

Court File No. 31-2711340
Estate No. 31-2711340

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE PROPOSAL OF
NUOTAKA INTERNATIONAL INC.
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO

MOTION RECORD
(Approval of Proposal)
(Returnable October 4, 2021)

WeirFoulds LLP
Barristers & Solicitors
66 Wellington Street West
Suite 4100
Toronto-Dominion Centre
P.O. Box 35
Toronto, ON M5K 1B7

Philip Cho (LSO # 45615U)
Tel: (416) 619-6296
Fax: (416) 365-1876
pcho@weirfoulds.com

Lawyers for Dodick Landau Inc., in its
capacity as Proposal Trustee of Nuotaka
International Inc.

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

AND TO: **Page Martin LLP**
150 York Street, Suite 800
Toronto, ON M5H 3S5

Ken Page
LSO # 28195S
kenpage@pagemartin.com
Tel: 416-595-9935 Ext:340
Fax: 416-595-1731

Lawyers for Nuotaka International Inc.

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TAB 1

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE PROPOSAL OF
NUOTAKA INTERNATIONAL INC
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO

NOTICE OF MOTION
(Returnable October 4, 2021)

DODICK LANDAU INC. (“**DLI**”), in its capacity as proposal trustee (the “**Proposal Trustee**”) of Nuotaka International Inc (the “**Debtor**”), will make a motion to a Registrar in bankruptcy on October 4, 2021, at 10:00 a.m., or as soon after that time as the Motion can be heard, at Toronto, Ontario.

PROPOSED METHOD OF HEARING: The Motion is to be heard (choose appropriate option)

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

THE MOTION IS FOR:

1. An Order approving the Proposal of the Debtor, dated July 23, 2021 (the “**Proposal**”);

2. An Order authorizing the Proposal Trustee and the Debtor to take all steps necessary to implement the Proposal; and,
3. Such further and other relief as to this Court may seem just.

THE GROUNDS FOR THE MOTION ARE:

1. On February 10, 2021, the Debtor filed a Notice of Intention to Make a Proposal under section 50.4(9) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”) and DLI was named as the Proposal Trustee;
2. On March 11, April 22, and June 7, 2021, the Debtor sought and obtained orders from the Court extending the time for filing a proposal and extending the stay of proceedings up to and including July 25, 2021;
3. On July 23, 2021, the Debtor filed the Proposal with the Official Receiver pursuant to section 62 of the BIA;
4. On August 3, 2021, the Proposal Trustee gave notice to the Debtor and every known creditor of the calling of a meeting of the creditors (the “**Creditor’s Meeting**”) to be held on August 26, 2021, to consider the Proposal;
5. On August 26, 2021, at the Creditor’s Meeting, the Proposal, and the terms contained therein, was duly accepted by a majority of the creditors.;
6. On September 17, 2021, the Proposal Trustee caused to be sent to the Superintendent of Bankruptcy, to the Debtor, and to every creditor who has filed a Proof of Claim, notice of the time and place of the hearing of the application to the Court to approve the Proposal;

General

7. The terms of the Proposal are reasonable and calculated to benefit the general body of creditors;
8. All statutory requirements to the approve of the Proposal have been met;
9. No offences or facts have been proved against the debtor that would justify the Court withholding its approval of the Proposal;
10. The relief sought is appropriate in the circumstances;
11. Sections 58 and 59 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
12. Rule 11 of the *Bankruptcy and Insolvency General Rules*, C.R.C. 1978, c. 368, as amended; and,
13. Such further and other grounds as counsel may advise and this Honourable Court permit.

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

- (a) Fourth Report of the Proposal Trustee dated September 24, 2021; and,
- (b) Such further and other evidence as the lawyers may advise and this Court may permit.

DATE: September 27, 2021

WeirFoulds LLP
Barristers & Solicitors
66 Wellington Street West
Suite 4100
Toronto-Dominion Centre
P.O. Box 35
Toronto, ON M5K 1B7

Philip Cho (LSO # 45615U)
Tel: (416) 619-6296
Fax: (416) 365-1876
pcho@weirfoulds.com

Lawyers for Dodick Landau Inc. in its
capacity as Proposal Trustee of Nuotaka
International Inc..

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION
(Approval of Proposal)
(Returnable October 4, 2021)

WeirFoulds LLP
Barristers & Solicitors
66 Wellington Street West, Suite 4100
Toronto-Dominion Centre
P.O. Box 35
Toronto, ON M5K 1B7

Philip Cho
(LSO # 45615U)
Tel: (416) 619-6296
Fax: (416) 365-1876
pcho@weirfoulds.com

Lawyers for Dodick Landau Inc. in its capacity as Proposal
Trustee of Nuotaka International Inc.

TAB 2

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

**IN THE MATTER OF THE PROPOSAL OF
NUOTAKA INTERNATIONAL INC.
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO**

**FOURTH REPORT OF DODICK LANDAU INC.
AS PROPOSAL TRUSTEE OF
NUOTAKA INTERNATIONAL INC.**

September 24, 2021

INTRODUCTION

1. The purpose of this report (the “**Report**”) of Dodick Landau Inc. (“**DLI**”) in its capacity as proposal trustee (the “**Proposal Trustee**”) of Nuotaka International Inc. (the “**Debtor**” or “**Nuotaka**”), which includes the report in the form prescribed in section 59(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), is to support the request for orders, among other things:
 - i. approving the proposal (the “**Proposal**”) of the Debtor dated July 23, 2021; and
 - ii. authorizing the Proposal Trustee and the Debtor to take all steps necessary to implement the Proposal.

2. The Proposal has been developed to effect a restructuring of the business and affairs of Nuotaka with the expectation that all existing creditors will derive a greater benefit from the completion of the restructuring and the continued operation of the business and affairs of Nuotaka than would result from a liquidation of Nuotaka’s assets in a bankruptcy proceeding.

DISCLAIMER

3. In preparing this Report, the Proposal Trustee has relied upon certain unaudited, draft and/or internal financial information, the Debtor's books and records, discussions with the management of the Debtor ("**Management**") and information from other third-party sources (collectively, the "**Information**").
4. Except as described in this Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Canadian Institute of Chartered Accountants Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
5. Some of the Information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections of the Debtor, as outlined in the Canadian Institute of Chartered Accountants handbook, has not been performed. Future oriented financial information referred to in this Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
6. The Proposal Trustee has prepared this Report in its capacity as a Court appointed officer for purposes of the Debtor's motion returnable October 4, 2021 (the "**Motion**"). Parties using this Report, other than for the purpose of the Motion, are cautioned that it may not be appropriate for their purposes.
7. The capitalized terms not defined in this Report are defined in the Proposal and this Report should only be read in conjunction with the Proposal. While this Report summarizes key aspects of the Proposal, creditors are advised to carefully read the Proposal in full. Should there be any discrepancy between the summary contained in this Report and the Proposal, the Proposal shall govern.
8. All monetary amounts contained herein are in Canadian dollars, unless otherwise noted.

REPORT ON PROPOSAL

9. The Proposal Trustee hereby reports to the Court as follows:
- i. On February 10, 2021, (the “**Filing Date**”) Nuotaka filed with the Official Receiver a Notice of Intention to Make a Proposal (“**NOI**”) to its creditors pursuant to section 50.4 of the BIA and named DLI as Proposal Trustee.
 - ii. On March 11, April 22, and June 7, 2021, the Debtor sought and obtained approvals from the Court for extensions to the time for filing the Proposal, and the stay of proceedings herein, up to and including July 25, 2021.
 - iii. On July 23, 2021, pursuant to section 62 of the BIA, Nuotaka filed with the Official Receiver a proposal (the “**Proposal**”).
 - iv. By August 4, 2021, the Proposal Trustee gave notice to the Debtor, the division office and to every known creditor (whose names and addresses appear in such notice), or their duly appointed representative, of the calling of a meeting of creditors (the “**Creditor’s Meeting**”) to be held on August 26, 2021 by video conference to consider the Proposal.
 - v. With such notice was included a condensed statement of the assets and liabilities of Nuotaka, a list of creditors affected by the Proposal and having claims of \$250 or more and showing the amount of their claims, a copy of the Proposal, proof of claim form, proxy and voting letter, as well as the Trustee’s Report on Proposal (“**Trustee’s Report to Creditors**”). A copy of the complete notice and creditor’s package is attached hereto as **Appendix “A”**.
 - vi. Prior to the Creditor’s Meeting, the Proposal Trustee made a detailed and careful inquiry into the liabilities of the Debtor, the Debtor’s assets and the causes of the Debtor’s insolvency.
 - vii. The Creditor’s Meeting was held on August 26, 2021 at 11 a.m. via video conference and was presided over by Ms. Melissa Millar of the Office of the Superintendent of Bankruptcy (the “**Chair**”).
 - viii. As described further below under the heading “Creditor’s Meeting”, the Proposal was accepted by the required majority of creditors at the meeting.
 - ix. Copies of the minutes of the Creditor’s Meeting (without appendices except the voting register) are attached as **Appendix “B”**.

- x. The Proposal Trustee is of the opinion that the liabilities and the assets of the Debtor, and their estimated realizable values, are as set out in this Report and the Trustee's Report to Creditors included in the Creditor's Package (**Appendix "A"**), which included background information on Nuotaka, causes of its financial difficulties, information on secured and unsecured debt and crown claims, a description of the Proposal, a liquidation analysis, as well as information on the conduct of the Debtor.
- xi. Under the Proposal, the Company will cause to be paid to the Proposal Trustee payments in the form of cash instalments in the amount of \$3,050 every month, for three (3) years until the amount paid to the Proposal Trustee is equal to the lesser of (1) 10% of the value of the Proven Claims and, (2) \$110,000 plus the aggregate value of the Convenience Claims.
- xii. It is the Proposal Trustee's further opinion that a restructuring will yield a greater recovery for the creditors of the Debtor than they would receive in a liquidation of the Debtor.
- xiii. The Proposal Trustee forwarded a copy of this report to the official receiver on this day.

CREDITORS' MEETING

- 7. For purposes of considering, and voting on, the Proposal, and receiving a distribution pursuant to the Proposal, the Creditors of the Debtor were comprised of a single class, consisting of Creditors having unsecured claims ("**Class 1**").
- 8. Preferred Creditors and Proven Claims of Her Majesty in right of Canada and any province for all amounts, other than Crown Priority Claims were entitled to vote in Class 1.
- 9. The Chair reported that a quorum was present at the Creditors' Meeting and accordingly, the Chair declared that the Creditors' Meeting was properly constituted.

10. The Scrutineer tabulated the results of the vote and the Chair reported the results, at the Creditor's Meeting. The Creditors entitled to vote at the Creditor's Meeting voted to approve the Proposal as follows:

	For		Against	
	#	\$	#	\$
Creditors having a voting claim voting in person, by proxy or by voting letter	11	\$431,847.55	1	\$19,733.95
Percentage of the total votes	91.67%	95.63%	8.33%	4.37%

11. In summary, a majority in number representing in excess of two-thirds in value of the Unsecured Creditors holding Proven Claims and voting in person or by proxy at the Creditors' Meeting, or by voting letter, voted to approve the Proposal.

APPROVAL OF THE PROPOSAL

12. The BIA requires the Proposal be approved by the Court following approval by the requisite majorities of Creditors by class. As such, the Proposal Trustee requests that the Court issue an order approving the Proposal.
13. As described in greater detail in the Trustee's Report to Creditors at **Appendix "A"**, the Proposal, as approved by the Creditors with the majorities required under the BIA, provides that:
- i. As required under the BIA, Crown Priority Claims, being proven pre-filing claims of Canada Revenue Agency ("CRA"), or any province, contemplated by section 60(1.1) of the BIA, consisting of unremitted source deductions will be paid in full and shall be paid by the Debtor from operating funds paid to the Proposal Trustee and remitted by the Proposal Trustee to CRA, or the province, as applicable, within six (6) months of the Court Approval Date. There are no known claim amounts in respect of Crown Priority Claims;
 - ii. Secured Creditors are not Affected Creditors for the purposes of the Proposal;

- iii. Employee Preferred Claims will be paid from additional funds to be delivered by the Debtor to the Proposal Trustee and shall be remitted by the Proposal Trustee to the entitled claimants, if any, immediately after the Court Approval Date. As at the Filing Date, there are no known Employee Preferred Claims; and
 - iv. As required under the BIA, Preferred Claims, including Employee Preferred Claims, if any, shall be paid in full, without interest, in priority to Unsecured Claims.
14. After approval of the Proposal, on the Maturity Date, the Debtor shall be released and discharged from any and all Claims, and each and every present and former officer and director of the Debtor shall be released from claims against them that arose before the Date of Filing and that relate to the obligations of the Debtor where such persons are by law liable in their capacity as directors for the payment of such obligations.
15. As required under the BIA, the releases do not release or discharge any director or officer of the Debtor from any claims coming within the exceptions set out in section 50(14) of the BIA.
16. The Proposal Trustee is not aware of the Debtor having committed any of the offences set out in sections 198-200 of the BIA.

