manager)	Mr. Eric Chey	Provide explanation of how this expense is a business related expense? Please provide a copy of the invoice.
Oct 31 12	34	358.24	Auto Gas (General Manager)	Mr. Eric Chey	Provide explanation of how this expense is a business related expense? Please provide a copy of the invoice.
Dec 3 12	20	393.40	Auto Gas (General Manager)	Mr. Eric Chey	Provide explanation of how this expense is a business related expense? Please provide a copy of the invoice.
Dec 24 12	22	365.28	Auto Gas (General Manager)	Mr. Eric Chey	Provide explanation of how this expense is a business related expense? Please provide a copy of the invoice.
Sept 01 12	7	3,151.35	Auto Gas (President)	Cheol Joong Kang	Provide explanation of how this expense is a business related expense? Please provide a copy of the invoice.
Sept 26 12	8	307.80	Auto Gas (President)	Cheol Joong Kang	Provide explanation of how this expense is a business related expense? Please provide a copy of the invoice.
Oct 01 12	10	356.09	Auto Gas (President)	Cheol Joong Kang	Provide explanation of how this expense is a business related expense? Please provide a copy of the invoice.
Oct 30 12	16	1,415.70	Auto Gas (President)	Cheol Joong Kang	Provide explanation of how this expense is a business related expense? Please provide a copy of the invoice.
Dec 3 12	21	1,880.70	Auto Gas (President)	Cheol Joong Kang	Provide explanation of how this expense is a business related expense? Please provide a copy of the invoice.
Jan 01 13	28	937.35	Auto Gas (President)	Cheol Joong Kang	Provide explanation of how this expense is a business related expense? Please provide a copy of the invoice.
May 11 12	Cash	13,500.00	Cash Expense	Cheol Joong Kang	What is this related to? Why were you receiving cash payments?
Nov 29 12	19	2,800.00	Cash Expense	Cheol Joong Kang	What is this related to? Why were you receiving cash payments?
Dec 20 12	24	2,800.00	Cash Expense	Cheol Joong Kang	What is this related to? Why were you receiving cash payments?
Sept 22 12	9	388.52	Cell Phone (President)	Cheol Joong Kang	Provide explanation of how this expense is a business related expense? Please provide a copy of the invoice.
Dec 22 12	13	500.92	Cell Phone (President)	Cheol Joong Kang	Provide explanation of how this expense is a business related expense? Please provide a copy of the invoice.
Mar 15 13	C 010	6,833.25	Legal Fee	Changhoon Lee	What was the purpose of these legal expenses?
Nov 20 13	38	14,106.40	Legal Fee (Retailer)	Changhoon Lee	What was the purpose of these legal expenses?
<b>Total</b>		<b>49,935.70</b>			





APPENDIX "G"

Canada Tobacco & Global Inc.									
Canada Convenience Store Retail Association Expenses Paid by Canada Tobacco & Global Inc.									
July 2013 to November 2013									
Type	Date	Num.	Recipient	Description	Source	Debit	Credit	Balance	Questions
CCSRA									
Cheque	7/23/2013	285	Aventis Networks Inc.	Inv No. 2775 for CCSRA (Web Management)	TD Bank	500.00		500.00	Why is CT&G paying CCSRA expense for web management?
Cheque	8/18/2013	359	Blue Sky Graphics	Magazines 1000 x 16 pages	TD Bank	1,400.00		1,900.00	Why is CT&G paying CCSRA expense for magazine advertisement?
Cheque	8/10/2013	393	Aventis Networks Inc.	Inv No. 2788 for CCSRA (Web Management)	TD Bank	400.00		2,300.00	Why is CT&G paying CCSRA expense for web management?
Cheque	10/17/2013	431	Blue Sky Graphics	Magazines 1000 x 16 pages	TD Bank	100.00		2,400.00	Why is CT&G paying CCSRA expense for magazine advertisement?
Cheque	11/12/2013	472	Aventis Networks Inc.	CCSRA (Web Management) Set up	TD Bank	500.00		2,900.00	Why is CT&G paying CCSRA expense for web management?
TOTAL CCSRA						2,900.00	0.00	2,900.00	
TOTAL						2,900.00	0.00	2,900.00	

APPENDIX "H"

Canada Tobacco & Global Inc. Analysis of Capital Account		
Balance Sheet Transactions		
Current Value of Capital Stock (according to CT&G balance sheet)		947,500.00
Less:		
Share Capital Transactions after March 31, 2013:		
Share capital deposits - IN	262,000.00	
Share capital refunds - OUT	-50,000.00	212,000.00
(These transactions were obtained from CT&G bank records.)		
Total value of capital stock at March 31, 2013 based on CT&G Balance Sheet	[A]	735,500.00
TD Bank Transactions		
Total share capital deposited in the TD Bank up to March 31, 2013		963,112.16
Less: Shareholders withdrawals from the TD Bank up to March 31, 2014		-259,507.50
Total deposits received in TD Bank for the purchase of shares until March 31, 2013	[B]	703,604.66
Difference	[A - B]	31,895.34

**DODICK  
LANDAU**

Stephanie Toye &lt;stephanie@dodick.ca&gt;

*- Kang Response to October 3, 2014 Letter  
From Trustee***Your Question Re: CT&G**

6 messages

**James Kang** <owwb@hotmail.com>

Tue, Oct 7, 2014 at 5:57 PM

To: "rahn.dodick@dodick.ca" &lt;rahn.dodick@dodick.ca&gt;, "stephanie@dodick.ca" &lt;stephanie@dodick.ca&gt;

Deazr Mr. Dodick,

I have received your letter regarding miscellaneous expenses etc.

I had provided all related invoice and receipts at that time. And I reported them to all shareholders at the shareholder's

General Meeting. I believe that you have all company's documents and computer.

I would like to meet with you regarding on this matter. Also I would like to ask you to arrange a meeting with you, CT&amp;G's former accountant Mr. Kim, Ms. Lois Kim and me. If you set the meeting date and time, please let me know.

James

**Rahn Dodick** <rahn.dodick@dodick.ca>

Tue, Oct 7, 2014 at 7:07 PM

To: James Kang &lt;owwb@hotmail.com&gt;

Cc: Stephanie Toye &lt;stephanie@dodick.ca&gt;, Philip Cho &lt;PCho@krmc-law.com&gt;

James,

The reason we requested this information is because it is not included in the company paper records or in the computer records. Please gather the supporting documentation and information requested in the letter from your records for the amounts paid to you and provide explanations for the rest and send the package to our office.

We will only consider meeting with you once we have received your response to our letter and understand the purpose for a meeting.

Regards,

Rahn Dodick, CPA, CIRP  
PresidentDodick Landau Inc.  
4646 Dufferin St., Suite 6  
Toronto, ON, M3H 5S4

[Quoted text hidden]

**James Kang** <owwb@hotmail.com>

Wed, Oct 8, 2014 at 11:37 AM

To: Rahn Dodick &lt;rahn.dodick@dodick.ca&gt;

Cc: "stephanie@dodick.ca" &lt;stephanie@dodick.ca&gt;, "pcho@krmc-law.com" &lt;pcho@krmc-law.com&gt;

Rahn,

As you requested, I have enclosed the documents.

James

---








Date: Tue, 7 Oct 2014 19:07:02 -0400  
Subject: Re: Your Question Re: CT&G  
From: rahn.dodick@dodick.ca  
To: owwb@hotmail.com  
CC: stephanie@dodick.ca; PCho@krmc-law.com

[Quoted text hidden]

This message (including any attachments) is CONFIDENTIAL and may be PRIVILEGED. If you are not an intended recipient you are hereby notified that any distribution, copying or use by you of this information is strictly prohibited. If you have received this message in error please immediately notify the sender and delete all copies of this information from your system. // L'information contenue dans le présent courriel (y compris les pièces jointes, le cas échéant) est CONFIDENTIELLE et peut être PRIVILÉGIÉE. Si vous n'êtes pas le destinataire prévu, vous êtes par la présente avisé(e) que toute diffusion, copie ou utilisation de ladite information est strictement interdite. Si vous avez reçu cette communication par erreur, veuillez nous en aviser immédiatement en répondant à l'expéditeur et effacer de votre ordinateur toute trace de cette information.

---

**7 attachments**

-  **Response.pdf**  
99K
-  **Payroll Plan.pdf**  
28K
-  **Budget-2013-2014.pdf**  
114K
-  **Sub-Lease Contract.pdf**  
3003K
-  **20121128 Revised Statements to CT&G.pdf**  
382K
-  **20130517 Statement of Account to CT&G.pdf**  
295K
-  **20120216 Statement of Account to Ct&G.pdf**  
372K

---

**Rahn Dodick** <rahn.dodick@dodick.ca>  
To: "P. Yoon" <yoond5@hotmail.com>  
Cc: "youf@mcmaster.ca" <youf@mcmaster.ca>, "niagara5797@daum.net" <niagara5797@daum.net>, Stephanie Toye <stephanie@dodick.ca>

Wed, Oct 8, 2014 at 4:11 PM

Paul,

See response from Kang to our letter below.

Regards,

Rahn

**Rahn Dodick, CPA, CIRP | President**

Dodick Landau Inc.

4646 Dufferin St., Suite 6, Toronto, ON, M3H 5S4

Phone: [416 645 0552](tel:4166450552) | Mobile: [416 520 6455](tel:4165206455) | Fax: [416 649 7725](tel:4166497725)

[rahn.dodick@dodick.ca](mailto:rahn.dodick@dodick.ca)

[www.dodick.ca](http://www.dodick.ca)



[Quoted text hidden]

---

**7 attachments**

 **Response.pdf**  
99K


 **Payroll Plan.pdf**  
28K

 **Budget-2013-2014.pdf**  
114K

 **Sub-Lease Contract.pdf**  
3003K

 **20121128 Revised Statements to CT&G.pdf**  
382K

 **20130517 Statement of Account to CT&G.pdf**  
295K

 **20120216 Statement of Account to Ct&G.pdf**  
372K

---

**P. Yoon** <yoond5@hotmail.com>

Wed, Oct 8, 2014 at 9:41 PM

To: Rahn Dodick <rahn.dodick@dodick.ca>

Cc: "youf@mcmaster.ca" <youf@mcmaster.ca>, "niagara5797@daum.net" <niagara5797@daum.net>, Stephanie Toye <stephanie@dodick.ca>

Hi Rahn,

We are reluctant to take his response written in Korean.

Please guide him to send his answers in English, so all those who are involved can understand what he is saying.

Also, we want to avoid any possible critical misunderstanding.

Regards,

Paul

---

From: rahn.dodick@dodick.ca  
Date: Wed, 8 Oct 2014 16:11:54 -0400  
Subject: Fwd: Your Question Re: CT&G  
To: yoond5@hotmail.com  
CC: youf@mcmaster.ca; niagara5797@daum.net; stephanie@dodick.ca  
[Quoted text hidden]

---

**Rahn Dodick** <rahn.dodick@dodick.ca>

Wed, Oct 8, 2014 at 10:56 PM

To: James Kang <owwb@hotmail.com>

Cc: "stephanie@dodick.ca" <stephanie@dodick.ca>, "pcho@krmc-law.com" <pcho@krmc-law.com>

Mr. Kang,

We are not prepared to accept any documents in Korean. If you have the same documents in English than please forward them to us, otherwise, the Trustee will disregard these documents. Also, we require that you confirm that the information provided in your email of today and below represents your complete response to our letter to you dated September 30, 2014 and that you don't have any additional information to provide in response to our letter to you.

Regards,

**Rahn Dodick, CPA, CIRP | President**

Dodick Landau Inc.

4646 Dufferin St., Suite 6, Toronto, ON, M3H 5S4

Phone: [416 645 0552](tel:416-645-0552) | Mobile: [416 520 6455](tel:416-520-6455) | Fax: [416 649 7725](tel:416-649-7725)

[rahn.dodick@dodick.ca](mailto:rahn.dodick@dodick.ca)

[www.dodick.ca](http://www.dodick.ca)



[Quoted text hidden]

## Responses to the requested question

1. Canada Tobacco & Global Inc. was established on April 28, 2011 and has relocated four times since. On March 29, 2012, we obtained the Wholesaler's Permit from the government. Until acquisition of WP, I, James Kang carried out all necessary works at home. Eric Choi and I worked at the 560 Arvin office until it moved to 1040 South Service office. Employees were hired in stages depending on the release date(s) of the cigarette products.