OVERVIEW OF THE DEBTOR'S WEEKLY CASH FLOW FORECAST

17. The Debtor, with the assistance of the Proposal Trustee, has prepared a cash flow forecast for the period from August 28, 2021 to October 15, 2021 ("**Cash Flow Forecast**"). A copy of the Cash Flow Forecast is attached hereto as **Appendix "C"** to this Report. The Cash Flow Forecast has been prepared by Management of the Debtor for the purpose of this Motion, using probable and hypothetical assumptions set out in notes 1 to 9 attached to the Cash Flow Forecast. The Cash Flow Forecast reflects receipts and disbursements to be received or paid over the seven-week forecast period in Canadian dollars.
18. The Cash Flow Forecast projects that the Debtor will have sufficient liquidity to fund its expenses in the Proposal proceeding through to October 15, 2021.
19. The Proposal Trustee's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussion related to information supplied to the Proposal Trustee by certain of the Management and employees of the Debtor. Since hypothetical assumptions

need not be supported, the Proposal Trustee's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Proposal Trustee has also reviewed the support provided by Management of the Debtor for the probable assumptions, and the preparation and presentation of the Cash Flow Forecast.

20. Based on the Proposal Trustee's review, nothing has come to its attention to cause it to believe that, in all material respects:
 - a. the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
 - b. as at the date of this Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Debtor or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or
 - c. the Cash Flow Forecast does not reflect the probable and hypothetical assumptions.
21. As described above, since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented, even if the hypothetical assumptions occur, and the variations may be material.
22. The Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

CONDUCT OF THE DEBTOR

Preference Transactions and Transfers at Undervalue

23. The Proposal, approved by the requisite majorities of Affected Creditors, contemplates that sections 95-101 of the BIA shall not apply in connection with this Proposal and as a result the Proposal Trustee shall have no responsibility, liability or authority whatsoever in connection herewith. Accordingly, the Proposal Trustee has not undertaken a detailed review for possible preference transactions or transfers at undervalue.

24. If the Debtor was to become bankrupt, and either preference transactions or transfers at undervalue did exist, it is possible that some of these transactions could be voided.

Conduct Post-Filing

25. Pursuant to section 50(10) of the BIA, the Proposal Trustee is required to monitor the affairs of the Debtor until the Proposal is approved by the Court.
26. During the NOI period, the Debtor worked diligently with the Proposal Trustee to prepare the Proposal, as well as to manage costs and continue operations. The Debtor is working diligently to complete the Proposal.

ASSIGNMENT OF SECURITY

27. The Proposal Trustee notes that the Secured Creditor is Romona Keveza ("Keveza"), a person related to the Debtor. As set out in the Trustee's Report to Creditors, Keveza negotiated an assignment of all right, title and interest in and to certain secured indebtedness from TD Bank.
28. The indebtedness owing to TD Bank had become due and payable and the Debtor was in default. The Proposal Trustee understands that Keveza supports the making of the Proposal and has agreed to forbear from enforcing her remedies in relation to the secured indebtedness to permit the Debtor to perform its obligations pursuant to the Proposal, provided that the Proposal is approved by the Court.

NOTICE OF HEARING OF THE APPLICATION

29. On September 10, 2021, the Proposal Trustee sent the Notice of Hearing of Application for Court Approval of Proposal (Form 40.1) (the "Notice") to the Debtor and to all known creditors of the Debtor who have proved a claim, whether secured or unsecured, and to the official receiver. Attached hereto as **Appendix "D"** is a true copy of the Affidavit of Mailing of Brenda McKnight, together with a copy of the Notice.

CONCLUSION AND RECOMMENDATION

30. The Proposal Trustee is of the opinion that the liabilities and the assets of the Debtor and their estimated realizable value, are as set out in the Trustee's Report to Creditors.

31. That the Proposal Trustee is also of the opinion that:
- i. the causes of the insolvency of the Debtor are as set out in the Trustee's Report to the Creditors;
 - ii. the conduct of the Debtor is not subject to censure; and
 - iii. there are no known facts, as described in section 173 of the BIA, which may be proved against the Debtor.
32. It is the Proposal Trustee's further opinion, as is described in greater detail in the Trustee's Report to Creditors, that the Proposal is of general benefit to the creditors of the Debtor and will allow for a greater recovery to them than they would receive in a liquidation of the Debtor.
33. In view of the foregoing, the Proposal Trustee respectfully recommends that this Court grant an order:
- i. approving the Proposal; and
 - ii. authorizing the Proposal Trustee and the Debtor to take all steps necessary to implement the Proposal.

Yours very truly,

DODICK LANDAU INC.

**In its capacity as the Proposal Trustee of
Nuotaka International Inc. and not in its personal
or corporate capacity.**

Per: _____



Rahn Dodick, CA, CPA, CIRP, LIT

President

TAB 2A

APPENDIX "A"

District of: Ontario
Division No. 09 – Toronto
Court No. 31-2711340
Estate No. 31-2711340

CREDITOR PACKAGE

NUOTAKA INTERNATIONAL INC.
of the city of Scarborough
in the Province of Ontario

Dodick Landau Inc.
6-4646 Dufferin Street
Toronto, ON M3H 5S4

District of: Ontario
Division No. 09 – Toronto
Court No. 31-2711340
Estate No. 31-2711340

TABLE OF CONTENTS

NUOTAKA INTERNATIONAL INC.

Included in this package:

- 1. Letter to Creditors**
- 2. Helpful Hints/Filing a Claim/Voting/Proxies**
- 3. Notice of Proposal**
- 4. Proposal**
- 5. Report on Proposal**
- 6. Statement of Affairs**
- 7. Proof of Claim with instructions**
- 8. Proxy**
- 9. Voting Letter/Election form**

LETTER TO CREDITORS

DODICK LANDAU

July 30, 2021

CREDITOR PACKAGE

To the Creditors of Nuotaka International Inc, (“Nuotaka” or the “Company”)

Please be advised that on July 23, 2021, Dodick Landau Inc., in its capacity as Proposal Trustee (the “Proposal Trustee”) of the Estate of Nuotaka International Inc. filed with the Official Receiver a proposal in the name, and on behalf, of Nuotaka International Inc. (the “Proposal”).

The reason you are receiving this letter and the enclosed creditor information (“Creditor Package”) is because Nuotaka advised the Proposal Trustee that you are a creditor of Nuotaka and may be eligible to vote in the Proposal. The purpose of the Creditor Package is to provide you with the information you require to evaluate, and vote on, the Proposal.

Enclosed in this Creditor Package are the following Proposal documents:

- 1) Notice of Proposal to Creditors;
- 2) Proposal;
- 3) Trustee’s Report on Proposal;
- 4) Statement of Affairs;
- 5) Proof of Claim form with instructions;
- 6) Proxy;
- 7) Voting Letter

A Meeting of the Creditors to consider the Proposal will be held by Zoom videoconference on the 26th day of August, 2021 at 11:00 a.m. The Zoom link is as follows:

<https://us06web.zoom.us/j/89619575708?pwd=NlNoZUFsQVU1b2RYZnBrZnpBNGdBZz09>

In order to be eligible to attend and vote at the meeting of creditors, creditors must have filed with the Proposal Trustee before the meeting, a proof of claim form signed and witnessed as required and accompanied by a statement of account. Those Creditors who do not intend to have a personal representative at the meeting held on July 26, 2021, may complete and submit the voting letter which is enclosed in this Creditor Package prior to the meeting indicating their vote for or against the acceptance of the Proposal. The Trustee has also enclosed a form of proxy should a Creditor wish to appoint a proxy to represent them at the meeting. Additional details relating to the filing of claims prior to the meeting of creditors are outlined throughout this Creditors Package.

DODICK LANDAU

Please read the Helpful Hints, Voting and General Proxy information following this letter for details on how to file your claim and vote on the Proposal. In the Proof of Claim section of this package you will also find an information sheet detailing how to complete your Proof of Claim and what must be returned with it. Please utilize this information.

Completed proofs of claim, and other documents may be returned to the Proposal Trustee to the attention of Brenda McKnight by fax (416-649-7725) or electronic mail (brenda.mcknight@dodick.ca). Should you need further assistance, you may contact our office by telephone at 416-645-0542.

Properly completed Proofs of Claim not received at the Proposal Trustee's office prior to the start of the August 26, 2021 meeting will result in that creditor not being able to vote at the meeting on the Proposal. We encourage all creditors who wish to vote at the meeting to send to the Proposal Trustee's office their completed proof of claim as soon as possible. We also encourage creditors to vote by voting letter in advance as well if they are able.

Please refer to the Trustee's Report on the Proposal. Please note that the Proposal Trustee is recommending that creditors vote in favour of the Proposal for the reasons as noted in the report.

To access further information pertaining to the Nuotaka proceedings, including an electronic copy of the Creditor Package, and link to the August 26, 2021 meeting, please visit the Trustee's website (<http://dodick.ca/public-documents/>).

DODICK LANDAU INC.,

Proposal Trustee of the estate of Nuotaka International Inc.
and not in its personal or
corporate capacity.

Per:



Rahn Dodick, CPA, CA, CIRP, LIT
President

**HELPFUL HINTS
FILING A CLAIM
VOTING
PROXIES**

DODICK LANDAU

Helpful Hints

- You are receiving this Creditor Package as Nuotaka International Inc. has informed the Proposal Trustee that you are one of their creditors.
- Please note that a Meeting of Creditors will be held on August 26, 2021 at 11:00 a.m. via Zoom. The Zoom link is noted on the cover page of the Creditor Package letter, or contact Brenda McKnight for the link.
- To participate in the Proposal, all creditors MUST file a Proof of Claim form and submit it to the Proposal Trustee in advance of the Meeting of Creditors. The Proof of Claim and the instruction sheet can be found close to the end of the Creditor Package.
- Please remember that your claim must include a Schedule "A" which is proof of the amount that you are claiming. This should be invoices of the amount owing to you or similar documentation.
- You can submit your claim by email, mail or by fax. If you use the fax, please be sure to direct your fax to Dodick Landau Inc. In order to be eligible to vote at the Meeting, the Proof of Claim with supporting documents MUST arrive at the office of the Proposal Trustee in advance of the Meeting.
- Please read the Proposal document and the Report on the Proposal written by the Proposal Trustee in order to understand the Proposal and the voting at the meeting.
- For smaller claims, Nuotaka International Inc. is offering a convenience class provision in its Proposal. The convenience class is offered to unsecured creditors who may wish to accept a proposal for the lesser of \$2,000.00 or the amount of their claim in full.

Example #1: If you elect to be part of the convenience class and are owed \$4,000.00, you would be paid \$2,000.00 (less the 5% levy) at the time set out for payment to unsecured creditors.

Example #2: If you elect to be part of the convenience class and are owed \$1,500.00, you would receive \$1,500.00 (less the 5% levy) at the time set out for payment to unsecured creditors.

Voting

- The Meeting of Creditors will be held using Zoom videoconferencing. As carrying out a vote by videoconference can at times be challenging, we are encouraging all creditors to vote by voting letter in advance of the Meeting. In order to vote in advance of the Meeting, the voting letter (form is at the back of the creditor package) with your completed Proof of Claim and proxy (if applicable) must be submitted to the Proposal Trustee's office in advance of the Meeting of Creditors. Please note that all corporations voting on the proposal must appoint a proxy to vote on behalf of the corporation.
- If you would like to make your claim using the convenience class provision, you must elect that provision on the Voting Letter and submit your Proof of Claim with Schedule "A", a Proxy, if a corporation is the creditor, or an individual is appointed on behalf of another individual, and your Voting Letter, which includes the convenience class election prior, to the Meeting of Creditors.

General Proxy:

- If you are representing a corporation, you must have a proxy from the corporation to act on its behalf and vote at the Meeting, whether you vote in advance by voting letter or in person at the Meeting.
- If you are an individual, you may wish to have someone else represent you at the Meeting of Creditors. You must give that individual a signed proxy form. We must receive the proxy form in advance of the Meeting of Creditors.
- The Proposal Trustee must receive the proxy form in advance of the Meeting.

If there are any questions in completing the proof of claim, please write, email or telephone the office of the trustee:

Dodick Landau Inc.
6 - 4646 Dufferin Street
Toronto, ON M3H 5S4
Telephone: 416-645-0542
Fax: 416-649-7725

NOTICE OF PROPOSAL

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2711340
Estate No. 31-2711340

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

In the matter of the proposal of
Nuotaka International Inc.
of the city of Scarborough, in the Province of Ontario

Take notice that Nuotaka International Inc. of the city of Scarborough in the Province of Ontario has lodged with me a proposal under the *Bankruptcy and Insolvency Act*.

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

A general meeting of the creditors will be held on the 26th day of August 2021 at 11:00 AM : via Zoom videoconference, <https://us06web.zoom.us/j/89619575708?pwd=NlNoZUFsQVU1b2RYZnBrZnpBNGdBZz09>.