Period	Office Address	Remarks(Employee)
Apr. 2011 ~ Mar. 2012	7759 Southwood Drive, Niagara Falls, ON. L2H 2X1 (James Kang's home)	- James Kang
Mar. 2012 ~ Nov. 2012	Unit 1 & 2- 560 Arvin Avenue, Stoney Creek	- James Kang, Eric Choi
Dec. 2012 ~ Jul. 2014	Suite 101 – 1040 South Service Rd. Stoney Creek	- Full Time :James Kang, Eric Choi, Luke Seo, Lois Kim, Jenny Cho, Jason Goh - Part Time: Monica, Daniel
Jul. 2014 ~	Unit 2 – 6119 Main St. Niagara Falls	

2. Mr. Yangpyung Kim and I established the CT&G. The number of shareholders were increased to 38 people since obtaining the WP. Shareholders invested money in the form of the cash and CQ. I deposited all cheques and most of the cash to the company's bank account. Some cash was not deposited and used to meet the needs of the company (Ex. Providing furniture and equipments etc.) . Until Ms. Lois Kim was hired as the treasurer of the company, I managed the the funds and the company's expenditures were paid for with cash and CQ. After March 31, 2013, as advised by Mr. Francis Kim, C.A, the company's accountant, all forms of income (CQ and cash in shareholders' invested money and tobacco sales) were to be deposited first then withdrawn for necessary expenses of the company. (I transferred the remaining funds and submitted proof of expenditures to Ms. Lois Kim later)

3. All expenditures from 2011 to the beginning in 2013 were approved unanimously by the shareholders at the general meeting. Also, during the shareholders' general meeting on May 26, 2012, all shareholders approved that the company shall pay me a wage of \$30,000.00 for my works from Apr. 2011 until Mar. 2012. However, I have yet to receive the wage. Thus, I have sent the 'Proof of Claim' to the trustee company. Mr. Francis Kim, C.A. was appointed as the company's accountant at the shareholders' general meeting on May 26, 2012. Mr. Changhoon Lee has been working as a company's lawyer since its foundation.

4. After the acquisition of the WP on March 29, 2012, Mr. Eric Choi was hired as a general manager for office set-up, business preparations, distribution of wholesale, etc. Eric and myself were only paid gas and meal money for office work, because the company could not afford to pay our wages in the full amount.

5. Employees were hired in stages depending on the release date(s) of products. The Board of directors and shareholders agreed upon initial wages depending on the position,- the President (James Kang) \$80,000.00/year, General Manger (Eric Choi) \$60,000.00/yr, Manager (Luke Seo and Lois Kim) \$45,000/y, and to increase the wages annually.

6. The company planned to pay additional commuting auto gas expenses to the employees because the company was located in Stoney Creek and most of the employees lived in the GTA. Initially, the company set out to pay the employees auto gas money in addition to their wages. However, due to financial difficulties, the employees' gas money were deducted from their annual salaries. In order to compensate for the loss of the employees' wages, the company planned on dividing future profits. At this point, nobody imagined that the company would go bankrupt.

7. Monica was hired as per Mr. Luke Seo's recommendation in order to promote the sales of cigarette products to convenience store owners. Daniel was recommended by Ms. Lois Kim and was hired for the role of public media and communications, such as dealing with the Toronto Star and SUN newspaper, They worked part-time for several months. With Mr. Luke Seo and Ms. Lois Kim's permission, their wages were instead paid to Monica and Daniel respectively. The company planned to pay Mr. Seo and Ms. Kim their unpaid wages with future profits. It was an inevitable decision during that time because the company was unable to afford payment of wages to all the employees.

8. Monica worked as a product marketing staff and visited hundreds of convenience stores in order to promote the sale of tobacco products in Hamilton, Niagara Falls, St. Catharines, Welland, Toronto, Kitchener and Waterloo area. Daniel, who worked in the SUN Media at that time, sent articles to the newspapers, such as the Toronto SUN regarding the company

and its related products. They worked part-time for months. Once Monica and Daniel quit, Mr. Seo and Ms. Kim were paid their wages normally.

9. CCSRA was founded as a separate corporation in order to benefit and protect the rights of small convenience store owners and to promote CT&G's products according to the shareholders' decisions. At the shareholders' general meeting on June 27, 2013, all shareholders approved that CT&G pay CCSRA amount of \$54,511.50. However, due to low sales of products, the company did not possess enough funds to pay CCSRA the full amount. ( Attached 2013-2014 Budget Plan)

10. The company's records and documents were kept in the office and computers. I have posted most of the information regarding operations of the company on the website(www.ckba.ca).

Question	Response	Remarks
Appendix "C" :\$2,596.22	- Expenses for performing works (meals/ sample cigarette product testings) were paid with cash or personal credit cards first, then reimbursed later.(Receipts must be submitted for proof)	- See above paragraph 2 & 3
Appendix "D" :\$692.67	- Business expenses were paid with cash or personal credit cards. There was no company credit card at that time. (Receipts were submitted for reimbursement.)	- See above paragraph 2 & 3
Appendix "E" : \$49,951.79	- Company pays employees' auto gas and cell phone bills for business use. (Employees submitted proof for approval) - Business expenses were paid with cash or personal credit cards. (Shelves, office furniture & appliance, computers, office moving, web hosting, promotional event, and meals etc.) Receipts were submitted as proof.  - Enclosed the statements of lawyer fees(included legal retainer for CAPS amount of \$3,000.00)	- James and Eric worked at the 560 Arvin office during this time period. - See above paragraph 2 & 3
Appendix "F": \$46,173.00	- Auto gas money for work commute (deducted from employees' annual salary)	- This decision was made after consulting with the company's accountant. - See above paragraph 6
Appendix "G": \$2,900.00	- Company sought out to pay CCSRA \$54,511.50, but actually paid only \$2,900.00.	- Approved at the shareholders' general meeting held on June 27, 2013.
Appendix "H": \$31,895.34	- At the beginning of the business, the actual release date of products was uncertain and thus the company could not afford to hire employees with the small amount of funds available at that time. I had to work alone at home. After hiring Ms. Kim as a treasurer, I transferred all the remaining funds and supporting documents to her. - I reported all 2011, 2012 & 2013 expenditures and they were approved by the shareholders at the shareholders' general meeting held on May 26, 2012 and June 27, 2013.	- See above paragraph 2 & 3



## 답변서

1. CT&G(구 KTI&W)는 2011년 4월 26일 설립되었으며, 그 동안 사무실을 네 차례 이전을 하였다. 2012년 3월 27일 정부로부터 CT&G Wholesale Permit 취득하기까지는 James Kang 이 집에서 모든 업무를 수행했으며, 담배 출시되기까지는 James, Eric 두 사람이 560 Arvin office 에서 업무를 했고, 담배 출시되는 시점에 맞춰 직원들을 단계적으로 고용하였다.

Term	Office Address	Remarks
Apr. 2011 ~ Mar. 2012	7759 Southwood Drive, Niagara Falls, ON. L2H 2X1  (James Kang's home)	James Kang
Mar. 2012 ~ Nov. 2012	Unit 1 & 2- 560 Arvin Avenue, Stoney Creek	James Kang, Eric Choi
Dec. 2012 ~ Jul. 2014	Suite 101 – 1040 South Service Rd. Stoney Creek	James Kang, Eric Choi, Luke Seo/Monica, Lois Kim/Daniel, Jenny Cho, Jason Goh
Jul. 2014 ~	Unit 2 – 6119 Main St. Niagara Falls	

2. 초기 회사 설립 당시 주주 12명으로 시작하였으며, Wholesale Permit 이후 주주수가 38명으로 증가 했으며, 주주들이 주주대금을 CQ 와 Cash 로 지불했으며, 회사의 정식 회계 담당자 Lois Kim 을 고용하기 까지 James Kang 이 자금 관리를 했으며, 지출을 CQ 와 Cash 를 병행해서 사용하였다. (추후 Lois Kim 에게 잔여 자금과 지출 내역과 증빙 자료를 제출했다.

3. 2012년 5월 26일 창립주주정기총회에서 회사 자문 회계사로 Francis Kim, CA 을 선정했으며, 2011년, 2012년 초기까지의 지출 보고서를 총회에 상정하여, 주주 만장일치로 승인을 받았다. 그리고 이 총회에서 모든 주주들은 James Kang 에게 초기 회사 업무 수행에 따른(Apr. 2011 ~ Mar. 2012) 임금을 \$30,000.00 을 지불토록 결의했으나, 현재까지 받지를 못했기 때문에 추가로 'Proof of Claim'을 첨부한다. 그리고 이창훈 변호사는 회사 창립시 부터 자문변호사로 일을 해왔다.

3. Mar. 2012, WP 취득이후 사무실 set-up, 사업준비, Wholesale 납품선 확보, 회사 업무를 위하여 Eric Choi 를 General Manager 를고용했으며, 회사 자금상 정식 봉급을 지급할 여력이 없었기 때문에 사무실 출근 및 업무에 사용되는 Gas 비와 식대만 지급하였다.

4. 담배 출시 이후 단계적으로 직원을 고용했으며, 직급별 년봉은 President(James Kang) \$80,000.00/year, General Manager(Eric Choi) \$60,000.00/year, Manager(Luke Seo, Lois Kim) \$45,000/year, A. Manager \$40,000/year 로 시작하며, 매년 상향 조정기로 이사회에서 결정하였다.

5. 사무실이 Stoney Creek 에 위치해 있고, 출근하는 직원들은 주로 Toronto 에 거주했기 때문에 출퇴근을 위한 Gas 비를 별도로 지급할 계획이었으나, 회사 자금이 여의치 않아 연봉 범위에서 Gas 비와 Payroll 을 분리하여 지급하였고, 회사 이익이 나면 직원들에게 이익 배당을 실시할 계획이었다. 그 당시에는 회사가 파산이 될 것으로는 상상을 하지 못했다.

6. 담배 출시후에 담배 언론 홍보와 Retailer 들에 대한 제품 홍보를 위하여, Luke Seo 의 추천으로 Monica, Lois Kim 의 추천으로 Daniel 에게, Part Time 으로 일해줄 것을 요청했으며 Pay 는 Monica 에게는 Luke 에게 지급할 봉급을, 그리고 Daniel 에게는 Lois 에게 지급할 봉급을 본인들의 승인 아래 지불했다. Luke 과 Lois 에게는 추후 회사 이익 배당을 할 계획이었다. 회사 초기에는 자금이 여유가 없었기 때문에 직원들이 스스로 희생하며 열심히 근무하였다.

7. Monica 는 제품 홍보 요원으로 Hamilton, Toronto, Peterborough, Niagara Falls, St. Catharines, Welland, Kitchener Waterloo 지역의 편의점을 방문 홍보 업무를 수행했고, Daniel 은 당시 'Sun Media'에 근무한 관계로 Toronto Sun 에 CT&G 관련 기사물 기고등 언론 홍보에 주력하였다. Monica & Daniel 은 수개월 Part time 으로 일을 했으며, 그만둔 이 후에는 정상적으로 Luke 과 Lois 에게 봉급을 지급하였다.

8. 편의점 권익과 CT&G 담배 홍보를 위하여 주주총회에서 CCSRA 창립을 결의하였고, 별도 법인으로 설립하였다. 2013년 6월 27일 주주총회에서 2013-2014년도에 CCSRA 에 \$54,511.50 을 지불하기로 의결했으나, CT&G 의 담배 판매가 저조했으며, 회사 사정상자금이 여의치 않았고 전체 금액을 지불되지 않았다. (2013-2014 Budget Plan 참조 요망)

9. Trustee 사무실에서 나에게 요청한 자료 및 증빙 영수증은 사무실에 보관되어 있음.(현재는 Trustee 사무실에서 보관중)

요청한 질문에 대한 답변

질문/Question	답변/Answer	Remark
Appendix "C" : \$2,596.22	업무시 소요 경비(물품 구입, 식대)는 cash 로 먼저 지급하고 후 정산.(영수증 첨부함)	- 상기 2,3 항 참조
Appendix "D" : \$692.67	업무 수행시 소요 경비임. 당시 회사 VISA 카드가 없었기 때문에, Cash 또는 개인 Visa 사용후 추후 정산.(영수증 첨부함)	- 상기 2,3 항 참조
Appendix "E" : \$49,951.79	- 업무시 Gas 비와 직원들 Cell 비용은 회사에서 지불(영수증 첨부함) - 변호사 비용은 내역서 첨부(Caps 소송 \$3,000.00 포함된 금액)	- 이 기간에는 560 Arvin Ave. office 에 출근하여 근무하였음. - See attached.
Appendix "F" : \$46,173.00	확정된 연봉 범위내에서 Gas 비와 Payroll 을 분리하여 지급됨.	- 회계사 협의후 결정한 사항임.
Appendix "G" : \$2,900.00	CCSRA 에는 \$54,511.50 을 지불해야 하나, 실제적으로 \$2,900.00 만 지불됨.	- 2013년 6월 27일 주주총회에서 승인된 예산서 참조(See Attached)
Appendix "H" : \$31,895.34	- 회사 초기에는 회계 담당을 고용할 만큼 자금 여유가 없었기 때문에, James Kang 이 자금관리를 했으며, 추후 회계 담당자에게 잔여 자금과 증빙 서류를 제출하였음. - 2012년 5월 26일, 2013년 6월 27일 주주총회에 모든 지출 내역을 주주들에게 보고했으며, 승인 받은 사항임.	- 상기 2,3 항 참조



## Payroll Plan

Position	Period (2012 ~ 2013)	Remarks
President/CEO	\$80,000.00	
General Manager	\$60,000.00	
Manager	\$45,000.00	
A. Manager	\$40,000.00	
Associate	\$33,000.00	
Bonus(5%)		

## 2013-2014 회계년도 결산 및 예산

항 목	2013 예산(A)	2013 결산	2014 예산(B)	전년대비(B-A)	비 고
매출 및 기타	Green Tea Sales		\$260.00	\$0.00	\$0.00
	Tobacco Sales		\$109,359.80	9,619,389.00	\$9,619,389.00
	<b>Total Sales</b>	\$0.00	\$109,619.80	\$9,619,389.00	\$9,619,389.00
	Cost of Goods Sold		\$79,254.06	\$7,399,277.00	\$7,399,277.00
	Consulting Fee		\$17,028.24	\$1,200,219.00	\$1,200,219.00
	Freight Costs		\$511.25	\$18,814.62	\$18,814.62
	Green Tea		\$1,500.00	\$0.00	\$0.00
	<b>Total COGS</b>	\$0.00	\$98,293.55	\$8,618,310.62	\$8,618,310.62
	<b>Sales Profit</b>	\$0.00	\$11,326.25	\$1,001,078.38	\$1,001,078.38
	Export Income		\$0.00	\$0.00	\$0.00
	Finance Income		\$0.00	\$0.00	\$0.00
	기 타	\$0.00	\$0.00	\$0.00	\$0.00
<b>수입계</b>	<b>\$0.00</b>	<b>\$11,326.25</b>	<b>\$1,001,078.38</b>	<b>\$1,001,078.38</b>	
행정 및 관리비	인건비		\$29,295.80	\$240,000.00	\$240,000.00
	사무비		\$8,742.24	\$10,000.00	\$10,000.00
	통신비		\$8,400.03	\$10,000.00	\$10,000.00
	세금 및 보험		\$2,497.13	\$10,000.00	\$10,000.00
	차량 및 출장		\$25,890.21	\$42,000.00	\$42,000.00
	Professional Fee		\$21,851.54	\$15,000.00	\$15,000.00
	은행수수료		\$767.59	\$2,400.00	\$2,400.00
	임차료		\$4,298.76	\$26,000.00	\$26,000.00
	보수 및 유지		\$7,361.83	\$4,300.00	\$4,300.00
	Web/Utility		\$5,587.56	\$13,000.00	\$13,000.00
	교육 및 구독		\$1,505.50	\$2,400.00	\$2,400.00
	<b>행정및 관리비 계</b>	<b>\$0.00</b>	<b>\$116,198.19</b>	<b>\$375,100.00</b>	<b>\$375,100.00</b>
회의비	주주총회/회의비		\$2,542.16	\$20,000.00	\$20,000.00
	이사회비		\$0.00	\$6,000.00	\$6,000.00
	<b>회의비 계</b>	<b>\$0.00</b>	<b>\$2,542.16</b>	<b>\$26,000.00</b>	<b>\$26,000.00</b>
행 사	창립 기념		\$0.00	\$12,000.00	\$12,000.00
	Golf Tournament/Picnic		\$0.00	\$12,000.00	\$12,000.00
	Christmas Party		\$0.00	\$12,000.00	\$12,000.00
	<b>행사 계</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$36,000.00</b>	<b>\$36,000.00</b>
리베이트	CCSRA		\$0.00	\$54,511.50	\$54,511.50
	Wholesale		\$0.00	\$27,883.40	\$27,883.40
	Sales Rep		\$0.00	\$45,166.80	\$45,166.80
	Store		\$0.00	\$109,023.00	\$109,023.00
	Chapter		\$0.00	\$5,875.00	\$5,875.00
	<b>리베이트 계</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$242,459.70</b>	<b>\$242,459.70</b>
사업	Advertising		\$0.00	\$14,000.00	\$14,000.00
	Promotion		\$200.00	\$20,000.00	\$20,000.00
	Marketing/Printing		\$11,425.52	\$47,000.00	\$47,000.00
	<b>사업 계</b>	<b>\$0.00</b>	<b>\$11,625.52</b>	<b>\$81,000.00</b>	<b>\$81,000.00</b>
회원 및 지역사회	Donation		\$600.00	\$10,000.00	\$10,000.00
	주주 지원비		\$1,694.53	\$5,000.00	\$5,000.00
	이익 배당금		\$0.00	\$100,000.00	\$100,000.00
	<b>회원및 지역사회 계</b>	<b>\$0.00</b>	<b>\$2,294.53</b>	<b>\$115,000.00</b>	<b>\$115,000.00</b>
감가상각		\$2,317.00	\$3,000.00	\$3,000.00	
이익금			\$122,518.68	\$122,518.68	
<b>지출계</b>	<b>\$0.00</b>	<b>\$134,977.40</b>	<b>\$1,001,078.38</b>	<b>\$1,001,078.38</b>	

Unit 1 & 2 – 560 Arvin Avenue, Stoney Creek

# OFFER TO SUB-LEASE

Between

Canadian & World Tobacco Ltd.

And

Korean Tobacco Import &  
Wholesale Inc. (KTI)

# DRAFT

## OFFER TO SUB-LEASE

KTI agrees to lease the ground floor area as shown in Schedule "B" of Unit 1 & 2 at 560 Arvin Avenue, Stoney Creek, Burlington (Schedule "A").

### TERM

The term shall commence on the 1ST day of March 2012 and expire on the 1st day of February 2017.

### RENT

KTI agrees to pay a gross lease of \$4 996.00 plus HST monthly, plus adjusted cost of living to be reviewed annually. Rent shall be paid on the first day of each month.

### DEPOSIT

First and last month security deposit of \$9 992.00 plus HST to be paid on signing.

### INSURANCE

KTI shall, at its sole cost and expense, take out and maintain in full force and effect at all times throughout the term of the lease the following insurance:

- (a) "All Risks" insurance upon property of every description and kind owned by the Tenant, or for which the Tenant is legally liable, or which is installed by or on behalf of the Tenant, within the Premises or on the Property, including, without limitation, stock-in-trade, furniture, equipment, partitions, trade fixtures and Leasehold Improvements, in an amount not less than the full replacement cost thereof from time to time;
- (b) general liability and property damage insurance, including personal liability, contractual liability, tenants' legal liability, non-owned automobile liability, and owners' and contractors' protective insurance coverage with respect to the Premises and the Common Areas, which coverage shall include the business operations conducted by the Tenant and any other person on the Premises. Such policies shall be written on a comprehensive basis with coverage for any one occurrence or claim of not less than five million dollars (\$5,000,000.00) or such higher limited as the Landlord may reasonably require from time to time;
- (c) when applicable, broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis, with limits for each accident in an amount not less than the full replacement costs of the property, with respect to all boilers and machinery owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Premises or relating to or serving the Premises;

- (d) business interruption insurance in an amount sufficient to cover the Tenant's Rent for a period of not less than twelve (12) months;
- (e) plate glass insurance with respect to all glass windows and glass doors in or on the Premises for the full replacement value thereof; and
- (f) such other forms of insurance as may be reasonably required by the Landlord and any Mortgagee from time to time

#### SPECIAL CLAUSES

- a) During entire lease term, Canadian & World Tobacco Ltd. (C & WT) reserves the right to terminate the sub-lease with Korean Tobacco Import & Wholesale Inc. (KTI & W) at no cost to C & WT, if the lease space is required by C & WT for its use.
- b) KTI & W to pay in full the leasehold improvements that are required by KTI & W and the Ministry requirements
- c) KTI & W is responsible for the security for the leased space
- d) All leasehold improvements required by KTI & W to be done under the supervision of C & WT. A 10% management fee to be paid by KTI & W on all leasehold improvements
- e) Payment of leasehold improvements to be paid when invoice is rendered.
- f) Final sub-lease agreement to be drafted by C & WT legal team
- g) Sublease must be approved by the Head Landlord

#### **Canadian & World Tobacco Ltd.**

Per: \_\_\_\_\_

Name: Clem Amyotte

Title: President

Date: \_\_\_\_\_

#### **Korean Tobacco Import & Wholesale Inc.**

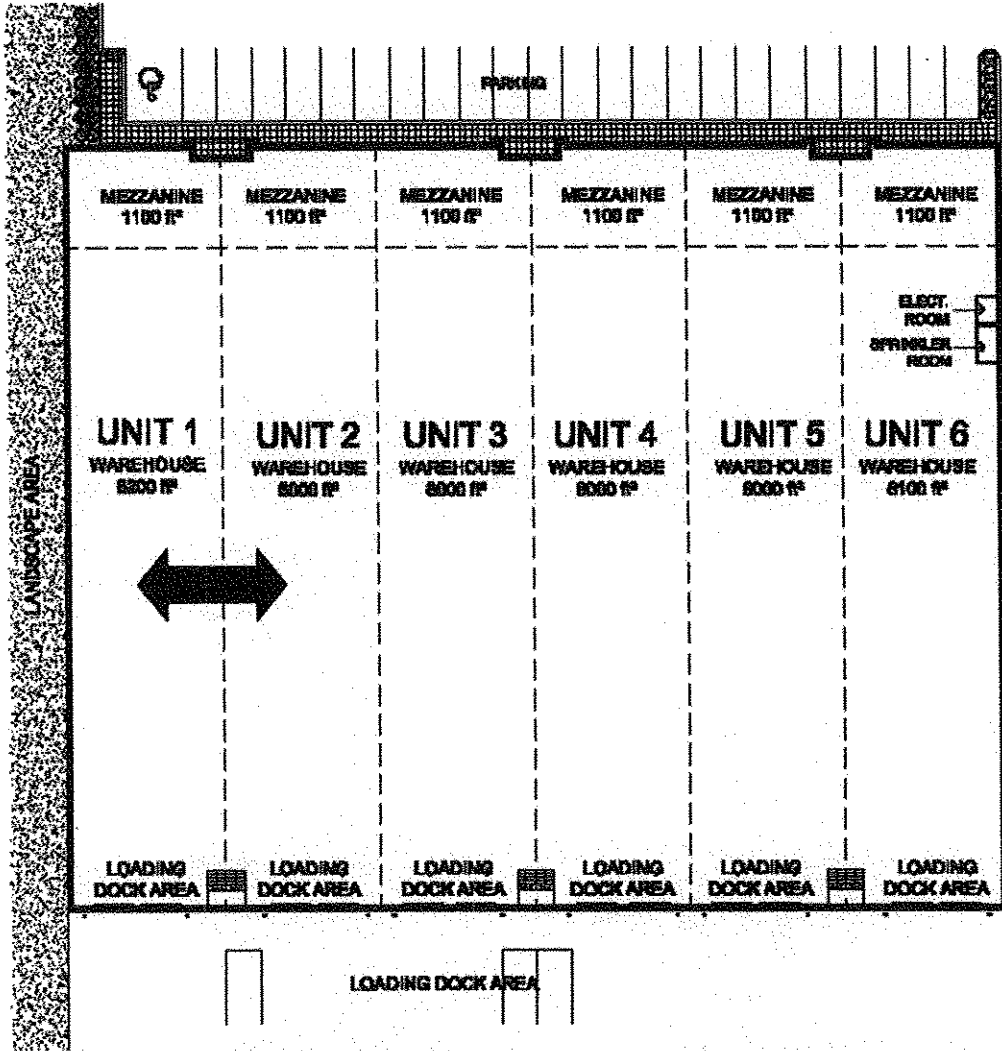
Per: \_\_\_\_\_

Name: Cheol Joong Kang also known as James Kang

Title: President

Date: \_\_\_\_\_

SCHEDULE "A"



□ GROUND FLOOR PLAN

560 ARVIN AVENUE - STONEY CREEK





**STATEMENT OF ACCOUNT (INVOICE)**

In Account with Changhoon Lee, Barrister and Solicitor  
Suite 202, 750 Base Line Road East, London, Ontario N6C 2R6  
Telephone: 519-646-2244, Facsimile: 519-646-1217

June 11, 2012  
BA376

Canada Tobacco & Global Inc.  
56 Arvin Avenue, Unit 1 & 2  
Stoney Creek, Ontario  
L8E 5P1

RE: ARTICLES OF AMENDMENT TO CHANGE THE CORPORATION NAME FROM "KOREAN TOBACCO IMPORT & WHOLESALE INC." TO "CANADA TOBACCO & GLOBAL INC."; DRAFT AND REVISION OF THE BY-LAWS, UNANIMOUS SHAREHOLDER AGREEMENT, SHARE CERTIFICATES, AND OTHER CORPORATION DOCUMENTS

<u>Date</u>	<u>Description</u>	<u>Amount</u>
2012/05/31	TO MY PROFESSIONAL SERVICES RENDERED; (See attached Billing Log - Reduced from \$12,945.00)	\$5,000.00
2012/04/18	Paid for Business Name Search	\$63.28
2012/05/02	Paid for Corporation Profile Search	\$21.56
2012/05/07	Paid for Corporation Profile Search	\$21.56
2012/05/07	Paid for Corporate Seal and 50 Common Shares	\$107.12
2012/05/31	Paid for Corporation Profile Search	\$21.56
2012/04/23	Paid for Articles of Amendment Filing Fee*	\$150.00*
	Net Amount:	\$5,385.08
	H.S.T. (13%):	\$680.56
	Total Fees and Disbursements:	\$6,065.64

\* Disbursement marked with "\*" is not subject to H.S.T

Payable to "Changhoon Lee"  
H.S.T. Number: 820678019RT0001  
E. and O.E.