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

Proofs of claim must be lodged with me prior to the commencement of the meeting.

Proxies and voting letters intended to be used at the meeting may be filed at any time up until the moment a vote is called.

Dated at the city of Toronto in the Province of Ontario, this 3rd day of August 2021.

Dodick Landau Inc. - Licensed Insolvency Trustee



4646 Dufferin St., Suite 6

Toronto ON M3H 5S4

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

PROPOSAL

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

**IN THE MATTER OF THE PROPOSAL OF NUOTAKA INTERNATIONAL INC.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

PROPOSAL

Nuotaka International Inc. hereby submits the following Proposal under the provisions of the *Bankruptcy and Insolvency Act*.

**PART I
INTERPRETATION**

Definitions

I. In this Proposal:

- (a) "Act" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.
- (b) "Administrative Fees and Expenses" means the fees and expenses of the Trustee incidental to the NOI and the preparation and facilitation of the Proposal and any amendments thereto, including, without limitation, fees incurred by the Trustee in the administration of the Funded Proposal Payments; and, the legal fees and expenses of the Proposal Trustee and the Company before and following execution, acceptance and approval of this Proposal and in connection with the NOI and the preparation of this Proposal, as well as advice to the Company in connection therewith;
- (c) "Affected Creditors" means those Creditors of the Company forming Class I, as defined in Part III of this Proposal;
- (d) "Approval Order" means an order of the Court approving this Proposal to be granted pursuant to the provisions of the Act, the appeal period having

expired, and no appeal having been filed or any appeal therefrom having been dismissed and such dismissal having become final;

- (e) **"Bankruptcy Reserve"** means a reserve amount of \$20,000 to be held by the Trustee as security for the administrative costs of the bankruptcy of the Company, in the event that this Proposal is annulled, and the Company becomes bankrupt;
- (f) **"Business Day"** means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;
- (g) **"Claim"** means any right of any Person with indebtedness, liability or obligation of any kind against the Company which indebtedness, liability or obligation is in existence at the Date of Filing, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by surety or otherwise and whether or not such a right is executory in nature including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause, chose in action, whether existing at present or commenced in the future based in whole or in part on facts which exist prior to or at the time of Date of Filing;
- (h) **"Company"** means Nuotaka International Inc.;
- (i) **Convenience Claim** means an Unsecured Creditor's Claim against the Company which (i) is in an amount that is equal to or less than \$2,000, or (ii) is in an amount that is greater than \$2,000 and has been reduced to \$2,000 by election of the holder of such Claim on the ballot or voting letter provided for voting on the Proposal.
- (j) **Convenience Class Election** means an irrevocable election made by an Unsecured Creditor, on the ballot or voting letter provided for voting on the Proposal, that shall be deemed to amend such Unsecured Claim that is greater than \$2,000 and reduce the amount of such Claim to \$2,000 in aggregate.
- (k) **"Court"** means the Ontario Superior Court of Justice in Bankruptcy and Insolvency;
- (l) **"Court Approval Date"** means the date on which the Approval Order is issued;
- (m) **"Creditors"** means any Person having a Claim;
- (n) **"Creditors Meeting"** means the meeting of the Affected Creditors called for the purpose of considering and voting upon this Proposal;

- (o) **"Crown Claims" means Claims of Her Majesty in right of Canada or any province of all amounts of a kind contemplated by section 60(1.1) of the Act;**
- (p) **"Date of Filing" means the date on which the Company filed the NOI;**
- (q) **"Employee Preferred Claim" means a Claim by a current or former employee of the Company, or such portion of such Claim, that would be payable in priority under Subsection 136(1) of the Act;**
- (r) **"Effective Date" means the date on which the transactions and agreements provided for in this Proposal are to become effective which shall be the date on which the Approval Order is issued;**
- (s) **"Event of Default" has the meaning given to it in Part VIII of this Proposal;**
- (t) **"Funded Proposal Payments" shall mean funds which will be advanced to the Trustee for distribution to Unsecured Creditors pursuant to Part V of this Proposal;**
- (u) **"Inspectors" means the inspectors appointed pursuant to Part X of this Proposal;**
- (v) **"Levy" means the levy imposed by the Superintendent of Bankruptcy under the Act;**
- (w) **"Maturity Date" means the date on which all payments to the Creditors have been made, provided that no Event of Default has occurred that has not been cured or waived;**
- (x) **"NOI" means the Notice of Intention to Make a Proposal filed by the Company on February 10, 2021;**
- (y) **"Person" means any individual, partnership, joint venture, trust corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;**
- (z) **"Post-Filing Crown Claims" means all Crown Claims that became due or shall become due on or after the Date of Filing;**
- (aa) **"Post-Filing Goods and Services" means the goods supplied, services rendered, and other consideration given or provided to the Company on or after the Date of Filing;**
- (bb) **"Pre-Filing Crown Claims" means all Crown Claims that were outstanding as at the Date of Filing;**

- (cc) **"Preferred Claim"** means any claim that is afforded priority under Section 136(1) of the Act;
- (dd) **"Preferred Creditor"** means any Unsecured Creditor holding a Preferred Claim, solely in respect to that Preferred Claim;
- (ce) **"Proposal"** means this proposal dated July 23, 2021, together with any amendments or additions thereto;
- (ff) **"Proposal Period"** means the period between the Court Approval Date and the Maturity Date;
- (gg) **"Proven"** as used in relation to any Claim means such Claim as finally accepted or determined by the Trustee in accordance with the provisions of the Act and this Proposal, subject to the Creditor's right of appeal to Court, the Court's determination of that Claim or any applicable appeal periods having expired and no appeal having been made;
- (hh) **"Secured Claim"** means the value of any Claim by a Secured Creditor, excluding the Crown Claims;
- (ii) **"Secured Creditor"** means a Person holding a mortgage, hypothec, pledge, charge, lien or privilege on or against the property of the Company or any part thereof as security for a Claim, but excludes the Canada Revenue Agency to the extent of its Crown Claims;
- (jj) **"Trustee"** means Dodick Landau Inc., solely in its capacity as proposal trustee of the Company;
- (kk) **"Unsecured Claim"** means the value of any Proven Claim in respect of which no Security is held; and
- (ll) **"Unsecured Creditors"** means those Persons with Claims in respect of which no security is held, and which is not afforded priority under Section 136(1) of the Act.

Headings

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

Number, etc.

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

Date for Action

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

Accounting Principles

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

PART II PURPOSE AND EFFECT OF THIS PROPOSAL

Purpose of Proposal

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

Effect of Proposal

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

PART III CLASSIFICATION OF CREDITORS

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

**PART IV
SECURED CREDITORS**

9. No Secured Creditors shall be affected by this Proposal.

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

Crown Claims

10. At the Date of Filing, the Company owed approximately \$0 to CRA for employee source deductions withheld but not remitted, including related penalties and interest calculated up to the Date of Filing. In addition to the Funded Proposal Payments, all Proven Pre-Filing Crown Claims shall be paid by funds derived from the Company's operations following Court Approval of this Proposal and paid by the Company to the Trustee within six (6) months of the Court Approval Date, which amounts shall be remitted by the Trustee to Her Majesty in the Right of Canada or of any province, as applicable, within six (6) months of the Court Approval Date.

Employee Preferred Claims

11. All Employee Preferred Claims (if any) shall be paid out of additional funds to be delivered by the Company to the Trustee and shall be remitted by the Trustee to the entitled claimants (if any) immediately after the Court Approval Date.

Preferred Claims (In addition to Employee Preferred Claims)

12. Proven Preferred Claims, other than Employee Preferred Claims (if any), which shall be satisfied pursuant to Paragraph 11 of this Proposal, shall be paid in full, without interest, out of the Funded Proposal Payments, in priority to Proven Unsecured Claims.

Unsecured Claims

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

Funding the Proposal

Funded Proposal Payments

14. The Company's obligation to commence funding the Funded Proposal Payments shall commence on April 1, 2022. Upon the full satisfaction of the Crown Claims and Employee Preferred Claims (if any), the Company will cause to be paid to the Trustee the Funded Proposal Payments in the form of cash instalments in the

aggregate amount of \$3050.00 every month, for three (3) years, subject to Paragraph 15 of this Proposal (the "Funded Proposal Payments").

15. The Funded Proposal Payments will be made until an amount is paid to the Trustee equal to the lesser of:
 - (i) 10% of the value of the Proven Claims, plus the aggregate value of the Convenience Claims; and
 - (ii) \$110,000 plus the aggregate value of the Convenience Claims.

Distributions

Distributions to Unsecured Creditors

16. Interim distributions will be made to Unsecured Creditors when sufficient Funded Proposal Payments have, in the Trustee's discretion, accumulated to warrant an interim distribution.
17. The Funded Proposal Payments shall be distributed by the Trustee in the following order of priority:
 - (a) first, to the Administrative Fees and Expenses;
 - (b) second, to establish the Bankruptcy Reserve, to be held in trust by the Trustee, which amount shall be used to fund the administrative costs of the bankruptcy of the Company in the event that this Proposal is annulled, and the Company becomes bankrupt, failing which such amount shall be distributed in accordance with Subparagraphs 18(c) and 18(d) of this Proposal;
 - (c) third, to Proven Claims of Preferred Creditors, other than Employee Preferred Claims which will have been paid, without interest (if any);
 - (d) fourth to Proven Convenience Claims; and
 - (e) fifth, the balance of the Funded Proposal Payments shall be distributed *pro rata* among all of the Unsecured Creditors on account of all other Proven Unsecured Claims.

Amendments to Agreements

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

of this Proposal, the terms of this Proposal will govern. All Creditors will provide such acknowledgements, agreements, discharges or other documentation as may be necessary to give effect to the intent of this Proposal.

Treatment of Claims

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

PART VI POST-FILING OBLIGATIONS

Payment of Post-Filing Goods & Services

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

Post-Filing Crown Claims

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

Reporting by the Company

22. During the Proposal Period, the Company shall provide to the Trustee every three months commencing on first day of the month following the month in which the Approval Order is issued, a report containing the information set out below:
 - (i) a cash flow statement for the Company's business and affairs for the prior three months; and
 - (ii) evidence of Company's filing and remittance of source deductions and HST.

PART VII LEVY, MANDATORY PAYMENTS AND PREFERRED CLAIMS

Levy

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

Payment of Fees and Expenses

24. The Administrative Fees and Expenses shall be paid in priority to the Crown Claims, the Claims of Preferred Creditors, Convenience Claims and the Claims of other general Unsecured Creditors.

Employee Claims

25. As per Part V of this Proposal, All Employee-Preferred Claims (if any) will be paid in priority to other Claims immediately after the issuance of the Approval Order.

Preferred Claims

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

PART VIII EVENTS OF DEFAULT

27. The following events will constitute Events of Default for purposes of section 63 of the Act and otherwise under this Proposal:
- (a) the non-payment by the Company of any of its obligations hereunder within thirty (30) days after written notice has been given by the Trustee that such payment is past due; and
 - (b) the breach or failure by the Company to observe and perform any other covenant and provision of this Proposal, other than payment as provided for in this Paragraph 28(a) which is not remedied within thirty (30) days after written notice thereof has been given to the Company by the Trustee.

PART IX TRUSTEE

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

PART X INSPECTORS

Appointment of Inspectors

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

Powers of Inspectors

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

PART XI CONDITIONS PRECEDENT

Creditor Approval

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

Court Approval

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

PART XII

RELEASES

34. As at 12:01 a.m. the Maturity Date, the Company, shall be released and discharged from any and all Claims. This release shall have no force or effect if the Company goes bankrupt before the terms of the Proposal are performed.
35. As of 12:01 a.m. the Maturity Date, each and every present and former officer and director of the Company shall be released from claims against them that arose before the Date of Filing and that relate to the obligations of the Company where such persons are by law liable in their capacity as directors for the payment of such obligations, provided that nothing herein shall release or discharge any director or officer of the Company from any claims coming within the exceptions set out in section 50(14) of the Act. This release shall have no force or effect if the Company goes bankrupt before the terms of the Proposal are performed.

PART XIII MISCELLANEOUS

Preferential Payments

36. Sections 95 to 101 of the Act shall not apply to any dealings by the Company at any time prior to the Date of Filing. The releases contemplated in Part XII of this Proposal include releases from all claims, actions, or remedies available to Creditors or others pursuant to Sections 95 to 101 of the Act, provided that nothing herein shall release any director of the Company from any claims coming within the exceptions set out in Section 50(14) of the Act.

Consents, Waivers and Agreements

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

Further Actions

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

Performance

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

Acceleration of Payments

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

Binding Effect

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

PART XIV ANNULMENT OF PROPOSAL

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

PART XV AMENDMENTS

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

DATED at the City of Toronto, in the Province of Ontario, as of this 23rd day of July, 2021.