November 28, 2012

## BILLING LOG

In Account with CHANGHOON LEE, Barrister and Solicitor  
Suite 202, 750 Base Line Road East, London, Ontario N6C 2R5  
Tel: 519-646-2244, Fax: 519-646-1217

376

*Articles of Amendment to change the corporation name from "Korean Tobacco Import & Wholesale Inc." to "Canada Tobacco & Global Inc."; Draft and Revision of the By-laws, Unanimous Shareholder Agreement, Share Certificates, and other Corporation Documents*

DATE	START	END	DESCRIPTION	BY	BILLABLE AMOUNT	COURTESY DISCOUNT	KM
2012/04/19	13:00	14:00	Draft of Articles of Amendments	CHL	1.00 <input checked="" type="checkbox"/>	\$300.00 100% 1.00	<u>\$300.00</u>
2012/05/08	9:00	10:00	Draft of By-law 1 and 2	CHL	1.00 <input checked="" type="checkbox"/>	\$300.00 100% 1.00	<u>\$300.00</u>
2012/05/08	14:45	17:00	Review and revision of By-law 1 and 2	CHL	2.25 <input checked="" type="checkbox"/>	\$675.00 100% 2.25	<u>\$675.00</u>
2012/05/09	9:00	10:30	Review and revision of the Shareholder Agreement	CHL	1.50 <input checked="" type="checkbox"/>	\$450.00 100% 1.50	<u>\$450.00</u>
2012/05/09	10:30	12:00	Travel to 560 Arvin Avenue, Stoney Creek	CHL	1.50 <input type="checkbox"/>	\$0.00 100% 0.00	<u>\$0.00</u>
2012/05/09	12:00	13:00	Review and revision of By-laws and Shareholder Agreement	CHL	1.00 <input checked="" type="checkbox"/>	\$300.00 100% 1.00	<u>\$300.00</u>
2012/05/09	19:30	21:30	Travel to London	CHL	2.00 <input type="checkbox"/>	\$0.00 100% 0.00	<u>\$0.00</u>
2012/05/10	9:00	12:00	Review and revision of the Shareholder Agreement	CHL	3.00 <input checked="" type="checkbox"/>	\$900.00 100% 3.00	<u>\$900.00</u>
2012/05/11	9:00	9:54	Review and revision of the By-laws	CHL	0.90 <input checked="" type="checkbox"/>	\$270.00 100% 0.90	<u>\$270.00</u>
2012/05/11	10:06	12:00	Review and revision of the Shareholder Agreement	CHL	1.90 <input checked="" type="checkbox"/>	\$570.00 100% 1.90	<u>\$570.00</u>
2012/05/11	14:24	16:00	Review and revision of the Shareholder Agreement	CHL	1.60 <input checked="" type="checkbox"/>	\$480.00 100% 1.60	<u>\$480.00</u>
2012/05/13	13:00	15:00	Review and revision of the Shareholder Agreement and By-laws	CHL	2.00 <input checked="" type="checkbox"/>	\$600.00 100% 2.00	<u>\$600.00</u>
2012/05/15	10:30	12:00	Review and revision of the Shareholder Agreement and By-laws	CHL	1.50 <input checked="" type="checkbox"/>	\$450.00 100% 1.50	<u>\$450.00</u>
2012/05/22	14:00	14:30	Draft of Share Subscription	CHL	0.50 <input checked="" type="checkbox"/>	\$150.00 100% 0.50	<u>\$150.00</u>
2012/05/22	14:30	16:30	Review and revision of the Shareholder Agreement	CHL	2.00 <input checked="" type="checkbox"/>	\$600.00 100% 2.00	<u>\$600.00</u>
2012/05/24	13:00	13:30	Review and revision of the Shareholder Agreement	CHL	0.50 <input checked="" type="checkbox"/>	\$150.00 100% 0.50	<u>\$150.00</u>
2012/05/25	16:30	17:30	Review and revision of the Shareholder Agreement and By-laws	CHL	1.00 <input checked="" type="checkbox"/>	\$300.00 100% 1.00	<u>\$300.00</u>
2012/05/26	12:10	14:00	Travel to 560 Arvin Avenue to attend the annual shareholders' meeting	CHL	1.83 <input type="checkbox"/>	\$0.00 100% 0.00	<u>\$0.00</u>
2012/05/26	14:00	18:00	Presentation to the Shareholders re: Unanimous Shareholder Agreement; Execution of the Unaminous Shareholder Agreement	CHL	4.00 <input checked="" type="checkbox"/>	\$1,200.00 100% 4.00	<u>\$1,200.00</u>
2012/05/26	19:00	21:00	Travel to London	CHL	2.00 <input type="checkbox"/>	\$0.00 100% 0.00	<u>\$0.00</u>
2012/05/27	11:00	13:00	Revision of the Shareholder Agreement; Draft of the letter to the Shareholders	CHL	2.00 <input checked="" type="checkbox"/>	\$600.00 100% 2.00	<u>\$600.00</u>
2012/06/01	10:30	12:00	Draft of June 4 Report to the Directors	CHL	1.50 <input checked="" type="checkbox"/>	\$450.00 100% 1.50	<u>\$450.00</u>
2012/06/01	13:00	16:30	Draft of By-laws summary in Korean	CHL	3.50 <input checked="" type="checkbox"/>	\$1,050.00 100% 3.50	<u>\$1,050.00</u>
2012/06/02	13:30	16:30	Draft of By-laws summary in Korean	CHL	3.00 <input checked="" type="checkbox"/>	\$900.00 100% 3.00	<u>\$900.00</u>
2012/06/04	9:00	13:00	Draft of June 4 Report	CHL	4.00 <input checked="" type="checkbox"/>	\$1,200.00 100% 4.00	<u>\$1,200.00</u>

Wednesday, November 28, 2012

## BILLING LOG

In Account with CHANGHOON LEE, Barrister and Solicitor  
Suite 202, 750 Base Line Road East, London, Ontario N6C 2R5  
Tel: 519-646-2244, Fax: 519-646-1217

376 *Articles of Amendment to change the corporation name from "Korean Tobacco Import & Wholesale Inc." to "Canada Tobacco & Global Inc."; Draft and Revision of the By-laws, Unanimous Shareholder Agreement, Share Certificates, and other Corporation Documents*

DATE	START	END	DESCRIPTION	BY	BILLABLE AMOUNT	COURTESY DISCOUNT	KM
2012/06/04	14:00	15:30	Review of June 4 report; Report sent to Mr. Kang by e-mail	CHL	1.50 <input checked="" type="checkbox"/>	\$450.00 100% 1.50	<u>\$450.00</u>
2012/06/06	12:00	13:30	Telephone call to and from Mr. Kang re: Revision of the By-laws	CHL	1.50 <input checked="" type="checkbox"/>	\$450.00 100% 1.50	<u>\$450.00</u>
2012/06/11	10:00	10:30	Telephone call to Mr. Kang re: Revision of the By-laws; Revised By-laws sent	CHL	0.50 <input checked="" type="checkbox"/>	\$150.00 100% 0.50	<u>\$150.00</u>
Summary for 'MATTER ID' = 376 (28 detail records)							
<b>SUM</b>					<b>50.48</b>	<b>\$12,945.00</b>	<b><u>\$12,945.00</u></b>

**STATEMENT OF ACCOUNT**

In Account with Changhoon Lee, Barrister and Solicitor  
Suite 202, 750 Base Line Road East, London, Ontario N6C 2R5  
Telephone: 519-646-2244, Facsimile: 519-646-1217

July 18, 2012  
BA404

Canada Tobacco & Global Inc.  
560 Arvin Avenue, Unit 1 & 2  
Stoney Creek, Ontario  
L4A 7X4

RE: INCORPORATION OF 2335443 ONTARIO INC. BY PARK, KI-HYOUK AND LEE, SEUNG HYU AND KIM, JAE-SOOK

<u>Date</u>	<u>Description</u>	<u>Amount</u>
2012/07/16	TO MY PROFESSIONAL SERVICES RENDERED; to receiving your instructions; to drafting and registering the Articles of Incorporation pursuant to the Business Corporations Act; to drafting the by-laws and minute book of the corporation; to preparing the share certificates; to attending at corporate document execution; to filing the initial return; to receiving and paying the incorporation fees; to reporting to you; and to all other	\$600.00
2012/07/16	Paid for Business Name Search	\$54.24
2012/07/16	Paid for Prints, Photocopies, and Binding	\$24.00
2012/07/16	Paid for Local and Long Distance Phone, Facsimile, Internet Service	\$11.00
2012/07/16	Paid for *Incorporation Fees	\$350.85*
2012/07/16	Paid for *Minute Book and Seal	\$149.16*
	Net Amount:	\$1,189.25
	H.S.T. (13%):	\$89.60
	Total Fees and Disbursements:	\$1,278.85

This is my General Account herein;  
Paid In Full with Thanks

\* Disbursement marked with " \* " is not subject to H.S.T

Changhoon Lee  
H.S.T. Number: 820678019RT0001  
E. and O.E.

November 28, 2012

**STATEMENT OF ACCOUNT (INVOICE)**

In Account with Changhoon Lee, Barrister and Solicitor  
Suite 202, 750 Base Line Road East, London, Ontario N6C 2R5  
Telephone: 519-646-2244, Facsimile: 519-646-1217

November 27, 2012  
LC425

Canada Tobacco & Global Inc.  
560 Arvin Avenue, Unit 1 & 2  
Stoney Creek, Ontario  
L8E 5P1

RE: REVIEW OF LEASE BETWEEN 1520886 ONTARIO LTD. AS LANDLORD AND CANADA TOBACCO & GLOBAL INC. AS TENANT FOR THE PREMISES MUNICIPALLY KNOWN AS 1040 SOUTH SERVICE ROAD, UNIT 101, STONEY CREEK, ONTARIO L8E 6G3

<u>Date</u>	<u>Description</u>	<u>Amount</u>
2012/09/05	TO MY PROFESSIONAL SERVICES RENDERED re: Review of and negotiations on the terms of the sub-lease for 80 Alexdon Road, Toronto, Ontario	\$400.00
2012/11/30	TO MY PROFESSIONAL SERVICES RENDERED re: Review of and negotiations on the terms of the lease for Unit 101, 1040 South Service Road, Stoney Creek	\$600.00
2012/11/30	Paid for Prints, Photocopies, and Binding	\$20.00
	Net Amount:	\$1,020.00
	H.S.T. (13%):	\$132.60
	Total Fees and Disbursements:	\$1,152.60

\* Disbursement marked with "\*" is not subject to H.S.T

Payable to "Changhoon Lee"  
H.S.T. Number: 820678019RT0001  
E. and O.E.

November 27, 2012

**STATEMENT OF ACCOUNT (INVOICE)**

In Account with Changhoon Lee, Barrister and Solicitor  
Suite 202, 750 Base Line Road East, London, Ontario N6C 2R5  
Telephone: 519-646-2244, Facsimile: 519-646-1217

---

November 09, 2012  
MS426

Canada Tobacco & Global Inc.  
560 Arvin Avenue, Unit 1 & 2  
Stoney Creek, Ontario  
L8E 5P1

RE: REVIEW OF DIRECTCASH AND TOUCHCASH ATM STANDARD AGREEMENTS AND DRAFT OF SUMMARY TABLES

---

<u>Date</u>	<u>Description</u>	<u>Amount</u>
2012/11/09	TO MY PROFESSIONAL SERVICES RENDERED re: Review of DirectCash and TouchCash ATM Standard Agreement; Draft of Summary Tables, Checklist, and Sample Amending Agreement	\$850.00
2012/11/09	Paid for Prints and Photocopies	\$10.00
	Net Amount:	\$860.00
	H.S.T. (13%):	\$111.80
	Total Fees and Disbursements:	\$971.80

\* Disbursement marked with " \*" is not subject to H.S.T

Payable to "Changhoon Lee"  
H.S.T. Number: 820678019RT0001  
E. and O.E.

November 27, 2012

**STATEMENT OF ACCOUNT (INVOICE)**

In Account with Changhoon Lee, Barrister and Solicitor  
Suite 202, 750 Base Line Road East, London, Ontario N6C 2R5  
Telephone: 519-646-2244, Facsimile: 519-646-1217

November 27, 2012  
MS436

Canada Tobacco & Global Inc.  
560 Arvin Avenue, Unit 1 & 2  
Stoney Creek, Ontario  
L8E 5P1

RE: DRAFT OF AGENCY AGREEMENT BETWEEN CANADA TOBACCO & GLOBAL INC. AS BUYER AND  
CANADIAN HERITAGE TOBACCO LIMITED AS BROKER; DRAFT OF AGREEMENT TO MANUFACTURE

<u>Date</u>	<u>Description</u>	<u>Amount</u>
2012/11/30	TO MY PROFESSIONAL SERVICES RENDERED re: Draft of the Agency Agreement and Agreement to Manufacture	\$1,500.00
2012/11/30	Paid for Prints, Photocopies, and Binding	\$20.00
	Net Amount:	\$1,520.00
	H.S.T. (13%):	\$197.60
	Total Fees and Disbursements:	\$1,717.60

\* Disbursement marked with " \* " is not subject to H.S.T

Payable to "Changhoon Lee"  
H.S.T. Number: 820678019RT0001  
E. and O.E.

November 28, 2012



## RETAINER AGREEMENT

**BETWEEN:** CHANGHOON LEE, Barrister and Solicitor  
Suite 202, 750 Base Line Road East, London, Ontario N6C 2R5

**AND:** CANADA TOBACCO & GLOBAL INC.

---

THE UNDERSIGNED HEREBY RETAINS and instructs you to bring an action on our behalf against Canadian & World Tobacco Ltd. for its breach of the Supply Agreement between the parties dated July 10, 2011, acknowledging that you have been negotiating a settlement since November 8, 2012 in accordance with my instructions.

THE UNDERSIGNED ACKNOWLEDGES that your fees will be based on the time spent on this matter on my behalf, subject to adjustments for the amount involved, complexity of the issues, the result obtained, urgency and other factors used by lawyers in setting a reasonable fee. You have agreed to make your time records available to us for our review at any mutually convenient time if we have any question or concern about them. Disbursements will include such items as transcripts, actual travel costs, computerized legal research, word processing, facsimile and phone charges and photocopy charges and delivery charges.

THE UNDERSIGNED ACKNOWLEDGES that you will render interim accounts to me for fees and disbursements. I agree to pay these accounts upon receipt, subject to my right of assessment, including H.S.T. and any interest on accounts remaining unpaid after thirty days. I understand that you will withdraw your services, subject to court approval if required, if your account is not paid when rendered and/or if the case is determined to be heard in North Bay.

THE UNDERSIGNED AGREES that the hourly rate for you is \$300.00 per hour, and for your clerk \$100.00 per hour, the rate of which may be varied annually and you will advise me of such hourly rates at our request and prior to any increase.

THE UNDERSIGNED AGREES to deposit with you, in trust the sum of \$5,000.00 and acknowledge that this sum will be held by you in a non-interest bearing account. The undersigned authorizes and directs you to use such funds to pay for any disbursements incurred by you on our behalf and any interim accounts for fees. The undersigned agrees to make further deposits on request if these funds become depleted and understand that you may require a further monetary retainer to cover anticipated fees and disbursements in advance of a trial or other major court or tribunal appearance.

THE UNDERSIGNED ACKNOWLEDGES that you have made no guarantee promising the success of this case.

THE UNDERSIGNED ACKNOWLEDGES receipt of a copy of this retainer agreement.

DATED AT STONEY CREEK this 29<sup>th</sup> day of November, 2012

Canada Tobacco & Global Inc.

by: \_\_\_\_\_  
President - Kang, Cheol Joong  
I have authority to bind the corporation

**CHANGHOON LEE**

Barrister & Solicitor

Suite 202, 750 Base Line Road East, London, Ontario N6C 2R5

Telephone: 519-646-2244, Facsimile: 519-646-1217

---

November <sup>28</sup>~~29~~, 2012

Canada Tobacco & Global Inc.  
c/o Cheol Joong Kang  
560 Arvin Avenue, Unit 1 & 2  
Stoney Creek, Ontario  
L8E 5P1

*Sent by E-mail*

Dear Mr. Kang,


**RE: SOLICITOR'S STATEMENTS OF ACCOUNT FOR MY SERVICES RENDERED  
AS OF NOVEMBER 28, 2012**

I have enclosed my Statements of Account for my services rendered in respect of the six matters docketed as 376, 404, 425, 426, 431, and 436 and as described therein. The total payment including H.S.T is \$20,451.44. Kindly make the payment by December 7, 2012. I discounted my fees for docket 376 to 75%, which will be valid until and only if all of the payments are paid by December 7, 2012.

In addition to the above matters, I also enclose my draft retainer for the legal action against *Canadian World & Tobacco Ltd.* for your execution. The initial retainer is set at \$4,548.56 so that you can make one cheque in the sum of \$25,000.00 payable to Changhoon Lee.

Should you have any questions, please feel free to contact me at any time.

Yours very truly,



Changhoon Lee  
Enclosures

**CHANGHOON LEE**

Barrister & Solicitor

Suite 202, 750 Base Line Road East, London, Ontario N6C 2R5  
Telephone: 519-646-2244, Facsimile: 519-646-1217

---

November 28, 2012

Canada Tobacco & Global Inc.  
c/o Cheol Joong Kang  
560 Arvin Avenue, Unit 1 & 2  
Stoney Creek, Ontario  
L8E 5P1

**Sent by E-mail**

Dear Mr. Kang,

**RE: REVISED STATEMENTS OF ACCOUNT FOR MY SERVICES RENDERED  
AS OF NOVEMBER 28, 2012**

Further to our telephone conversation of today, I enclose my revised Statements of Account for the services rendered in respect of the five matters docketed as 376, 404, 425, 426, and 436 and as described therein.


The payment is now reduced to \$9,974.33, plus H.S.T. in the sum of \$1,212.16 that you can claim back as input tax credit. The total payment is \$11,186.49. I trust this is satisfactory and will not make any further courtesy discount. Kindly make the payment by December 7, 2012.

I would like to confirm that you have waived, for the discount made, your right to re-assess the Statements in the future and that you irrevocably agreed to pay for docket 404 and 426 on behalf of 2335443 Ontario Inc. and Canada Convenience Store Retailers' Association as related corporations. If your understanding is otherwise, please advise me immediately.

In addition to the above matters, I also enclose my draft retainer for the legal action against *Canadian World & Tobacco Ltd.* for your execution. The initial retainer is set at \$5,000.00, and you can make one cheque in the sum of \$16,186.49 payable to Changhoon Lee.

Should you have any questions, please feel free to contact me at any time.

Yours very truly,



Changhoon Lee  
Enclosures

## RETAINER AGREEMENT

BETWEEN: CHANGHOON LEE, Barrister and Solicitor  
Suite 202, 750 Base Line Road East, London, Ontario N6C 2R5

AND: CANADA TOBACCO & GLOBAL INC.

---

THE UNDERSIGNED HEREBY RETAINS and instructs you to bring an action on our behalf against Canadian & World Tobacco Ltd. for its breach of the Supply Agreement between the parties dated July 10, 2011, acknowledging that you have been negotiating a settlement since November 8, 2012 in accordance with my instructions.

THE UNDERSIGNED ACKNOWLEDGES that your fees will be based on the time spent on this matter on my behalf, subject to adjustments for the amount involved, complexity of the issues, the result obtained, urgency and other factors used by lawyers in setting a reasonable fee. You have agreed to make your time records available to us for our review at any mutually convenient time if we have any question or concern about them. Disbursements will include such items as transcripts, actual travel costs, computerized legal research, word processing, facsimile and phone charges and photocopy charges and delivery charges.

THE UNDERSIGNED ACKNOWLEDGES that you will render interim accounts to me for fees and disbursements. I agree to pay these accounts upon receipt, subject to my right of assessment, including H.S.T. and any interest on accounts remaining unpaid after thirty days. I understand that you will withdraw your services, subject to court approval if required, if your account is not paid when rendered and/or if the case is determined to be heard in North Bay.

THE UNDERSIGNED AGREES that the hourly rate for you is \$300.00 per hour, and for your clerk \$100.00 per hour, the rate of which may be varied annually and you will advise me of such hourly rates at our request and prior to any increase.

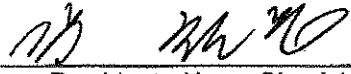
THE UNDERSIGNED AGREES to deposit with you, in trust the sum of \$3,000.00 and acknowledge that this sum will be held by you in a non-interest bearing account. The undersigned authorizes and directs you to use such funds to pay for any disbursements incurred by you on our behalf and any interim accounts for fees. The undersigned agrees to make further deposits on request if these funds become depleted and understand that you may require a further monetary retainer to cover anticipated fees and disbursements in advance of a trial or other major court or tribunal appearance.

THE UNDERSIGNED ACKNOWLEDGES that you have made no guarantee promising the success of this case.

THE UNDERSIGNED ACKNOWLEDGES receipt of a copy of this retainer agreement.

DATED AT STONEY CREEK this 23<sup>rd</sup> day of November, 2012

Canada Tobacco & Global Inc.

by:   
President - Kang, Cheol Joong  
I have authority to bind the corporation

## STATEMENT OF ACCOUNT

In Account with Changhoon Lee, Barrister and Solicitor  
Suite 202, 750 Base Line Road East, London, Ontario N6C 2R5  
Telephone: 519-646-2244, Facsimile: 519-646-1217

February 15, 2012  
294BA354

Korean Tobacco Import & Wholesale Inc.  
7759 Southwood Drive  
Niagara Falls, Ontario  
L2H 2X1

RE: INCORPORATION OF KOREAN TOBACCO IMPORT & WHOLESALE INC.; DRAFT OF BY-LAWS;  
DRAFT OF UNANIMOUS SHAREHOLDERS' AGREEMENT; DRAFT OF SUPPLY AGREEMENT WITH  
CAPS IMPORT EXPORT LTD.; AND, APPLICATION FOR TOBACCO WHOLESALE'S PERMIT

<u>Date</u>	<u>Description</u>	<u>Amount</u>
2012/02/15	TO MY PROFESSIONAL SERVICES RENDERED; (See attached Billing Log)	\$5,237.50
2011/04/28	Paid for *Incorporation Fee	\$300.00
2011/04/28	Paid for ESC Incorporation Service	\$50.85
2011/04/28	Paid for Minute Book and Seal	\$149.16
2011/04/28	Paid for Nuans Corporation Names Search	\$54.24
2011/07/12	Paid for Corporation Profile Search of CAPS and KTIW	\$43.12
2012/02/10	Paid for Corporation Profile Search (CAPS Import Export Ltd.)	\$21.56
2012/02/10	Paid for Corporation Profile Search (Canadian & World Tobacco Ltd.)	\$45.20
2012/02/15	Paid for Prints, Photocopies, and Binding	\$120.00
2012/02/15	Paid for Postages, Purolator, and other Courier Service	\$40.00
2012/02/15	Paid for Local and Long Distance Phone, Facsimile, Internet Service	\$20.00
	Net Amount:	\$6,081.63
	H.S.T. (13%):	\$751.62
	Total Fees and Disbursements:	\$6,833.25

\* Disbursement not subject to H.S.T

February 16, 2012

## BILLING LOG

In Account with CHANGHOON LEE, Barrister and Solicitor  
Suite 202, 750 Base Line Road East, London, Ontario N6C 2R5  
Tel: 519-646-2244, Fax: 519-646-1217

**294**      ***Incorporation of Korean Tobacco Import & Wholesale Inc.; Draft of By-laws; Draft of Unanimous Shareholders' Agreement; Draft of Supply Agreement with Caps Import Export Ltd.; and, Application for Tobacco Wholesaler's Permit***