NUOTAKA INTERNATIONAL INC.

DocuSigned by:
Romana Kuzya
Per: _____
AF72AF408BE44BD

Name: Romona Keveza
Title: Director

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REPORT ON PROPOSAL

**IN THE MATTER OF THE PROPOSAL OF
NUOTAKA INTERNATIONAL INC.
OF THE TOWN OF TORONTO
IN THE PROVINCE OF ONTARIO**

REPORT OF TRUSTEE ON PROPOSAL

July 30, 2021

INTRODUCTION

1. On February 10, 2021 ("Filing Date"), Nuotaka International Inc. (the "Debtor" or "Nuotaka") filed with the Official Receiver a Notice of Intention to Make a Proposal ("NOI") to its creditors and named Dodick Landau Inc. ("DLI") as Proposal Trustee (the "Proposal Trustee"). Attached as Appendix "A" is the Certificate of Filing of the NOI of the Debtor.
2. On March 11, April 22, and June 7, 2021 (collectively, the "Stay Extension Orders"), the Debtor sought and obtained approvals from the Court for extensions to the time for filing the Proposal, and the stay of proceedings herein, up to and including July 25, 2021. Enclosed as Appendices "B", "C" and "D" are copies of the Stay Extension Orders.
3. On July 23, 2021, pursuant to section 62 of the Bankruptcy and Insolvency Act ("BIA"), the Debtor filed with the Official Receiver a proposal (the "Proposal"). Enclosed as Appendix "E" is a copy of the Certificate of Filing of a Proposal.
4. The purpose of this report (the "Report") is to provide information to the creditors of the Debtor (the "Creditors") to assist in their evaluation of the Proposal.
5. The Proposal has been developed to effect a restructuring of the Debtor with the expectation that all existing Creditors will derive a greater benefit from the completion of the restructuring and the continued operation of the business and affairs of the Debtor than would result from a liquidation of the Debtor's assets in a bankruptcy proceeding.
6. A meeting of the Creditors to consider the Proposal will be held by video conference on Thursday August 26, 2021 at 11:00 a.m. ("Creditors' Meeting"). Details relating to the filing

of claims, and other documents, prior to the meeting of the creditors, are outlined in this Report and will be mailed to each known Creditor, or their duly appointed representative.

DISCLAIMER

- 7. In preparing this Report, the Proposal Trustee has relied upon certain unaudited, draft and/or internal financial information, Nuotaka's books and records, discussions with the management of Nuotaka ("Management") and information from other third-party sources (collectively, the "Information").**
- 8. Except as described in this Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("GAAS") pursuant to the Canadian Institute of Chartered Accountants Handbook (the "CPA Handbook") and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.**
- 9. Some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the CPA Handbook, has not been performed. Future oriented financial information referred to in this Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations may be material.**
- 10. The capitalized terms not defined in this report are defined in the Proposal and this Report should only be read in conjunction with the Proposal. While this Report summarizes key aspects of the Proposal, Creditors are advised to carefully read the Proposal in full. Should there be any discrepancy between the summary contained in this Report and the Proposal, the Proposal shall govern.**
- 11. Unless otherwise stated, all monetary amounts contained herein are in Canadian dollars.**

BACKGROUND

Operations

12. Nuotaka is a Canadian contract wedding dress manufacturer. Nuotaka's primary client is the couture bridal retailer Romona Keveza Collections LLC ("Romona Keveza Collections"), which operates a flagship store in New York City. Nuotaka's head office is located at 219 Dufferin St., Toronto, Ontario M6K 3J1.

Financial Results

13. Nuotaka's 2018, 2019 financial statements, and its internal 2020 financial statements, indicate that for its fiscal years ended December 31, 2018, December 31, 2019, and December 31, 2020, it:
 - i) earned net income of approximately \$108,000, incurred a net loss of approximately \$78,000, and earned income of \$398,000, respectively; and
 - ii) had total debt of approximately \$3.4 million (in 2018), \$4.1 million (in 2019), and \$3.5 million (in 2020).

CAUSES OF FINANCIAL DIFFICULTIES

14. The primary target market of Romona Keveza Collections are luxury weddings and formal events. Since its founding, the Romona Keveza Collection has gained notoriety in dressing celebrities at Hollywood red carpet events.
15. As a luxury couture brand, the success of the Romona Keveza Collection is highly dependent on the scheduling of large-scale events, including weddings.
16. The pressure of the COVID-19 pandemic caused a temporary decline in luxury weddings and red-carpet events, with many of these events having been canceled or rescheduled. Despite the Romona Keveza Collection's success and strong brand recognition, government-imposed gathering limits and other responses to the COVID-19 pandemic and the resulting decline in wedding ceremonies negatively impacted the sales of the bridal gowns produced by the Company.
17. Due to this decline in sales, the Company faced a liquidity crisis. As a result and as discussed further below, Nuotaka's senior secured creditor, the Toronto-Dominion Bank ("TD Bank"), issued a demand on its credit facilities, asserting several breaches, including the breach of certain financial covenants and the failure to make scheduled payments on a credit facility.

18. Accordingly, Nuotaka filed its NOI on the Filing Date to restructure the Company's liabilities.

SECURED AND UNSECURED CREDITORS

Secured Creditor

19. Nuotaka had three credit facilities with TD Bank: an operating loan, a term facility, and a business Visa facility (the "Credit Facilities").
20. As described above, the demand for wedding dresses sharply dropped in March 2020 as a result of measures implemented to prevent the spread of COVID-19. Accordingly, the Debtor faced strained cash flows and had difficulty meeting certain payment obligations under the Credit Facilities.
21. On September 3, 2020, in response to demands made by TD Bank, the Debtor entered into an Accommodation Agreement with TD Bank forbearing the enforcement of the security under the Credit Facilities (the "Accommodation Agreement").
22. At the time the Accommodation Agreement was entered into, the operating loan was overdrawn and the scheduled payments relating to the term facility were three months in arrears.
23. Under the Accommodation Agreement, the Company was required to repay the Credit Facilities in full by January 31, 2021.
24. On February 1, 2021, the Company received a demand letter from TD Bank, making a formal request for the indebtedness outstanding which at the time of the demand letter amounted to \$2,702,469 (the "Demand Letter").
25. As the Company was unable to pay the full amount owing under the Demand Letter, Nuotaka filed the NOI in order to restructure its liabilities.
26. Following the filing of its NOI the Company continued its negotiations to settle its indebtedness with TD Bank which ultimately resulted in Nuotaka on June 3, 2021 entering into a settlement agreement ("Settlement and Release Agreement") with TD Bank and the assignment of TD Bank's security indebtedness ("Assignment Agreement"). Under the terms of the Settlement and Release Agreement and the Assignment Agreement, TD Bank, among other things, agreed to assign its right, title and interest in and to all of the obligations under the Credit Facilities to Romona Keveza upon receipt of a payment from Ms. Keveza. Accordingly, Nuotaka's secured debt is now held by Ms. Keveza, who is also a party related to the Debtor.

Crown Priority Claims

27. As of the date of this Report, Nuotaka is current in remitting both its pre-filing and post-filing payroll source deductions, as well as filing the respective returns to the Canada Revenue Agency ("CRA"). On a monthly basis Nuotaka is in an HST refund position as it sells the majority of its finished goods to customers in the United States while it purchases the majority of its raw materials and supplies from Canadian vendors. Accordingly, there are no known Claims of Her Majesty in right of Canada or any province of a kind contemplated by Section 60(1.1) of the BIA (the "Crown Priority Claims").

Unsecured Creditors

Employee Priority Claims

28. As of the date of this Report, Nuotaka is not aware of any Claims by current or former employees of Nuotaka, or such portion of such Claim, that would be payable in priority under Subsection 136(1) of the BIA ("Employee Priority Claims").

Preferred Creditors

29. As of the date of this Report, Nuotaka is not aware of any creditors with a Preferred Claim.

Unsecured Trade Creditors

30. According to Management, Nuotaka's unsecured trade debt totaled approximately \$1.1 million ("Unsecured Creditors") as at the Filing Date. The unsecured indebtedness is owed to approximately 56 known unsecured creditors.

THE PROPOSAL

Class

31. For the purpose of the Proposal, the Creditors of the Debtor are comprised of a single class, being the Class 1 creditors (the "Class 1").
32. For greater certainty, the Creditors entitled to vote in Class 1 consist of Unsecured Creditors (i.e., holding claims without priority under the BIA) including: Convenience Class Creditors, Preferred Creditors pursuant to the BIA, and claims of Her Majesty in right of Canada and any province for all amounts other than Crown Priority Claims.

Convenience Class Creditors

33. The Proposal includes the option for Unsecured Creditors to elect to be included in the convenience class ("Convenience Class") and receive the lesser of their claim amount and \$2,000. To elect into the Convenience Class, Unsecured Creditors are required to make an irrevocable election on the Convenience Class election form provided ("Convenience Class Election Form"). The election must be completed and submitted to the Proposal Trustee in advance of the start time of the Creditors' Meeting.
34. For Unsecured Creditors with claims greater than \$2,000 that choose to elect into the Convenience Class, the holder of such Proven Claim shall be deemed to amend the portion of its Claim that is greater than \$2,000 and reduce the amount of such Claim to the maximum of \$2,000 in the aggregate. Unsecured Creditors who elect to be included in the Convenience Class will receive a distribution that is equal to the lesser of: (i) 100% of the value of their Proven Claim, and (ii) \$2,000. Convenience Class Creditors will receive a distribution in advance of the remaining Unsecured Creditors who have not elected to be included in the Convenience Class.
35. Each Convenience Class Creditor shall be deemed to vote in favour of the Proposal in respect of its Convenience Class Claim.

Treatment of Creditors in the Proposal

36. **Crown Priority Claims** will be paid in full, with only payment of Administrative Fees and Expenses and the Bankruptcy Reserve being paid in priority to such amounts. The Proposal provides that proven Crown Priority Claims will be remitted from amounts in addition to Funded Proposal Payments (as defined and discussed further herein) by the Proposal Trustee to the CRA, or the province, as applicable, within six months of the Court approving the Proposal ("Approval Order"). As at the Filing Date, there are no known claim amounts in respect of Crown Priority Claims.
37. **Secured Creditors** are not Affected Creditors for the purposes of the Proposal. The Secured Creditors are not entitled to vote on the Proposal or receive any distributions in the Proposal.
38. **Employee Priority Claims** shall vote as part of Class 1 and will be paid from additional funds derived from the Company's operations to be delivered by the Debtor to the Trustee ("Additional Funds") and shall be remitted by the Trustee to the entitled claimants, if any, immediately after the Court approval. As at the Filing Date, there are no known claim amounts in respect of Employee Priority Claims.

39. **Preferred Claims shall vote as part of Class 1 and shall be paid in full without interest out of the Funded Proposal Payments (defined further herein), in priority to Convenience Class Claims and Proven Unsecured Creditors, in accordance with the scheme of distribution set forth in the BIA.**
40. **Unsecured Creditors shall vote as part of the Class 1 and after satisfaction of any Convenience Class Claims and Preferred Claims, will be paid out of the Funded Proposal Payments on a *pro rata* basis as provided for in paragraph 17 of the Proposal and summarized below.**

Funding the Proposal

41. **Nuotaka's obligation to fund the Proposal shall commence on April 1, 2022, at which time Nuotaka will cause to be paid to the Trustee the Funded Proposal Payments in the form of monthly cash instalments in the aggregate amount of \$3,050.00.**
42. **The Proposal Payments will be made monthly over a three (3) year period until an amount is paid to the Proposal Trustee equal to the lesser of:**
 - i) **10% of the value of the Proven Claims, plus the aggregate value of the Convenience Claims; and**
 - ii) **\$110,000 plus the value of the Convenience Claims ("Funded Proposal Payments").**

Distributions in the Proposal

Crown Priority Claims and Employee Priority Claims

43. **In accordance with the terms of the Proposal, the Proposal Trustee shall issue distributions out of Additional Funds in respect of all Proven Crown Priority Claims and Employee Priority Claims, if any.**

Unsecured Creditors

44. **In accordance with the terms of the Proposal, the Funded Proposal Payments shall be used by the Trustee to distribute to Preferred Creditors on account of their Preferred Claims and to distribute to all Convenience Class Claims. The Trustee shall distribute the remaining amount to the Unsecured Creditors on a pro-rata basis.**
45. **The Proposal Trustee shall make an interim distribution to the Unsecured Creditors when in the Trustee's discretion sufficient Funded Proposal Payments have accumulated to warrant an interim distribution.**

46. All distributions made by the Proposal Trustee pursuant to the Proposal are subject to the Superintendent's Levy in accordance with the BIA.
47. For further clarity, the Funded Proposal Payments, will be distributed by the Proposal Trustee in the following order of priority:
- i) ***Administrative Fees and Expenses*** - To fund administrative fees and expenses of the Proposal Trustee, including the legal fees of the Proposal Trustee and the Debtor.
 - ii) ***Bankruptcy Reserve*** - To establish a reserve of \$20,000 to be held in trust by the Proposal Trustee, which amount shall be used to fund the administrative costs of a bankruptcy of the Debtor in the event that the Proposal is annulled, and the Debtor becomes bankrupt, failing which such amount shall be distributed to the Creditors.
 - iii) ***Proven Claims of Preferred Creditors*** – To pay all Proven Preferred Claims, other than Employee Priority Claims which will have been satisfied out of Additional Funds without interest.
 - iv) ***Proven Claims of Convenience Class Creditors*** - To pay all Convenience Class Creditors, including any Unsecured Creditor with a Proven Claim that submits a Convenience Class Election Form.
 - v) ***Proven Claims of Unsecured Creditors*** – The remainder will be distributed among all the Unsecured Creditors, who will share *pro rata* out of the funds available after payment of the foregoing.