DATE	START	END	DESCRIPTION	BY	BILLABLE AMOUNT	COURTESY DISCOUNT	KM
2011/04/27	10:00	11:00	Draft of Articles of Incorporation	chang	1.00 <input checked="" type="checkbox"/>	\$250.00    50% 0.50	<u>\$125.00</u>
2011/04/28	11:00	12:00	Review of Articles of Incorporation / Incorporation of Korean Tobacco Import & Wholesale Inc.	chang	1.00 <input checked="" type="checkbox"/>	\$250.00    50% 0.50	<u>\$125.00</u>
2011/05/04	14:00	14:30	Letter to KT&G	chang	0.50 <input checked="" type="checkbox"/>	\$125.00    50% 0.25	<u>\$62.50</u>
2011/05/06	13:00	15:30	Report on Corporate Structure and Shareholder Agreement	chang	2.50 <input checked="" type="checkbox"/>	\$625.00    50% 1.25	<u>\$312.50</u>
2011/05/10	11:00	11:30	Report on Corporate Structure and Shareholder Agreement	chang	0.50 <input checked="" type="checkbox"/>	\$125.00    50% 0.25	<u>\$62.50</u>
2011/07/07	10:28	10:56	Spoke to Mr. Kang re: CAPS Draft Purchase Agreement	chang	0.47 <input checked="" type="checkbox"/>	\$117.50    50% 0.24	<u>\$60.00</u>
2011/07/08	15:00	15:45	Review of the CAPS Draft Agreement	chang	0.75 <input checked="" type="checkbox"/>	\$187.50    50% 0.38	<u>\$95.00</u>
2011/07/08	16:00	18:00	Meeting with Mr. Kang	chang	2.00 <input checked="" type="checkbox"/>	\$500.00    50% 1.00	<u>\$250.00</u>
2011/07/08	19:00	22:45	Draft of Supply Agreement	chang	3.75 <input checked="" type="checkbox"/>	\$937.50    50% 1.88	<u>\$470.00</u>
2011/07/11	13:25	14:35	Review of Agreement and Draft of Amending Agreement	chang	1.17 <input checked="" type="checkbox"/>	\$292.50    50% 0.58	<u>\$145.00</u>
2011/07/11	16:25	16:40	Amendments to the Draft Agreement re: Term	chang	0.25 <input checked="" type="checkbox"/>	\$62.50    50% 0.12	<u>\$30.00</u>
2011/07/27	8:30	9:00	E-mail to Mr. Kang re: Insertion of first year tryout clause	chang	0.50 <input checked="" type="checkbox"/>	\$125.00    50% 0.25	<u>\$62.50</u>
2011/08/02	12:45	14:25	Draft of Unanimous Shareholders Agreement	chang	1.67 <input checked="" type="checkbox"/>	\$417.50    50% 0.84	<u>\$210.00</u>
2011/08/02	14:25	14:40	Spoke to Kang re: Dealership Agreement with KT&G	chang	0.25 <input checked="" type="checkbox"/>	\$62.50    50% 0.12	<u>\$30.00</u>
2011/08/02	14:40	15:30	Draft of Unanimous Shareholders Agreement	chang	0.83 <input checked="" type="checkbox"/>	\$207.50    50% 0.42	<u>\$105.00</u>
2011/08/04	12:00	12:50	Draft of Unanimous Shareholders Agreement	chang	0.83 <input checked="" type="checkbox"/>	\$207.50    50% 0.42	<u>\$105.00</u>
2011/08/13	10:30	12:30	London to 130 Orfus Road	chang	2.00 <input checked="" type="checkbox"/>	\$500.00    0% 0.00	<u>\$0.00</u> 190
2011/08/13	12:30	14:00	Meeting with prospective shareholders re: Unanimous Shareholders Agreement, suggested independent Legal Advice	chang	1.50 <input checked="" type="checkbox"/>	\$375.00    50% 0.75	<u>\$187.50</u>
2011/08/13	14:00	16:00	130 Orfus Road to London	chang	2.00 <input checked="" type="checkbox"/>	\$500.00    0% 0.00	<u>\$0.00</u> 190
2012/01/12	13:30	14:30	Draft of Corporation by-laws	chang	1.00 <input checked="" type="checkbox"/>	\$250.00    50% 0.50	<u>\$125.00</u>
2012/01/17	15:25	16:15	Spoke to Mr. Kang re: Tobacco Wholesaler's Permit	chang	0.83 <input checked="" type="checkbox"/>	\$207.50    50% 0.42	<u>\$105.00</u>
2012/01/26	9:00	10:00	Review and draft of the Application for Wholesaler's Permit	chang	1.00 <input checked="" type="checkbox"/>	\$250.00    50% 0.50	<u>\$125.00</u>
2012/01/26	12:00	13:00	Review and draft of KT&W business plan	chang	1.00 <input checked="" type="checkbox"/>	\$250.00    50% 0.50	<u>\$125.00</u>
2012/01/27	9:30	10:30	Review and draft of KT&W business plan	chang	1.00 <input checked="" type="checkbox"/>	\$250.00    50% 0.50	<u>\$125.00</u>

## BILLING LOG

In Account with CHANGHOON LEE, Barrister and Solicitor  
Suite 202, 750 Base Line Road East, London, Ontario N6C 2R5  
Tel: 519-646-2244, Fax: 519-646-1217

294

*Incorporation of Korean Tobacco Import & Wholesale Inc.; Draft of By-laws; Draft of Unanimous Shareholders' Agreement; Draft of Supply Agreement with Caps Import Export Ltd.; and, Application for Tobacco Wholesaler's Permit*

DATE	START	END	DESCRIPTION	BY	BILLABLE AMOUNT	COURTESY DISCOUNT	KM	
2012/01/30	13:15	13:30	Sent to muhammad.ahmed@ontario.ca KTI&W business plan	chang	0.25 <input checked="" type="checkbox"/> \$62.50	50% 0.12 <u>\$30.00</u>		
2012/02/06	12:30	16:30	Review and Revision of Unanimous Shareholders Agreement	chang	4.00 <input checked="" type="checkbox"/> \$1,000.00	50% 2.00 <u>\$500.00</u>		
2012/02/07	13:00	16:30	Revision of Unanimous Shareholders Agreement	chang	3.50 <input checked="" type="checkbox"/> \$875.00	50% 1.75 <u>\$437.50</u>		
2012/02/08	9:00	12:00	Revision of Unanimous Shareholders Agreement	chang	3.00 <input checked="" type="checkbox"/> \$750.00	50% 1.50 <u>\$375.00</u>		
2012/02/09	9:45	10:30	Revision of Unanimous Shareholders Agreement	chang	0.75 <input checked="" type="checkbox"/> \$187.50	50% 0.38 <u>\$95.00</u>		
2012/02/09	10:30	13:00	To 1101 Finch Avenue West, Toronto	chang	2.50 <input checked="" type="checkbox"/> \$625.00	0% 0.00 <u>\$0.00</u>	190	
2012/02/09	13:00	15:30	Meeting with prospective shareholders, suggested Independent Legal Advice	chang	2.50 <input checked="" type="checkbox"/> \$625.00	50% 1.25 <u>\$312.50</u>		
2012/02/09	15:30	17:30	From 1101 Finch Avenue West, Toronto	chang	2.00 <input checked="" type="checkbox"/> \$500.00	0% 0.00 <u>\$0.00</u>	190	
2012/02/10	9:00	11:30	Revision of Unanimous Shareholders Agreement	chang	2.50 <input checked="" type="checkbox"/> \$625.00	50% 1.25 <u>\$312.50</u>		
2012/02/10	11:30	12:00	Letter to CAPS requesting for 560 Arwin Avenue lease and draft sublease	chang	0.50 <input checked="" type="checkbox"/> \$125.00	50% 0.25 <u>\$62.50</u>		
2012/02/14	9:45	10:18	Received instruction from Mr. Kang by phone not to proceed further re: CAPS and Wholesaler's Permit	chang	0.55 <input checked="" type="checkbox"/> \$137.50	50% 0.28 <u>\$70.00</u>		
2012/02/15	14:54	17:00	Solicitor's Final Report	chang	2.10 <input checked="" type="checkbox"/> \$525.00	0% 0.00 <u>\$0.00</u>		
2012/02/16	14:00	15:00	Solicitor's Final Report and Statement of Account	chang	1.00 <input checked="" type="checkbox"/> \$250.00	0% 0.00 <u>\$0.00</u>		
Summary for 'MATTER ID' = 294 (37 detail records)								
<b>SUM</b>					<b>53.45</b>	<b>\$13,362.50</b>	<b><u>\$5,237.50</u></b>	<b>760</b>

**CHANGHOON LEE**  
Barrister & Solicitor

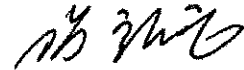
\*Please reply to  Mississauga  London

Suite 10,  
700 Dundas Street East  
Mississauga, Ontario  
Canada L4Y 3Y5  
Tel: 905-897-3393  
Fax: 905-897-0926

Suite 202,  
750 Base Line Road East  
London, Ontario  
Canada N6C 2R5  
Tel: 519-646-2244  
Fax: 519-646-1217

May 17, 2013

Canada Tobacco & Global Inc.  
c/o Cheol Joong Kang  
Unit 101, 1040 South Service Road  
Stoney Creek, Ontario,  
L8E 6G3



*Delivered in Person*

Dear Mr. Kang,

**RE: STATEMENT OF ACCOUNT FOR MY SERVICES RENDERED IN THE MATTER OF  
CANADIAN & WORLD TOBACCO LTD. AND CLEMENT AMYOTTE (COURT FILE NUMBER: 12-38532)**

Please find enclosed Statement of Account for my services rendered in respect of your legal proceeding against Canadian & World Tobacco Ltd. and Clement Amyotte up to date of this letter.

The total fees and disbursements rendered up to date is \$7,482.58 with discount, out of which \$2,636.01 has been paid from the initial retainer. Please send me a cheque in the sum of \$4,846.57 for the outstanding payment payable to Changhoon Lee at your earliest convenience, but no later than May 31, 2013.

I also require additional retainer in the sum of \$10,000.00 to continue the proceeding further. You can send me one cheque in the sum of \$14,846.57 payable Changhoon Lee, in Trust.

Should you have any questions, please feel free to contact me at any time.

Yours very truly,



Changhoon Lee  
Enclosures



**STATEMENT OF ACCOUNT (INVOICE)**

In Account with Changhoon Lee, Barrister and Solicitor  
Suite 202, 750 Base Line Road East, London, Ontario N6C 2R5  
Telephone: 519-646-2244, Facsimile: 519-646-1217

May 17, 2013  
424LCV

Canada Tobacco & Global Inc.  
Unit 1&2, 560 Arvin Avenue  
Stoney Creek, Ontario  
L8E 5P1

RE: CANADA TOBACCO & GLOBAL INC. V. CANADIAN & WORLD TOBACCO LTD.

<u>Date</u>	<u>Description</u>	<u>Amount</u>
2013/05/17	TO MY PROFFESIONAL SERVICES RENDERED; (See attached Billing Log - 1st Payment)	\$6,489.00
2013/05/17	Paid for Corporation Profile Search	\$21.56
2013/05/17	Paid for Postages, Purolator, and other Courier Service	\$40.00
2013/05/17	Paid for Prints, Photocopies, and Binding	\$60.01
2013/05/17	Paid for Local and Long Distance Phone, Facsimile, Internet Service	\$11.19

Net Amount: \$6,621.76

H.S.T. (13%): \$860.82

Total Fees and Disbursements: \$7,482.58

2,636.01 paid  
+ 4,846.57

\* Disbursement marked with "\*" is not subject to H.S.T

Payable to "Changhoon Lee"  
H.S.T. Number: 820678019RT0001  
E. and O.E.

May 17, 2013

**TRUST ACCOUNT LEDGER**

In Account with Changhoon Lee, Barrister and Solicitor  
Suite 202, 750 Base Line Road East, London, Ontario N6C 2R5  
Telephone: 519-646-2244, Facsimile: 519-646-1217

May 17, 2013  
424LCV

Canada Tobacco & Global Inc.  
Unit 1&2, 560 Arvin Avenue  
Stoney Creek, Ontario  
L8E 5P1

RE: CANADA TOBACCO & GLOBAL INC. V. CANADIAN & WORLD TOBACCO LTD.

		<u>Receipts</u>	<u>Disbursements</u>
2012/12/03	Received from Canada Tobacco & Global Inc. as Retainer	\$3,000.00	
2012/12/06	Paid to Minister of Finance as Court Filing Fee		\$181.00
2012/12/21	Paid to North Bay Bailiff & Process Servers as Affidavit of Service		\$67.24
2013/02/04	Received from Joseph D. Kennedy Lawyer as Photocopying Expense	\$28.25	
2013/02/12	Paid to Minister of Finance as Court Filing Fee Re: The Plaintiff's Reply and Defence to Counter Claim		\$144.00
2013/05/17	Paid to Changhoon Lee as Professional Fees and Disbursements		\$2,636.01
	<b>Total:</b>	<b>\$3,028.25</b>	<b>\$3,028.25</b>
	<b>Trust Balance:</b>		<b>\$0.00</b>

This is my Trust Account herein;



Changhoon Lee  
E. and O.E.

May 17, 2013

**STATEMENT OF ACCOUNT**

In Account with Changhoon Lee, Barrister and Solicitor  
Suite 202, 750 Base Line Road East, London, Ontario N6C 2R5  
Telephone: 519-846-2244, Facsimile: 519-846-1217

May 17, 2013  
424LCV

Canada Tobacco & Global Inc.  
Unit 1&2, 560 Arvin Avenue  
Stoney Creek, Ontario  
L8E 6P1

RE: CANADA TOBACCO & GLOBAL INC. V. CANADIAN & WORLD TOBACCO LTD.

<u>Date</u>	<u>Description</u>	<u>Amount</u>
2013/05/17	TO MY PREOFSSIONAL SERVICES RENDERED; (See attached Billing Log - 1st Payment)	\$2,200.00
2013/05/17	Paid for Corporation Profile Search	\$21.56
2013/05/17	Paid for Postages, Purolator, and other Courier Service	\$40.00
2013/05/17	Paid for Prints, Photocopies, and Binding	\$60.01
2013/05/17	Paid for Local and Long Distance Phone, Facsimile, Internet Service	\$11.19
	Net Amount:	\$2,332.76
	H.S.T. (13%):	\$303.25
	Total Fees and Disbursements:	\$2,636.01

This is my General Account herein;  
Paid in Full with Thanks



Changhoon Lee  
H.S.T. Number: 820678019RT0001  
E. and O.E.

\* Disbursement marked with "\*" is not subject to H.S.T

May 17, 2013

## BILLING LOG

In Account with CHANGHOON LEE, Barrister and Solicitor  
 Suite 202, 750 Base Line Road East, London, Ontario N6C 2R5  
 Tel: 519-648-2244, Fax: 519-648-1217

424 *Canada Tobacco & Global Inc. v. Canadian & World Tobacco Ltd.*

DATE	START	END	DESCRIPTION	BY	BILLABLE AMOUNT	COURTESY DISCOUNT	KM
2012/08/18	12:00	13:30	Travel from London to 560 Arvin, Stoney Creek	CHL	1.50 <input checked="" type="checkbox"/>	\$450.00 0% 0.00	<u>\$0.00</u>
2012/08/18	13:30	15:00	Meeting with Mr. Kang	CHL	1.50 <input checked="" type="checkbox"/>	\$450.00 0% 0.00	<u>\$0.00</u>
2012/08/18	21:00	23:00	Travel back to London	CHL	2.00 <input checked="" type="checkbox"/>	\$600.00 0% 0.00	<u>\$0.00</u>
2012/08/29	13:00	14:00	Letter to Canadian & World Tobacco Ltd.	CHL	1.00 <input checked="" type="checkbox"/>	\$300.00 50% 0.50	<u>\$150.00</u>
2012/08/30	9:00	9:30	Review of the letter to Canadian & World Tobacco Ltd.	CHL	0.50 <input checked="" type="checkbox"/>	\$150.00 50% 0.25	<u>\$75.00</u>
2012/08/31	9:30	10:00	Letter to Mr. Clem Amyotte	CHL	0.50 <input checked="" type="checkbox"/>	\$150.00 50% 0.25	<u>\$75.00</u>
2012/09/04	12:30	13:30	Review of the letter from CAPS; Telephone call to Mr. Kang; Letter to the L's lawyer re: sublease	CHL	1.00 <input checked="" type="checkbox"/>	\$300.00 50% 0.50	<u>\$150.00</u>
2012/10/09	14:00	15:00	Draft of the Mutual Release	CHL	1.00 <input checked="" type="checkbox"/>	\$300.00 50% 0.50	<u>\$150.00</u>
2012/10/25	12:30	13:00	Draft of the Termination Notice	CHL	0.50 <input checked="" type="checkbox"/>	\$150.00 50% 0.25	<u>\$75.00</u>
2012/10/25	16:30	17:30	Meeting with Mr. Kang for instruction re: Termination Notice	CHL	1.00 <input checked="" type="checkbox"/>	\$300.00 50% 0.50	<u>\$150.00</u>
2012/10/26	9:00	9:30	Draft of Notice of Termination	CHL	0.50 <input checked="" type="checkbox"/>	\$150.00 50% 0.25	<u>\$75.00</u>
2012/11/06	13:30	14:30	Case Review	CHL	1.00 <input checked="" type="checkbox"/>	\$300.00 50% 0.50	<u>\$150.00</u>
2012/11/15	9:00	12:00	Draft of the Statement of Claim	CHL	3.00 <input checked="" type="checkbox"/>	\$900.00 50% 1.50	<u>\$450.00</u>
2012/11/15	13:00	15:00	Review of the Statement of Claim	CHL	2.00 <input checked="" type="checkbox"/>	\$600.00 50% 1.00	<u>\$300.00</u>
2012/11/22	13:00	14:00	Revision of the Statement of Claim	CHL	1.00 <input checked="" type="checkbox"/>	\$300.00 50% 0.50	<u>\$150.00</u>
2012/11/23	10:00	12:00	London to 1040 South Service Road, Stoney Creek	CHL	2.00 <input checked="" type="checkbox"/>	\$600.00 0% 0.00	<u>\$0.00</u>
2012/11/23	12:00	15:00	Meeting with Mr. Kang re: Statement of Claim	CHL	3.00 <input checked="" type="checkbox"/>	\$900.00 50% 1.50	<u>\$450.00</u>
2012/11/23	17:00	19:00	Stoney Creek to London	CHL	2.00 <input checked="" type="checkbox"/>	\$600.00 0% 0.00	<u>\$0.00</u>
2012/11/24	14:00	16:00	Revision of the Statement of Claim	CHL	2.00 <input checked="" type="checkbox"/>	\$600.00 25% 0.50	<u>\$150.00</u>
2012/11/26	15:30	16:30	Revision of the Statement of Claim	CHL	1.00 <input checked="" type="checkbox"/>	\$300.00 25% 0.25	<u>\$75.00</u>
2012/11/28	14:30	16:30	Revision of the Statement of Claim	CHL	2.00 <input checked="" type="checkbox"/>	\$600.00 25% 0.50	<u>\$150.00</u>
2012/11/29	10:30	12:30	Revision of the Statement of Claim	CHL	2.00 <input checked="" type="checkbox"/>	\$600.00 25% 0.50	<u>\$150.00</u>
2012/11/30	9:30	12:00	Revision of the Statement of Claim	CHL	2.50 <input checked="" type="checkbox"/>	\$750.00 25% 0.62	<u>\$188.00</u>
2012/12/03	13:00	14:00	Revision of the Statement of Claim	CHL	1.00 <input checked="" type="checkbox"/>	\$300.00 25% 0.25	<u>\$75.00</u>
2012/12/05	13:00	14:00	Review of the Statement of Claim	CHL	1.00 <input checked="" type="checkbox"/>	\$300.00 25% 0.25	<u>\$75.00</u>
2012/12/06	9:00	11:00	Travel to Hamilton Court	CHL	2.00 <input checked="" type="checkbox"/>	\$600.00 0% 0.00	<u>\$0.00</u>
2012/12/06	11:00	12:00	Filing of the Statement of Claim	CHL	1.00 <input checked="" type="checkbox"/>	\$300.00 0% 0.00	<u>\$0.00</u>
2012/12/06	14:00	16:00	Travel to London	CHL	2.00 <input checked="" type="checkbox"/>	\$600.00 0% 0.00	<u>\$0.00</u>
2012/12/10	10:00	10:30	Telephone call to North Bay Bailiff & Process Servers for serving the claim	CHL	0.50 <input checked="" type="checkbox"/>	\$150.00 0% 0.00	<u>\$0.00</u>
2012/12/21	12:30	13:30	Requested documents sent to the lawyer for CAPS	CHL	1.00 <input checked="" type="checkbox"/>	\$300.00 50% 0.50	<u>\$150.00</u>

Friday, May 17, 2013

## BILLING LOG

In Account with CHANGHOON LEE, Barrister and Solicitor  
Suite 202, 750 Base Line Road East, London, Ontario N6C 2R5  
Tel: 519-646-2244, Fax: 519-646-1217

424 *Canada Tobacco & Global Inc. v. Canadian & World Tobacco Ltd.*

DATE	START	END	DESCRIPTION	BY	BILLABLE AMOUNT	COURTESY DISCOUNT	KM
2013/01/08	14:00	15:00	Draft of the responding letter to Mr. Kennedy	CHL	1.00 <input checked="" type="checkbox"/>	\$300.00 50% 0.50	<u>\$150.00</u>
2013/01/09	10:30	11:00	Responding letter to Mr. Kenney	CHL	0.50 <input checked="" type="checkbox"/>	\$150.00 50% 0.25	<u>\$75.00</u>
2013/01/26	12:00	14:30	Review of the Statement of Defence and Counterclaim	CHL	2.50 <input checked="" type="checkbox"/>	\$750.00 60% 1.25	<u>\$375.00</u>
2013/01/28	9:00	9:30	Request for Documents; Notice of Termination	CHL	0.50 <input checked="" type="checkbox"/>	\$150.00 60% 0.25	<u>\$75.00</u>
2013/02/01	12:30	16:00	Draft of the reply and defence to counterclaim	CHL	3.50 <input checked="" type="checkbox"/>	\$1,050.00 50% 1.75	<u>\$525.00</u>
2013/02/04	10:00	12:00	Draft of the reply and defence to counterclaim	CHL	2.00 <input checked="" type="checkbox"/>	\$600.00 50% 1.00	<u>\$300.00</u>
2013/02/04	15:00	16:30	Revision of the reply and defence to counterclaim	CHL	1.50 <input checked="" type="checkbox"/>	\$450.00 50% 0.75	<u>\$225.00</u>
2013/02/05	13:00	14:30	Revision of the reply and defence to counterclaim	CHL	1.50 <input checked="" type="checkbox"/>	\$450.00 50% 0.75	<u>\$225.00</u>
2013/02/06	13:00	16:00	Revision of the reply and defence to counterclaim	CHL	3.00 <input checked="" type="checkbox"/>	\$900.00 50% 1.50	<u>\$450.00</u>
2013/02/07	12:30	15:00	Meeting with Mr. Kang and Mr. Terry Kim	CHL	2.50 <input checked="" type="checkbox"/>	\$750.00 0% 0.00	<u>\$0.00</u>
2013/02/10	14:30	16:30	Revision of the reply and defence to counterclaim	CHL	2.00 <input checked="" type="checkbox"/>	\$600.00 25% 0.50	<u>\$150.00</u>
2013/02/11	12:30	14:30	Revision of the reply and defence to counterclaim	CHL	2.00 <input checked="" type="checkbox"/>	\$600.00 25% 0.60	<u>\$150.00</u>
2013/02/12	9:30	11:00	Revision of the reply and defence to counterclaim	CHL	1.50 <input checked="" type="checkbox"/>	\$450.00 25% 0.38	<u>\$114.00</u>
2013/02/12	11:00	12:30	To Hamilton Court	CHL	1.50 <input checked="" type="checkbox"/>	\$450.00 0% 0.00	<u>\$0.00</u>
2013/02/22	10:00	10:30	Letter to Mr. Kennedy	CHL	0.50 <input checked="" type="checkbox"/>	\$150.00 50% 0.25	<u>\$75.00</u>
2013/03/05	13:30	14:00	Offer to settle to Mr. Kennedy	CHL	0.50 <input checked="" type="checkbox"/>	\$150.00 50% 0.25	<u>\$75.00</u>
2013/03/18	10:30	11:15	Letter to Mr. Kennedy	CHL	0.76 <input checked="" type="checkbox"/>	\$225.00 50% 0.38	<u>\$114.00</u>
2013/04/15	9:00	9:30	Statement of Account	CHL	0.50 <input checked="" type="checkbox"/>	\$150.00 0% 0.00	<u>\$0.00</u>
<b>SUM</b>					<b>70.75</b>	<b>\$21,225.00</b>	<b><u>\$8,489.00</u></b>

Summary for 'MATTER ID' = 424 (48 detail records)

Friday, May 17, 2013

**CHANGHOON LEE**

Barrister & Solicitor

Suite 202, 750 Base Line Road East, London, Ontario N6C 2R5  
Telephone: 519-646-2244, Facsimile: 519-646-1217

---

February 16, 2012

Korean Tobacco Import & Wholesale Inc.  
c/o Cheol Joong Kang and Yang-Pyung Kim  
7759 Southwood Drive  
Niagara Falls, Ontario  
L2H 2X1

Sent by E-mail to  
owwb@hotmail.com

Dear Sirs,

**RE: SOLICITOR'S FINAL REPORT  
INCORPORATION OF KOREAN TOBACCO IMPORT & WHOLESALE INC.; DRAFT OF BY-LAWS;  
DRAFT OF UNANIMOUS SHAREHOLDERS' AGREEMENT; DRAFT OF SUPPLY AGREEMENT WITH  
CAPS IMPORT EXPORT LTD.; AND, APPLICATION FOR TOBACCO WHOLESALER'S PERMIT**

My representation for the above-described matters has now been concluded in accordance with your instruction, and I am pleased to report to you as follows:

**1. INCORPORATION OF KOREAN TOBACCO IMPORT & WHOLESALE INC.**

The Corporation was incorporated under *the Ontario Business Corporations Act* by filing its Articles of Incorporation with the Ministry of Government Services on April 28, 2011.

Corporation Name

The full name of the corporation must be used at all times on all documents and contracts, cheques, invoices and forms of the business of the Corporation so that it is known clearly to others that they are dealing with an incorporated entity and not personally. If you intend to carry on a business under a name or style different from the name of the Corporation, you are required to register the intended business name pursuant to the provisions of *the Ontario Business Names Act*.

Initial Return

The Corporation is required to file with the Ministry of Government Services within sixty (60) days of incorporation an initial notice setting out, among other things, full names and residential addresses of the directors and officers together with the address of the head office. This notice has been prepared and delivered to the office of the Ministry from my office.

Powers

The Corporation has the capacity and the rights, powers and privileges of a natural person. The Articles of Incorporation does not restrict business activities that the Corporation may carry on, and

the Corporation may therefore engage in any lawful business. The Corporation may carry on business in each province of Canada to the extent that the laws of such jurisdiction permit.

### Shares

The Articles of Incorporation limits the number of shareholders to fifty (50).

The Corporation is authorized to issue an unlimited number of shares of one class designated as common shares and an unlimited number of shares of a second class designated as preference shares. The preference shares are issuable in series, and the Articles of Incorporation provides certain privileges and restrictions on the first series of 50,000 preference shares.

A share cannot be issued until the consideration for the share is fully paid in money, in property or by past service that is not less in value than the fair equivalent of the money that the Corporation would have received if the share had been issued for money.

### Directors

The Articles of Incorporation limits the number of directors up to nine (9) with the minimum number of one (1). The Corporation is required to file with the Ministry of Government Services a notice in prescribed form of every change in the directors of the Corporation within fifteen (15) days after such change occurs.