Reporting by the Debtor

48. During the Proposal period, the Debtor shall provide to the Proposal Trustee every three months commencing on first day of the month following the month in which the Approval Order is issued, a report containing the information set out below:
- i) a cash flow statement for the Debtor's actual cash flow for the business for the prior three months; and
 - ii) evidence of the Debtor's filing and remittance of source deductions and HST.

OVERVIEW OF THE DEBTOR'S WEEKLY CASH FLOW FORECAST

49. The Debtor, with the assistance of the Proposal Trustee, has prepared a cash flow forecast for the period from May 22, 2021 to August 27, 2021 ("Cash Flow Forecast"). A copy of the Cash Flow Forecast is attached hereto as Appendix "F" to this Report. The Cash Flow Forecast has been prepared by Management of the Debtor for the purpose of this motion, using probable and hypothetical assumptions set out in notes 1 to 10 attached to the Cash Flow Forecast. The Cash Flow Forecast reflects receipts and disbursements to be received or paid over the fourteen-week forecast period in Canadian dollars.
50. The Cash Flow Forecast projects that the Debtor will have sufficient liquidity to fund its expenses in the Proposal proceeding through to August 27, 2021.
51. The Proposal Trustee's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussion related to information supplied to the Proposal Trustee by certain of the Management and employees of the Debtor. Since hypothetical assumptions need not be supported, the Proposal Trustee's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Proposal Trustee has also reviewed the support provided by Management of the Debtor for the probable assumptions, and the preparation and presentation of the Cash Flow Forecast.
52. Based on the Proposal Trustee's review, nothing has come to its attention to cause it to believe that, in all material respects:
- i) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
 - ii) as at the date of this Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Debtor or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or
 - iii) the Cash Flow Forecast does not reflect the probable and hypothetical Assumptions.
53. As described above, since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented, even if the hypothetical assumptions occur, and the variations may be material.
54. The Cash Flow Forecast has been prepared solely for the purpose described above, and readers

are cautioned that it may not be appropriate for other purposes.

LIQUIDATION ANALYSIS / ESTIMATED RECOVERY IN A LIQUIDATION

Liquidation Analysis

55. In the event that the Proposal is not accepted by the Creditors and the Debtor is deemed bankrupt, the liquidation analysis prepared by the Proposal Trustee estimates the value of the Debtor's assets should there be a liquidation (the "Liquidation Analysis").
56. The Proposal Trustee has relied on representations of Management in determining the estimated liquidation value of the assets. The Liquidation Analysis was prepared at a point in time being July 23, 2021. Accordingly, in the event the Debtor were to become bankrupt, and a liquidation was conducted, the realizable value of the assets at that time may be different than presented below.

Summary of Estimated Liquidation Value - Nuotaka As at July 23, 2021 (000's)

	Notes	Total
Receipts		
Cash	1	5,367
Accounts Receivable	2	95,000
Furniture and fixtures	3	110,000
Inventory	4	250,000
Total Receipts		460,367
Disbursements		
Employee costs	5	4,000
Liquidator's fee	6	27,000
Occupancy costs	7	34,000
Total Disbursements		65,000
Net Cash Flow from Liquidation		\$ 395,367

Notes to Liquidation Analysis:

1. Cash on hand as at July 23, 2021.
2. Accounts Receivable have been estimated based on book value of the Company's receivables less a discount. The reduction is due to discounts expected to be offered to incentive timely collection.
3. Furniture and fixtures include computer equipment, sewing machines, models and collectibles and patterns relating to the various bridal collections which are all assumed to have a nominal value in a forced liquidation
4. Inventory primarily relates to sample wedding dresses all in sample sizes that have been assumed to be realizable at 10% of book value in a forced liquidation.

5. A liquidator is assumed to be paid on average 7.5% of the net realizable value of the inventory and the furniture and fixtures.
6. Occupancy costs are assumed to be paid to occupy Nuotaka's leased premises for a 2-month liquidation period.

Estimated Recovery – Proposal vs. Liquidation Scenarios

57. The following chart (which is rounded to the nearest thousands of dollars) sets out the expected recovery to the Secured Creditors, and the Unsecured Creditors under a Liquidation/Bankruptcy scenario and the Proposal scenario. As summarized below, the net estimated recovery to:

- i) the Unsecured Creditors in a Liquidation/Bankruptcy scenario is NIL versus approximately 11% in the Proposal scenario; and
- ii) Secured Creditors is 15% in a Liquidation/Bankruptcy Scenario. Secured Creditors are Unaffected Creditors in the Proposal.

Estimated Recovery in a Liquidation Scenario:		Estimated Recovery in a Proposal Scenario:	
Liquidation Value of Assets	395	Funded Proposal Payments (note 1)	160
Less: Secured Claims to be filed by Related Party (note 2)	(2,702)	Less: Secured Claims to be filed by Related Party (note 2)	n/a
Shortfall to Secured Creditors	(2,307)	Shortfall to Secured Creditors	n/a
		Amount available for Preferred and Unsecured Creditors	160
		Less: Estimated Professional fees and expenses (note 3)	(25)
		Less: Superintendent's Levy (note 4)	(7)
		Net amount available for Preferred and Unsecured Creditors	128
		Less: Estimated Claims of Preferred Creditors	-
Amount available for Preferred and Unsecured Creditors	NIL	Net amount available for Unsecured Creditors	128
Estimated Claims of Unsecured Creditors (note 5)	1,136	Estimated Claims of Unsecured Creditors (note 5)	1,136
Estimated Recovery to Unsecured Creditors	NIL	Estimated Recovery to Unsecured Creditors	11%
Estimated Recovery to Related Party Secured Creditors	15%	Estimated Recovery to Related Party Secured Creditors	n/a

Notes to Proposal vs. Liquidation Scenarios:

1. For the purposes of the above analysis the Funded Proposal Payment has been estimated at \$160,000, and is payable over 3 years starting on April 1, 2022, in accordance with the terms of the Proposal. It has been assumed that all Creditors with claims equal to or less than \$10,000 will elect into the Convenience Class and accordingly the aggregate value of the Funded Proposal Payments plus the aggregate value of Convenience Claims has been estimated to be \$160,000. However, the Funded Proposal Payment amount will differ based on the actual value of Proven Claims once all proofs of claim are received by the Proposal Trustee, and the actual number of Unsecured Creditors that elect into the Convenience Class.

In accordance with the terms of the Proposal, the Debtor will pay the Proposal Trustee Proposal payments up until an amount is paid to the Proposal Trustee equal to the lesser of, 10% of the value of the Proven Claims, and \$110,000 plus the aggregate value of the Convenience Claims.

- 2. In the proposal scenario, the Secured Creditor will receive no distributions pursuant to this Proposal. The Secured Creditor is an Unaffected Creditor. However, should there be a liquidation, the Secured Creditor will be paid first after payments for Crown Priority Claims, if any. In a liquidation the Secured Creditor is estimated to recover 15% of their Claims. As the Secured Creditor will suffer a shortfall there will be no distribution available for Preferred and Unsecured Creditors.*
- 3. This amount represents a provision for the estimated professional fees to be incurred. In the case of a proposal, in the analysis above, the Professional Fees include the cost of monitoring the Proposal and completing the distributions paid from the Funded Proposal Payments to the creditors.*
- 4. The Superintendent's Levy is applicable to payments made to Preferred and Unsecured Creditors and is calculated as 5% of each payment. In the bankruptcy scenario it is assumed that a parallel receivership would be commenced by the Secured Creditor to realize on its security which would result in no levy being withheld or remitted on realization of any of the Secured Creditor's security.*
- 5. The Unsecured Creditor pool in the Proposal includes creditors that will elect to be part of the Convenience Class. As such, these creditors will in most cases receive a greater percentage recovery as compared to the other Unsecured Creditors, and in certain cases 100%, depending on the value of their claims. Unsecured Creditors who do not elect to be part of the Convenience Class are expected to recover less than 10% after payment of the professional fees and the Superintendent's Levy.*

CREDITORS' MEETING/VOTING PROCEDURE AND CLASSES OF CREDITORS

Creditors' Meeting/Voting Procedure

- 58. The Creditors' Meeting to consider the Proposal will be held by video conference on August 26, 2021 at 11:00 a.m. (Toronto Time). Details relating to the filing of claims, and other documents, prior to the Creditors' Meeting, are outlined below and will be mailed to each known Creditor, or their duly appointed representative.**
- 59. The primary purpose of the Creditors' Meeting is to permit Creditors to consider the acceptance or rejection of the Proposal. For the Proposal to be accepted, at least two-thirds (66.67%) of each creditor class by dollar value, and more than 50% of each creditor class by number, must vote in favour of the Proposal at the Creditors' Meeting either in person, by proxy or by mailing a voting letter to the Proposal Trustee in advance of the Creditors' Meeting. Only Creditors who actually vote are counted for the purpose of determining whether the necessary thresholds have been reached. Creditors related to the Debtor may not vote for the Proposal.**

60. To be eligible to vote on the Proposal, Creditors must have filed with the Proposal Trustee, prior to the commencement of Creditors' Meeting, a proof of claim form signed and witnessed as required and accompanied by a statement of account or affidavit in support of the claim. Those Creditors who do not intend to have a personal representative at the Creditors' Meeting may complete and submit the voting letter which is enclosed in the creditor package prior to the Creditors' Meeting indicating their vote for or against the acceptance of the Proposal. The Proposal Trustee has also enclosed a form of proxy should a Creditor wish to appoint a proxy to represent them at the Creditors' Meeting. If the Proposal is not accepted by the required majorities of unsecured creditors, the Debtor will be deemed bankrupt.
61. To be eligible to participate in the convenience class, Creditors must also complete the Convenience Class Election Form. This must be done by completing and returning the Convenience Class Election Form to the Trustee in advance of the Creditors' Meeting.
62. If the Proposal is accepted by the required statutory majorities referenced above, the Proposal Trustee will then make an application to the Court for approval of the Proposal. If the Court provides such approvals, the Proposal will be binding on all Creditors and such Creditors, and their respective heirs, executors, administrators, successors and assigns, shall have no further Claim against the Debtor other than for the distributions provided in the Proposal.

Single Class of Creditors

63. As described above, for purposes of considering, and voting on, the Proposal, and receiving a distribution pursuant to the Proposal, the Creditors are grouped in one (1) class consisting of Creditors having unsecured Claims. Preferred Creditors and proven Claims of Her Majesty in right of Canada and any province for all amounts other than Crown Priority Claims are entitled to vote in the Affected Creditor Class.
64. The Proposal does not compromise the following Creditor Claims:
- i) Claims for goods and/or services delivered to the Debtor on or after the Filing Date, February 10, 2021;
 - ii) Crown Priority Claims;
 - iii) Proven Claims of Preferred Creditors, payable in priority to all claims of Unsecured Creditors in accordance with the scheme of distribution set forth in the BIA; and

iv) Secured Creditor Claims.

65. Distributions to Creditors will be made as described in the "Distribution" section of this Report.

ALTERNATIVES TO THE PROPOSAL

66. At the Creditors' Meeting, the Creditors are being asked by the Proposal Trustee to choose between two alternatives, namely accepting the Proposal, or rejecting the Proposal, which would result in the Debtor being deemed bankrupt.

67. For the reasons described above, the Proposal Trustee is of the view that the Proposal Scenario, will produce a more favourable result for the Creditors of the Debtor than would the liquidation sale of the assets in a bankruptcy.

CONDUCT OF THE DEBTOR

Preference Transactions and Transfers at Undervalue

68. The Proposal contemplates that Sections 95-101 of the BIA shall not apply in connection with this Proposal and, as a result, the Proposal Trustee shall have no responsibility, liability or authority whatsoever under the operation of those provisions. Accordingly, the Proposal Trustee has not undertaken a detailed review for possible preference transactions or transfers at undervalue.

69. If the Debtor was to become bankrupt, and either preference transactions or transfers at undervalue did exist, it is possible that some of these transactions could be found to be void through Court proceedings.

Conduct Post-Filing

70. Pursuant to Section 50(10) of the BIA, the Proposal Trustee is required to monitor the affairs of the Debtor until the Proposal is approved by the Court.

71. During the NOI period, the Debtor worked diligently with the Proposal Trustee to prepare its Proposal, as well as to manage costs and continue operations and is working diligently to complete the Proposal. In the view of the Proposal Trustee, the Debtor and its management have acted in accordance with the required duties and obligations imposed on the Debtor and its management under the BIA.

SUMMARY COMMENTS/RECOMMENDATION

72. For the reasons set out in this Report it is the Proposal Trustee's opinion that:

- i) the Proposal will allow for a greater recovery to the Creditors of Nuotaka than they would receive in a liquidation of Nuotaka's assets in a bankruptcy proceeding; and
- ii) acceptance of the Proposal is in the best interest of the Creditors. If the Proposal is rejected by the Creditors, Nuotaka will be deemed automatically bankrupt.

73. Accordingly, the Proposal Trustee recommends that the Creditors vote in favour of the Proposal.

Yours very truly,

DODICK LANDAU INC.

In its capacity as the Proposal Trustee of
Nuotaka International Inc.
and not in its personal or corporate capacity.

Per:



Rahn Dodick, CPA, CA, CIRP, LIT
President

APPENDIX "A"



Industry Canada

**Office of the Superintendent
of Bankruptcy Canada**

Industrie Canada

**Bureau du surintendant
des faillites Canada**

District of Ontario
Division No. 09 - Toronto
Court No. 31-2711340
Estate No. 31-2711340

**In the Matter of the Notice of Intention to make a
proposal of:**

**Nuotaka International Inc.
Insolvent Person**

**DODICK LANDAU INC.
Licensed Insolvency Trustee**

Date of the Notice of Intention: February 10, 2021

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

E-File/Dépôt Electronique

Date: February 11, 2021, 07:31

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

APPENDIX "B"

APPENDIX "B"

Court File No. 31-2711340
Estate No. 31-2711340

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

THE HONOURABLE MR) THURSDAY, THE 11TH
JUSTICE CAVANAGH)
DAY OF MARCH, 2021

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF NUOTAKA INTERNATIONAL INC. OF THE CITY OF
TORONTO IN THE PROVINCE OF ONTARIO**

**ORDER
(Extension of Time to File Proposal)**

THIS MOTION, made by Nuotaka International Inc. (the "Company"), for an Order extending the period of time for filing a proposal pursuant to section 50.4(9) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "BIA"), was heard this day by video conference due to the COVID-19 crisis.

ON READING the Affidavit of Romona Keveza affirmed March 9, 2021, and on reading the First Report of Dodick Lundau Inc. dated March 9, 2021 in its capacity as proposal trustee of the Company, and on hearing the submissions of counsel for the Company, as well as all persons present as stated in the counsel slip, no one appearing for any other person on the service list, although

properly served as appears from the affidavit of service of Shaun Parsons sworn March 10, 2021, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

EXTENSION OF TIME TO FILE A PROPOSAL

2. **THIS COURT ORDERS** that pursuant to Section 50.4(9) of the BIA, the time for the Company to file a proposal with the Official Receiver be and is hereby extended to April 26, 2021.

ORDER EFFECTIVE IMMEDIATELY

3. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order without any need for entry and filing.

 Digitally signed by
Peter Cavanagh

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

Court File No. 31-2711340
Estate No. 31-2711340

**AND IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF
NUOTAKA INTERNATIONAL INC. OF THE CITY
OF TORONTO IN THE PROVINCE OF ONTARIO**

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

Proceedings commenced at Toronto

**ORDER
(Extension of Time to File Proposal)**

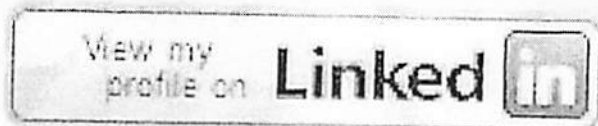
**WEISZ FELL KOUR LLP
100 King Street West, Suite 5600
Toronto, ON M5X 1C9**

**Caitlin Fell
LSO No. 60091H
cfell@wfkllaw.ca
Tel: 416.613.8282**

**Shaun Parsons
LSO No. 81240A
sparsons@wfkllaw.ca
Tel: 416.613.8284**

Fax: 416.613.8290

Lawyers for Nuotaka International Inc.



----- Forwarded message -----

From: **Cavanagh, Justice Peter (SCJ)**

<Peter.Cavanagh@scj-csj.ca>

Date: Thu, Mar 11, 2021 at 12:11 PM

Subject: In the Matter of the Notice of Intention to Make a Proposal of Nuotaka International Inc. (Court File No. 31-2711340)

To: Shaun Parsons <sparsons@wfkllaw.ca>, Caitlin Fell <cfell@wfkllaw.ca>, Rahn Dodick <rahn.dodick@dodick.ca>, kplunkett@airdberlis.com <kplunkett@airdberlis.com>, Andy.MITTRA@bdc.ca <Andy.MITTRA@bdc.ca>, CHEEMA, Andy (TORONTO) <Andy.CHEEMA@bdc.ca>

Cc: JUS-G-MAG-CSD-Toronto-SCJ Commercial List <MAG.CSD.To.SCJCom@ontario.ca>

Endorsement:

The applicant seeks an extension of the stay period in which to file a proposal. I have read the materials and I am satisfied that the requirements of s. 50.4(9) of the

BIA are satisfied. Order to issue in form of attached order signed by me.



Cavanagh J.



**Court File No.31-2711340_Order - Applicant -
Nuotaka International Inc - 10-MAR-2021.pdf
272K**

APPENDIX "C"

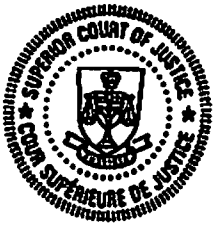
**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)**

THE HONOURABLE MR.)

THURSDAY, THE 22ND

JUSTICE HAINEY)

DAY OF APRIL, 2021)



**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF NUOTAKA INTERNATIONAL INC. OF THE CITY OF
TORONTO IN THE PROVINCE OF ONTARIO**

ORDER

(Re: Extension of Time to File Proposal)

THIS MOTION made by Nuotaka International Inc. (the "Company"), for an Order extending the period of time for filing a proposal pursuant to section 50.4(9) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "BIA"), was heard this day by video conference due to the COVID-19 crisis.

ON READING the Affidavit of Romona Keveza, affirmed April 20, 2021, and the Second Report of Dodick Landau Inc. in its capacity as proposal trustee (the "Proposal Trustee"), and any other person as listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Christel Paul affirmed April 20, 2021, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

EXTENSION OF TIME TO FILE A PROPOSAL

2. **THIS COURT ORDERS** that pursuant to Section 50.4(9) of the BIA, the time for the Company to file a proposal with the Official Receiver be and is hereby extended up to and including June 10, 2021.

GENERAL

3. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Company, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Company and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

4. **THIS COURT ORDERS** that any interested party (including the Company and the Proposal Trustee) may apply to this Court to vary or amend this Order on not less than seven days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

5. **THIS COURT ORDERS** that notwithstanding Rule 59.05, this Order is effective from 12:01 a.m. on the date that it is made and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or a motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original signing, entry and filing.

A handwritten signature in black ink, appearing to read "Henry J.", with a large, stylized flourish at the end.

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

Court File No. 31-2711340
Estate No. 31-2711340

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF NUOTAKA INTERNATIONAL INC. OF THE CITY OF
TORONTO IN THE PROVINCE OF ONTARIO**

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

Proceedings commenced at Toronto

**ORDER
(Extension of Time to File Proposal)**

WEISZ FELL KOUR LLP
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2305
Toronto, ON M5J 2J3

Caitlin Fell
LSO No. 60091H
cfell@wfkllaw.ca
Tel: 416.613.8282

Shaun Parsons
LSO No. 81240A
sparsons@wfkllaw.ca
Tel: 416.613.8284

Fax: 416.613.8290

Lawyers for Nuotaka International Inc.

APPENDIX “D”

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

EXTENSION OF TIME TO FILE A PROPOSAL

2. **THIS COURT ORDERS** that pursuant to Section 50.4(9) of the BIA, the time for the Company to file a proposal with the Official Receiver be and is hereby extended up to and including July 25, 2021.

GENERAL

3. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Company, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Company and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

4. **THIS COURT ORDERS** that any interested party (including the Company and the Proposal Trustee) may apply to this Court to vary or amend this Order on not less than seven days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

5. **THIS COURT ORDERS** that notwithstanding Rule 59.05, this Order is effective from 12:01 a.m. on the date that it is made and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or a motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original signing, entry and filing.

A handwritten signature in black ink, appearing to read "Alan D. Singh". The signature is written in a cursive style with a horizontal line underneath the name.

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF NUOTAKA INTERNATIONAL INC. OF THE CITY OF
TORONTO IN THE PROVINCE OF ONTARIO**

Court File No. 31-2711340
Estate No. 31-2711340

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

Proceedings commenced at Toronto

**ORDER
(Extension of Time to File Proposal)**

WEISZ FELL KOUR LLP
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2305
Toronto, ON M5J 2J3

Caitlin Fell
LSO No. 60091H
cfell@wfklaw.ca
Tel: 416.613.8282

Shaun Parsons
LSO No. 81240A
sparsons@wfklaw.ca
Tel: 416.613.8284

Fax: 416.613.8290

Lawyers for Nuotaka International Inc.

Update (Endorsement) RE: In the Matter of the Notice of the Intention to Make a Proposal of Nuotaka International Inc. - Court No. 31-2711340

Levi Rivers <lrivers@wfkaw.ca>

Mon, Jun 7, 2021 at 11:47 AM

To: "rkeveza@gmail.com" <rkeveza@gmail.com>, Caitlin Fell <cfell@wfkaw.ca>, Rahn Dodick <rahn.dodick@dodick.ca>, "Amanda.Bezner@td.com" <Amanda.Bezner@td.com>, "kplunkett@airdberlis.com" <kplunkett@airdberlis.com>, "Andy.CHEEMA@bdc.ca" <Andy.CHEEMA@bdc.ca>, Naomi Lieberman <naomi.lieberman@dodick.ca>, Shaun Parsons <sparsons@wfkaw.ca>

Cc: Christel Paul <cpaul@wfkaw.ca>

To the Service List:

Further to the hearing today, June 7th 2021, please find enclosed, the entered and issued Order granted by Justice Dunphy.

Thank you,

-
-
-

Style of Cause:

Court File No. 31-2711340 Estate No. 31-2711340 ONTARIO SUPERIOR COURT OF JUSTICE IN BANKRUPTCY AND INSOLVENCY (COMMERCIAL LIST) IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF NUOTAKA INTERNATIONAL INC. OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO

Counsel:

WEISZ FELL KOUR LLP Royal Bank Plaza, South Tower 200 Bay Street, Suite 2305 Toronto, ON MSJ 2J3 Shaun Parsons Tel: 416.613.8284

Endorsement: Since filing this motion, I am advised that the Debtor has now settled with TD Bank. This should enable the Debtor to focus on preparing a proposal to its remaining creditors. I am satisfied the Debtor is acting in good faith. The cash flow forecast suggests that there is a moderate cash build during the proposed stay extension. There is no indication that any creditor will be unduly prejudiced by the stay extension nor has any creditor so indicated. I have approved the stay extension and signed the draft order provided to me. The signed order is attached.

S.F. Dunphy J

Justice Sean F. Dunphy
Superior Court of Justice

APPENDIX "E"



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2711340
Estate No. 31-2711340

In the Matter of the Proposal of:

Nuotaka International Inc.

Debtor

DODICK LANDAU INC.