### Financial Year End and Tax Returns

The financial year-end of the Corporation is to be determined by the Corporation, and once determined may not be changed without the consent of the Canada Revenue Agency. The Corporation is required to file its Income Tax Returns pursuant to *the Income Tax Act* of Canada and *the Corporation Tax Act* of Ontario.

## **2. DRAFT OF BY-LAWS**

I have drafted the by-laws of the Corporation in accordance with your instruction for consideration and approval of the directors and shareholders. While full details of the organization of the Corporation are contained in the minute book of the Corporation, I believe it would be useful to summarize to you some important matters as follows:

### By-law No. 1

Meetings of the directors may be held at any place within Ontario, as long as a majority of the number of directors is present, with at least forty-eight hours' (48) prior notice to each director.

Meetings of the shareholders may be held at such place within Ontario, as the directors may determine, with at least ten (10) but not more than fifty (50) days' prior notice to the auditor of the Corporation, to each director, and to each person whose name appears on the records of the Corporation at the close of business on the day next preceding the giving of the notice as a shareholder entitled to vote at the meeting. A majority of the shares entitled to vote constitutes a quorum.

The first annual meeting of the shareholders and directors must be called not later than eighteen (18) months after incorporation and subsequently not later than fifteen (15) months after the holding of the last preceding annual meeting.

Any by-law or resolution authorized by the signatures of all of the directors or all of the shareholders is as valid as if it had been passed at a meeting of the directors or shareholders.

Section 11.01 of By-law No.1 provides that any documents and instruments required to be signed on behalf of the Corporation may be signed by the President or a Vice President or two (2) directors or a director together with the secretary or treasurer. The directors may direct, from time to time, the manner in which and the person or persons by whom any particular document or instrument is to be signed by the Corporation.

By-law No. 2

By-law No. 2 grants directors a power to borrow money on behalf of the Corporation.

**3. DRAFT OF THE UNANIMOUS SHAREHOLDERS' AGREEMENT**

*The Business Corporations Act* allows shareholders, by way of a unanimous shareholders' agreement, to provide arrangements for the ongoing operation and control of the Corporation and for certain restrictions on dealings with shares of the Corporation.

I have drafted a unanimous shareholders' agreement in accordance with your instruction. The agreement was drafted on behalf of the Corporation as a reference for discussion and consideration of approximately 35 prospective shareholders, who were all suggested to have independent legal advice.

**4. THE SUPPLY AGREEMENT WITH CAPS IMPORT EXPORT LTD.**

I have drafted the supply agreement between the Corporation and CAPS Import Export Ltd. in accordance with your instruction. The agreement was fully executed by both parties on or about July 10, 2011 and is now firm and binding, only subject to the Corporation's obtaining the Tobacco Wholesaler's Permit within one (1) year period of the date of the agreement.

Under the agreement, the Corporation has an exclusive right to sell the tobacco products of CAPS Import Export Ltd. in Canada, but shall buy at least 480,000 cartons annually from CAPS Import Export Ltd. for a period of ten (10) years.

I would like to confirm that the agreement was reached through hard negotiations with CAPS Import Export Ltd., and CAPS Import Export Ltd. did not accept your proposal to insert one (1) year tryout period clause and other early termination conditions. The agreement was entered as a business decision of the Corporation, taking into account all potential risks and consequences that may be resulted from breach by the Corporation.



**5. APPLICATION FOR THE TOBACCO WHOLESALER'S PERMIT**

As of the date of this report, the Ministry of Finance has yet to issue the permit. The Corporation made the application on or about April 11, 2011 and submitted its revised business plan on or about January 30, 2012 upon request of the Ministry.

I understand from Muhammad Ahmed of the Ministry that the Corporation is further required to provide its address of actual business location and to prove its financial capability to honor the agreement with CAPS Import Export Ltd. The final issuance of the permit to the Corporation is also dependent on the Ministry's approving CAPS Import Export Ltd. as a tobacco wholesaler.

**6. MY STATEMENT OF ACCOUNT**

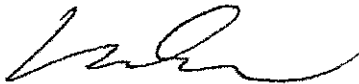
I enclose my Statement of Account for my professional fees and disbursements incurred for the above-described matters. As you will note, my fees are substantially discounted to 39% of the total time spent at the discounted rate of \$250 per hour. I trust this is satisfactory. Should you have questions or concerns about any of the billing log, please feel free to contact me at any time.

Please make the payment by cheque payable to Changhoon Lee or by way of direct deposit into my bank account within 14 days of the receipt of this letter:

Account Holder:	Changhoon Lee
Bank:	TD Canada Trust 275 Dundas at Wellington London, Ontario N6A 4S4 Tel: 519-663-1500
Institution #:	004
Account #:	7436-5206054 (For Canadian Dollar)
Transit #:	0101 for wire transfer 01012 for direct deposit

I trust that this completes my representation and thank you for the opportunity to have acted on your behalf.

Yours very truly,



Changhoon Lee

Enclosures

1. My Statement of Account; and
2. Billing Log

# **APPENDIX “BB”**



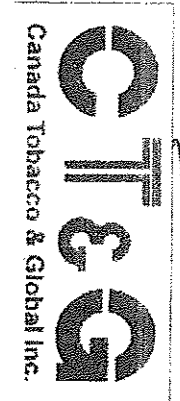
Suite 101 - 1040 South Service Rd.  
 Stoney Creek, ON, L8E 6G3  
 Tel: 289.649.1888 Fax: 289.649.1889  
 E-mail: order@ctng.ca

**Order &  
Out Form**

Store Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Tel: \_\_\_\_\_  
 E-Mail: \_\_\_\_\_  
 Date: Nov 22/2013  
 Invoice No. \_\_\_\_\_  
 Account No. \_\_\_\_\_

ITEM	UPC	PRICE	QTY	AMOUNT
<b>MIDAS CIGARETTES</b>				
Cartons - 25 Large King Size				
Midas Red KS	0 65258 68400 6	N/A		
Midas Blue KS	0 65258 68401 3	N/A		
Cartons - 20 Small King Size				
<b>GANGNAM CIGARETTES</b>				
Cartons - 25 Large King Size				
Gangnam Black KS	0 65258 68800 4	N/A		
Gangnam Silver KS	0 65258 68801 1	N/A		
Cartons - 20 Small King Size				
Gangnam Black KS	0 65258 67810 4	N/A		
Gangnam Silver KS	0 6525 867811 1	N/A		
<b>C38 CIGARETTES</b>				
Cartons - 25 Large King Size				
Cartons - 20 Small King Size				
C38 Red KS	0 65258 68010 7	N/A	10	
C38 Blue KS	0 65258 69010 3	N/A	10	
<b>SUBTOTAL</b> 965.20				
81547 3004 RC0001 H.S.T. 125.47				
<b>TOTAL</b> 1090.67				
Promotion \$0.00				
담당	실장	전부		

*[Handwritten signatures]*



1040 S SERVICE RD, SUITE 101  
 STONEY CREEK, ON L8E 6G3  
 Tel: 289-649-1888  
 Fax: 289-649-1889  
 WWW.CTNG.CA  
 JAMESKANG@CTNG.CA

**- Invoice -**

Tran #: 1000471  
 Clerk: 0016  
 Date: 11/20/2013  
 16:30

Cust #: NE001M 905-3573825  
 E-ZGO BRESTORE \*\*20.5

QTY	ITEM/UPC	Amount
100	48.26 C38 SK BLUE 065258690103	482.60 T
100	48.26 C38 SK RED 065258680107	482.60 T
815473004	Sub HST	965.20 125.47

**Total Amount \$1090.67**

\*\* NOT PAID \*\*  
 No Refund!  
 Exchange Only!

# APPENDIX “CC”

# DODICK LANDAU

SENT BY COURIER

June 9, 2015

K&K Super Save and Mr. Yangpyung Kim  
100 Windhill Crescent  
North York, ON M9M 1X4

2437 Finch Ave. W. #11  
Toronto, ON. M9M 2E7

Attention: Mr. Yangpyung Kim

Canada Tobacco Global Inc. (the "Company")

Dear Sir:

As you are aware, an order was made on August 19, 2014 and Dodick Landau Inc. ("DLI") was appointed Trustee in Bankruptcy (the "Trustee") over the assets, property and undertakings of the Company. A copy of the Court order can be found on the Trustee's website at [www.dodick.ca](http://www.dodick.ca).

As described in our demand letter to you dated October 31, 2014, the books and records of the Company indicated that at this date K&K Super Save and you are indebted to the Company for \$3,373.53 before accrued interest. Following receipt of this letter, you provided to the Trustee a credit memo for \$886.25 and a receipt for \$505.33 with markings in handwriting that it was paid. We are prepared to accept the credit memo for \$886.25 but not the receipt marked paid for \$505.33. We have in our possession the original receipt for \$505.33 that was in the Company's records and it is not marked paid (see Appendix "A"). As well, the Company's accounting system does not have this amount as having been paid. Therefore, attached as Appendix "B" is the our revised Statement of Account evidencing the amount owing by K&K Super Save and you to the Company totaling \$2,487.28.

WE HEREBY DEMAND AND DIRECT that you forward your payment immediately to Dodick Landau Inc. c/o Canada Tobacco Global Inc. for the full amount owing to the Company. A receipt and discharge for the amount you owe can only be given by the Trustee and we have to advise you that you will be responsible for any money paid to anyone except us after the receipt of this notice. You may make your cheque payable to Canada Tobacco Global Inc. or Dodick Landau Inc.

# DODICK LANDAU

Please send your payment to:

Canada Tobacco & Global Inc. c/o Dodick Landau Inc.  
4646 Dufferin Street, Suite 6  
Toronto, Ontario M3H 5S4

Attention: Mr. Rahn Dodick

Please be advised that if payment or arrangements satisfactory to the Trustee for the payment are not made forthwith, the Trustee will take such further steps as it deems necessary to recover payment of the amount owing. Those steps may include the commencement of legal proceedings without further notice or demand, and will include interest on overdue amounts and the recovery of collection costs.

Yours very truly,

**DODICK LANDAU INC.,**  
Acting in its capacity as Trustee in Bankruptcy of  
Canada Tobacco & Global Inc. and not in its  
personal or corporate capacity.

Per: 

Rahn Dodick CPA, CIRP  
President  
Office Phone: 416-645-0552  
Facsimile: 416-649-7725

Appendix "A"



Suite 101 - 1040 South Service Rd.  
 Stony Creek, ON L8E 6G3  
 Tel: 289.649.1888 Fax: 289.649.1899  
 E-mail: order@ctng.ca

Order &  
 Out Form

Store Name: 2 OF 24 Date: Nov 22/2013  
 Address: D O O Invoice No. \_\_\_\_\_  
 Tel: \_\_\_\_\_ Account No. \_\_\_\_\_  
 E-Mail: \_\_\_\_\_

ITEM	UPC	PRICE	QTY	AMOUNT
<b>INDIA CIGARETTES</b>				
Cartons - 25 Large King Size				
Midas Red KS	0 65258 68400 6	N/A		
Midas Blue KS	0 65258 68401 3	N/A		
Cartons - 20 Small King Size				
<b>CANADA CIGARETTES</b>				
Cartons - 25 Large King Size				
Gangnam Black KS	0 65258 68800 4	N/A		
Gangnam Silver KS	0 65258 68801 1	N/A		
Cartons - 20 Small King Size				
Gangnam Black KS	0 65258 67810 4	N/A		
Gangnam Silver KS	0 6525 86781 1	N/A		
<b>C38 CIGARETTES</b>				
Cartons - 25 Large King Size				
Cartons - 20 Small King Size				
C38 Red KS	0 65258 68010 7	N/A	9	
C38 Blue KS	0 65258 69010 3	N/A	1	
SUBTOTAL 482.60				
H.S.T. 62.73				
TOTAL 545.33				
Promotion 40.00				
505.33				
2013/11/22				



1040 S SERVICE RD. SUITE 101  
 STONEY CREEK, ON L8E 6G3  
 Tel: 289-649-1888  
 Fax: 289-649-1889  
 WWW.CTNG.CA  
 JAMESKANG@CTNG.CA

- Invoice -

Tran #: 1000472 Clerk: 0016 Date: 11/20/2013  
 16:34  
 Cust #: NY002M 416-7457845  
 K & K SUPER SAVORIES

QTY	ITEM/UPC	Amount
19	4826 C38 9K BLUE	48.26 T
96	4826 C38 SK RED	434.34 T
	065258690103	
	065258690107	
815473004	Sub	482.60
	HST	62.73
Total Amount		\$545.33

No Refund!  
 Exchange Only!

APPENDIX "B"

Statement of Account  
K&K Super Save and Mr. Yangpyung Kim

Invoice #	Date	Amount	HST	Credit	Balance
1000472	11/20/2013	482.60	62.73 -	40.00	505.33
13	02/15/2014	783.90	101.91	-	885.81
Credit memo	02/25/2014		-	886.25 -	886.25
36	03/12/2014	2,613.00	339.69 -	200.00	2,752.69
Payment	03/17/2014		-	770.30 -	770.30
<b>TOTAL</b>		<b>3,879.50</b>	<b>504.33 -</b>	<b>1,896.55</b>	<b>2,487.28</b>