Licensed Insolvency Trustee

Date of Proposal:	July 23, 2021	Security:	\$
Meeting of Creditors:	August 26, 2021, 11:00 https://us06web.zoomus/89619575708 Toronto, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

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

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

The aforementioned trustee is required:

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

E-File/Dépôt Electronique

Date: July 26, 2021, 07:54

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

APPENDIX "F"

Niutaka International Inc.
 Weekly Cash Flow Forecast
 For the period from May 22, 2021 to August 27, 2021

Week Ending	Notes	28-May-21	04-Jun-21	11-Jun-21	18-Jun-21	25-Jun-21	02-Jul-21	09-Jul-21	16-Jul-21	23-Jul-21	30-Jul-21	06-Aug-21	13-Aug-21	20-Aug-21	27-Aug-21	TOTAL
Receipts																
1	Operational Receipts	40,000	45,000	36,500	28,000	28,000	28,000	28,000	28,000	28,000	10,000	28,000	28,000	28,000	8,500	404,000
2	Other Receipts	-	7,000	-	-	35,000	-	7,000	-	55,000	-	7,000	-	35,000	-	146,000
3	Total Receipts	40,000	52,000	36,500	28,000	63,000	28,000	35,000	28,000	65,000	28,000	35,000	28,000	43,500	40,000	550,000
Disbursements																
4	Direct Costs	4,500	4,500	4,500	4,500	4,500	4,500	6,000	4,500	10,000	4,500	4,500	4,500	14,000	4,500	79,500
5	Payroll	34,000	9,500	38,000	9,500	38,000	9,500	10,500	38,000	14,500	40,000	7,500	38,000	16,500	38,000	345,500
6	Occupancy Costs	-	16,913	-	-	-	16,913	-	-	-	4,845	7,003	-	-	-	45,675
7	G&A Expenses	-	9,725	-	910	-	9,725	-	910	-	9,725	-	910	-	-	31,905
	Total Disbursements	47,500	40,638	47,500	14,910	47,500	40,638	16,500	43,410	24,500	59,070	19,003	43,410	30,500	47,500	500,580
	Net Cash Flow From Operations	(2,500)	11,362	(6,000)	13,090	20,500	(17,638)	19,500	(15,410)	40,500	(31,070)	15,997	(15,410)	13,000	(2,500)	47,420
Other																
8	Interest	-	2,500	-	-	-	2,500	-	-	-	2,500	-	-	-	-	7,500
9	Professional Fees	-	2,000	2,000	7,000	2,000	7,000	7,000	-	2,000	7,000	-	2,000	7,000	-	40,000
	Net Cash Flow	(2,500)	6,862	(8,000)	6,090	18,500	(17,138)	11,500	(15,410)	38,500	(40,570)	15,997	(17,410)	6,000	(2,500)	(80)
Bank Balance																
10	Opening Bank Balance	3,856	1,356	8,217	217	6,307	24,807	7,669	19,169	3,759	42,259	1,689	17,685	275	6,275	3,856
	Add: Net Cash Flow	(2,500)	6,862	(8,000)	6,090	18,500	(17,138)	11,500	(15,410)	38,500	(40,570)	15,997	(17,410)	6,000	(2,500)	(80)
	Closing Bank Balance	3,356	8,217	217	6,307	24,807	7,669	19,169	3,759	42,259	1,689	17,685	275	6,275	3,775	3,775

This statement of forecast cash flow of Niutaka International Inc. is prepared in accordance with section 50-4 (2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the accompanying notes.

Nuotaka International Inc. ("Nuotaka" or the "Company")
Major Assumptions
Cash Flow Forecast
For the Period May 22, 2021 to August 27, 2021 (the "Period")

1. Nuotaka is a contract manufacturer of bridal wear and evening gowns. Nuotaka sells the products it manufactures to Romona Keveza Collection LLC ("RKC") who distributes the products through retail stores located in the United States.

The financial projections have been prepared for the purpose of meeting the proposal proceeding requirements of the Bankruptcy and Insolvency Act. The Projection is based on the hypotheses that Nuotaka will continue operations in the normal course and will generate sufficient cash flow to meet its ongoing operational needs.

Receipts:

2. Nuotaka's operational receipts are based on the collection of its existing receivables as well as a budget for new sales and is based on its average monthly collections for the last 6 months. As noted above Nuotaka sells the gowns it manufactures to RKC who then sells the bridal dresses and evening wear to retailers and pays approximately 60% of its cash receipts to Nuotaka for manufacturing the dresses. The Company's business is seasonal in nature with significant orders historically being received in April and October. Due to the COVID-19 pandemic, significantly lower number of orders were received in April/21 as compared to previous years, but with the easing of restrictions in both the US and Canada the Company is expecting to receive a greater number of orders in October 2021, as compared to April 2021.
3. Other Receipts are composed of various payments forecast to be received from the Government of Canada including: (i) HST refunds, which the Company is receiving on a quarterly basis, and (2) wage and rent subsidies. The Company is expecting to continue to qualify for the wage and rent subsidy programs from the Government of Canada during the Period.

Disbursements:

4. Direct costs represent the cost of materials purchased by the Company to manufacture the wedding gowns, and evening wear, including fabric, zippers, buttons and garment bags.
5. Payroll includes amounts payable to 14 employees (3 hourly employees and 11 salaried employees). As well, payroll costs include payments on account of health benefits, source deduction remittances to CRA in the Period, and weekly payments to certain independent contractors.

- 6. Occupancy expenses include Nuotaka's office rent, storage units' rents, insurance and utilities.**
- 7. General and administrative expenses include various lease payments for furniture, a vehicle, printer, vehicle insurance and other general office expenses.**
- 8. Interest payments includes amounts being paid on account of interest to Business Development Bank of Canada who is a secured creditor of the Company.**
- 9. Professional fees include forecast fees for the Proposal Trustee and the Company's legal counsel for the Period.**
- 10. The opening cash balance as of May 21, 2021 is \$3,856.**

STATEMENT OF AFFAIRS

District of Ontario
 Division No. 09 - Toronto
 Court No. 31-2711340
 Estate No. 31-2711340

Original Amended

- Form 76 -
 Statement of Affairs (Business Proposal) made by an entity
 (Subsection 48(2) and Paragraph 168(d) of the Act / Subsections 50(2) and 62(1) of the Act)

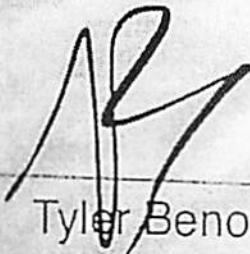
In the matter of the proposal of
Hustaka International Inc.
 of the city of Scarborough, in the Province of Ontario

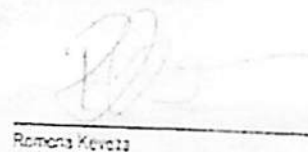
To the debtor:
 You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 23rd day of July, 2021. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)		ASSETS (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	1,132,932.37	1. Inventory	250,000.00
Balance of secured claims as per list "B"	2,232,102.37	2. Trade fixtures, etc.	110,000.00
Total unsecured creditors	3,365,034.74	3. Accounts receivable and other receivables, as per list "E"	
2. Secured creditors as per list "B"	470,366.95	Gold	95,000.00
3. Preferred creditors as per list "C"	0.00	Doubtful	0.00
4. Contingent, trust claims or other liabilities as per list "D"	416,251.26	Bad	0.00
estimated to be reclaimable for		Estimated to produce	55,000.00
Total liabilities	4,256,352.96	4. Bills of exchange, promissory note, etc., as per list "F"	0.00
Surplus	761	5. Deposits in financial institutions	0.00
		6. Cash	5,266.95
		7. Livestock	0.00
		8. Machinery, equipment and plant	0.00
		9. Real property or removable as per list "G"	0.00
		10. Furniture	0.00
		11. RRSPs, RR F's, life insurance, etc.	0.00
		12. Securities (shares, bonds, debentures, etc.)	0.00
		13. Interests under wills	0.00
		14. Vehicles	0.00
		15. Other property, as per list "H"	0.00
		If debtor is a corporation, add:	
		Amount of subscribed capital	0.00
		Amount paid on capital	0.00
		Balance subscribed and unpaid	0.00
		Estimated to produce	0.00
		Total assets	470,366.95
		Deficiency	3,784,985.00

I, Romona Kaveza, of the city of Scarborough in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 23rd day of July 2021 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act

SWORN (or SOLEMNLY DECLARED)
 before me at the city of Toronto in the Province of Ontario, on this 23rd day of July 2021.


 Tyler Benoliel


 Romona Kaveza

District of: Ontario
 Division No. 09 - Toronto
 Court No. 312711340
 Estate No. 312711340

FORM 78 - Continued

List "A"
 Unsecured Creditors

Norata International Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	1203840 Ontario Ltd.	c/o David Z. Keller 199 Bay Street, Suite 2200 Toronto ON M5L 1G4	1.00	0.00	1.00
2	2120273 Ontario Ltd.	21 Mansion Avenue Toronto ON M1L 1A5	2,907.04	0.00	2,907.04
3	5007268 Ontario Limited	4789 Yonge Street, Suite 319 Toronto ON M2N 0G3	168,905.63	0.00	168,905.63
4	Addcom Ris	...	1,128.81	0.00	1,128.81
5	API Alarm Inc.	30 Rayette Road Concord ON L4K 2G3	250.00	0.00	250.00
6	Bell Canada F-88 - Business Atrc Insolvency Department 25190774ZZ2906	1 Carrefour Alexandre-Graham-Bell, Ate E3 Verdun QC H3E 3B3	2,165.86	0.00	2,165.86
7	Bell Canada F-88 - Business Atrc Insolvency Department 267221545	1 Carrefour Alexandre-Graham-Bell, Ate E3 Verdun QC H3E 3B3	250.66	0.00	250.66
8	Bell Canada F-88 - Business Atrc Insolvency Department 40474875	1 Carrefour Alexandre-Graham-Bell, Ate E3 Verdun QC H3E 3B3	1,699.12	0.00	1,699.12
9	Bell Canada F-88 - Business Atrc Insolvency Department 40475148	1 Carrefour Alexandre-Graham-Bell, Ate E3 Verdun QC H3E 3B3	250.00	0.00	250.00
10	Bell Canada F-88 - Business Atrc Insolvency Department 4166868894	1 Carrefour Alexandre-Graham-Bell, Ate E3 Verdun QC H3E 3B3	365.06	0.00	365.06
11	Bell Canada F-88 - Business Atrc Insolvency Department 536867115	1 Carrefour Alexandre-Graham-Bell, Ate E3 Verdun QC H3E 3B3	6,120.47	0.00	6,120.47
12	Business Development Bank of Canada - Toronto Atrc Atrc Andy Cheema, Asst. Manager	1200 - 121 King St W Toronto ON M5H 3T9	358,953.21	0.00	358,953.21
13	C & J Textiles	230 West 38th Street, 7th Floor New York NY 10018 USA	23,300.05	0.00	23,300.05
14	Carma BPY	...	102.84	0.00	102.84
15	Cartel & Bui LLP Atrc Nicholas J. Cartel	67 Mowat Avenue, Suite 122 Toronto ON M6K 3E3	4,621.95	0.00	4,621.95
16	Co-op Cabs	128 - 130 Rivault Road Toronto ON M8M 2M8	4,419.10	0.00	4,419.10
17	CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G8P 5H9	8,954.09	0.00	8,954.09
18	D & D Electrical Contractors Inc.	930 Oaktree Crescent Newmarket ON L3X 2Z2	6,994.70	0.00	6,994.70
19	Dansa Inc.	28 Six Point Road, Unit 7 Toronto ON M8Z 2W9	12,818.57	0.00	12,818.57
20	Da Lago Ledon	...	894.24	0.00	894.24

23-JUL-2021

Date

DecuSigned by:

Romona Kuvaza

4FTDAF183RE4189
Romona Kuvaza

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2711340
 Estate No. 31-2711340

FORM 78 -- Continued

List "A"
 Unsecured Creditors

Mustake International Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
21	Decca Janitorial Services	14 Stewart Court, Unit #10 Orangemile ON L9W 3Z9	787.33	0.00	787.33
22	Economical Insurance Attn: Customer Account Centre	351 King St E, 8th Flr Toronto ON M5A 0L6	600.75	0.00	600.75
23	Emer Olsen Model Management Inc.	477 Richmond Street West, Suite 708 Toronto ON M5V 3E7	3,731.38	0.00	3,731.38
24	Empire Life Insurance Company Attn: Legal Department	259 King St East Kingston ON K7L 3A8	812.10	0.00	812.10
25	Expert Development Canada	151 O'Connor Street Ottawa ON K1A 1K3	2,313.00	0.00	2,313.00
26	Federal Express Canada Ltd. - Revenue Recovery Department Attn: Lynn Tassone	5985 Explorer Drive Mississauga ON L4W 5K6	5,386.05	0.00	5,386.05
27	Galmero Trading Co. Inc.	141 West 36th St., 15th Floor New York NY 10018 USA	4,293.67	0.00	4,293.67
28	Gastacos Attn: Lucy O'Connell	262 West 35th Street, Rm. 1408 New York NY 10018 USA	9,823.92	0.00	9,823.92
29	Hodgeon Ross LLP Attn: Garry Graber	100 - 140 Pearl St. The Guaranty Bldg. Buffalo NY 14202 US	1,405.88	0.00	1,405.88
30	Initial Global	140 Alpacca Drive Richmond Hill ON L4E 0R2	502.46	0.00	502.46
31	Intact Insurance Attn: Central Collections	700 University Avenue, 16th Flr Toronto ON M5G 0A1	4,035.08	0.00	4,035.08
32	Iron Mountain Canada Corporation	P.O. Box 3527, Station A Toronto ON M5W 3G4	1,961.62	0.00	1,961.62
33	Kusner Brothers Inc.	253 West 35th Street, 11th Floor New York NY 10001 USA	4,358.98	0.00	4,358.98
34	L.M. Clark Customs Broker Ltd.	1804 Alton Drive, Suite 200 Mississauga ON L5S 1W1	2,590.64	0.00	2,590.64
35	MNP LLC	709 Cotton Mill Street Cornwall ON K6H 7K7	10,802.97	0.00	10,802.97
36	MNP LLP Attn: Michael Murrel	c/o CMC Credit Management Corporation 608 - 1033 Davie Street Vancouver BC V6E 1M7	1.00	0.00	1.00
37	Moveable Inc.	67 Mowat Avenue, Suite 500 Toronto ON M5K 3E3	1,001.18	0.00	1,001.18
38	Nissan Canada Finance Inc. c/o Bankruptcy Highway Attn: Mike Timko	PO Box 57100 Etobicoke ON M9Y 3V2	1,259.06	0.00	1,259.06
39	Nordstrom Public Relations Inc.	6 Clarence Square Toronto ON M5V 1H1	16,340.65	0.00	16,340.65
40	Office Move Pro Toronto	5-3800B Laird Road Mississauga ON L5L 0B2	22,945.70	0.00	22,945.70
41	Plufino Models Inc.	1444 Dupont Street West, Suite 370 Toronto ON M6P 4H3	35,841.55	0.00	35,841.55
42	Romona Koveza	3140 Dufferin Street Toronto ON M8A 2S7	0.00	2,232,102.37	2,232,102.37
43	Ron Hoover Attn: Ryan Breeden	c/o Breeden Litigation 88 Worsley Street Bardonia ON L4M 1L6	213,120.23	0.00	213,120.23

23-Jul-2021

Date

Digitized by:

Romona Koveza

4PTDAF4086MR8 Koveza

District of: Ontario
 Division No. 09 - Toronto
 Court No. 312711340
 Estate No. 312711340

FORM 78 -- Continued

List "A"
 Unsecured Creditors

Nustaka International Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
44	RAVAM Insurance Administrators Inc.	49 Industrial Drive Etobicoke ON N3B 3B1	3,493.96	0.00	3,493.96
45	Silk Crete (Silk Salad Inc.)	145 Michael Drive Syosset NY 11791 USA	2,411.25	0.00	2,411.25
46	Societes Chambédres	21 Rue Lamarck B.P. 4642140 Chazelles-sur-Lyon, France ..	576.00	0.00	576.00
47	Standard Telecom	23 Passmore Avenue, Unit 11R Scarborough ON M1V 4T3	1,524.42	0.00	1,524.42
48	TD Canada Trust Attn: Peter Hando & Amanda Boomer	3140 Dufferin Street Toronto ON M6A 2T1	60,000.00	0.00	60,000.00
49	Through Way Cleaning Services Inc.	298 Old Orchard Circle Oakville ON L6H 4N3	395.50	0.00	395.50
50	TSCC 2434	...	2,591.94	0.00	2,591.94
51	ULINE Canada	60 Hersford Street Brampton ON L6Y 0N3	573.02	0.00	573.02
52	UPS Canada c/o Credit Departmental Attn: Attention accounting (bankruptcy)	200-1 Factory Lane Moncton NB E1C 8A3	2,060.68	0.00	2,060.68
53	Woodbecker Inc. SC20000070430000	21 Mansion Avenue Toronto ON M1L 1A5	19,733.95	0.00	19,733.95
54	Workplace Safety and Insurance Board Attn: Eric Kupka	200 Front St W, 22nd Floor Toronto ON M5V 3J1	7,204.71	0.00	7,204.71
55	WFW Inc.	52 Kimberdale Crescent Scarborough ON M1W 1Y5	27,706.72	0.00	27,706.72
56	Yi Bo Manufacturing Co. Attn: Terence Chik	106 Danesbury Avenue Toronto ON M2B 3L4	56,382.85	0.00	56,382.85
57	YOK Canada Inc.	3909 Blvd. Thimera Vila St-Laurent QC H4R 1X3	2,479.77	0.00	2,479.77
Total:			1,135,932.37	2,232,102.37	3,368,034.74

23-Jul-2021

Date

DocuSigned by:

Romana Keviza

Romana Keviza

District of: Ontario
 Division No. 09 - Toronto
 Court No. 312711340
 Estate No. 312711340

FORM 78 - Continued

List "B"
 Secured Creditors

Nystake International Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	Romana Koveza	3140 Dufferin Street Toronto ON M5A 2S7	2,702,469.33	Business Assets - Stock in Trade - Inventory Business Assets - Trade Fixtures - Fixed Assets Debts Due - Business - Accounts Receivable Cash on Hand - Cash in Bank	01-Jan-2021 01-Jan-2021 01-Jan-2021 01-Jan-2021	260,000.00 110,000.00 95,000.00 5,365.96		2,232,102.37
Total:			2,702,469.33			470,365.96	0.00	2,232,102.37

23-Jul-2021

Date

DocuSigned by:

Romana Koveza

1E70AEAD888A480

Romana Koveza

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2711340
 Estate No. 31-2711340

FORM 78 - Continued

List "D"
 Contingent or Other Liabilities

Muzata International Inc.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
1	1203840 Ontario Ltd.	c/o David Z. Seiler 199 Bay Street, Suite 2200 Toronto ON M5L 1G4	200,831.03	0.00		First Execution Creditor
2	Ron Hoover Att: Ryan Breeden	c/o Breeden Litigation 88 Worsley Street Barris ON L4M 1L8	213,120.23	0.00		First Execution Creditor
Total:			416,951.26	0.00		

23-JUL-2021

Date

DocuSigned by:

Romona Kevaya

Romona Kevaya

District of: Ontario
 Division No. 09 - Toronto
 Court No. 312711340
 Estate No. 312711340

FORM 78 - Continued

List "E"
 Debts Due to the Debtor
 Nustala International Inc.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Accounts Receivable	.	Accounts Receivable	95,000.00		01-Jan-2021	95,000.00	
		...		0.00				
				0.00				
			Total	95,000.00			95,000.00	
				0.00				
				0.00				

23-Jul-2021

Date

DocuSigned by:

Romina Kereza

Romina Kereza

District of: Ontario
 Division No. 09 - Toronto
 Court No. 312711340
 Estate No. 312711340

FORM 78 - Continued

List 'F'

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

Nuotaka International Inc.

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

23-Jul-2021

Date

DocuSigned by:

Romana Kevza

Romana Kevza

District of: Ontario
Division No. 09 - Toronto
Court No. 312711340
Estate No. 312711340

FORM 78 -- Continued

List "G"
Real Property or Immovables Owned by Debtor

Nustaka International Inc.

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

23-03-2021

Date

DocuSigned by:

Romana Kavaza

317074222088
Romana Kavaza

District of: Ontario
 Division No. 09- Toronto
 Court No. 312711340
 Estate No. 312711340

FORM 78 - Continued

List 71*
 Property

Mustaka International Inc.

FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade		Inventory	0.00	280,000.00
(b) Trade fixtures, etc.		Fixed Assets	0.00	110,000.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand		Cash on hand	5,368.96	5,368.96
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other			0.00	0.00
			Total:	375,368.96

23-Jul-2021

Date

Decided by:

Romona Keveta

127845400054480
 Romona Keveta

Court No. 31-2711340

File No. 31-2711340

**In the matter of the proposal of
Nuotaka International Inc.
of the city of Scarborough, in the Province of Ontario**

**Form 78 (BII C-12)
Statement of affairs (Business bankruptcy)**

**Trustee: Rahn Dodick
License: 3276
Email: rahn.dodick@dodick.ca**

Dodick Landau Inc. - Licensed Insolvency Trustee

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

PROOF OF CLAIM WITH INSTRUCTIONS

DODICK LANDAU

PROOF OF CLAIM FORM 31

IN THE MATTER OF THE PROPOSAL OF **Nuotaka International Inc.** (referred to in this form as "the debtor")
and the claim of _____ (referred to in this form as "the creditor")

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

Telephone : _____ Fax : _____ Email : _____

I, _____ (name of person signing claim) residing in the _____ (city, town, etc.)
of _____ (name of city, town, etc.) in the Province of _____

Do hereby certify that:

If an officer of the company, state position or title

1. I am the creditor or I am _____ of the creditor.
(state position or title)

2. I have knowledge of all the circumstances connected with the claim referred to in this form.

The attached statement of account must include invoices or other evidence in support of the claim

3. The debtor was, at the date of the Proposal, namely the 10th day of February, 2021, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account attached hereto and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled.

Check and complete appropriate category.

4. A Unsecured claim of \$ _____
In respect to the said debt, I do not hold any assets of the debtor as security and

Check appropriate description and attach a separate sheet to detail and support priority claim, if applicable.

(i) I do not claim a right to a priority

or

(ii) I do claim a right to a priority under section 136 of the Bankruptcy and Insolvency Act (the "Act").

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

B' Claim of landlord for disclaimer of a lease of \$ _____
That I hereby makes a claim under subsection 65.2(4) of the Act, 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.

C Secured claim of \$ _____
In respect of the said debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows: _____

Attach a copy of sales agreement and delivery receipts.

D Claim by farmer, fisherman, or aquaculturist of \$ _____
That I hereby makes a claim under subsection 81.2(1) of the Act for the unpaid amount \$ _____.

Check and complete appropriate category.

E Claim by Wage Earner of \$ _____

Check appropriate description.

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

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

**PROOF OF CLAIM
FORM 31
PAGE TWO**

To be filed when a proposal provides for the compromise of claims against directors.

F Claim against Director of S _____
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.

G Claim of a Customer of a Bankrupt Securities Firm of S _____
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:

Strike out "is" or "is not".

5. To the best of my knowledge, the creditor is / is not related to the debtor within the meaning of section 4 of the Act.

Attach a separate schedule if necessary.

6. The following are the payments that the creditor has received from and the credits that the creditor has allowed to the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act, within the twelve months) immediately before the date of the initial bankruptcy event (February 8, 2021) within the meaning of section 2 of the Act.

_____, _____
_____, _____

Dated at _____, this _____ day of _____, 20____

Must be signed and witnessed

Witness

(Signature of individual completing this form)

Print Name: _____

Print Name: _____

Notes: All references to "the Act" refer to the Bankruptcy and Insolvency Act. If a copy of this Form is sent electronically by means such as email, the name and contact information of the sender, prescribed in Form 1.1, must be added at the end of the document.

If an affidavit or solemn declaration is attached, it must have been made before a person qualified to take affidavits or solemn declarations.

Warning: 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.

Instructions for completing proof of claim forms

Every creditor who does not prove his claim is not entitled to share in any distribution. Claims not completed correctly in every respect will be returned. As well, in order to vote at a meeting of creditors, a properly completed Proof of Claim must be returned to the Trustee's office before the time of the meeting.

In completing the attached form, your attention is directed to the marginal notes on the form and to the following requirements:

Proof of Claim:

1. The form must be completed by an individual and not by a corporation. If you are acting for a corporation or other person, you must state the capacity in which you are acting, such as, "Credit Manager", "Treasurer", "Authorized Agent", etc.
2. The person signing the form must have knowledge of the circumstances connected with the claim.
3. The debtor's name and date of the bankruptcy must be filled in and a Statement of Account containing details of the claim must be attached and marked "Schedule A". The date at which claims are to be calculated and the correct name of the debtor may be found as well on the Notice sent to the creditor.
4. The nature of the claim must be indicated by placing a check mark at the type of claim which applies, for example:

Check mark at A	indicates the claim is unsecured and
Check mark at A(i)	indicates that the creditor is not claiming any priority or
Check mark at A(ii)	indicates the creditor is claiming preferred status under section 136 of the Act. Details to support the priority claim must be set out on an attached schedule.
Check mark at B	indicates a claim of landlord for disclaimer of a lease under subsection 65.2(4) of the Act. Details to support this claim must be set out on an attached schedule.
Check mark at C	indicates the claim is secured and the value at which the creditor assesses the security must be inserted. Details of each item of security held should be attached as a separate schedule and submitted with a copy of the chattel mortgage, conditional sales contract, security agreement, etc.
Check mark at D	indicates that the creditor is a farmer, fisherman or aquaculturist who supplied goods within 15 days prior to the date of receivership or bankruptcy and has not yet been paid for those goods.
Check mark at E	indicates that the creditor is a wage earner under subsection 81.3(8) or 81.4(8) of the Act. Details to support this claim must be set out on an attached schedule.
Check mark at F	indicates the claim is against a director under subsection 50(13) of the Act. It is applicable only in the case of a proposal which provides for the compromise of claims against directors. Details to support this claim must be set out on an attached schedule.
Check mark at G	indicates the claim is of a Customer of a Bankrupt Securities Firm, who is a customer for net equity as contemplated by section 262 of the Act. Details to support this claim must be set out on an attached schedule.
5. The person signing the form must indicate (by striking out "is" or "is not") whether the creditor and the debtor are related. Section 4 of the Act defines persons related to a debtor. If the creditor is related by blood or marriage to the debtor, the creditor should consider itself to be a related person. If the debtor is a corporation, a creditor would be related if it was controlled by the same shareholders as the debtor.
6. The person signing the form must provide full details of all payments and credits received from or allowed to the debtor during the period indicated. Leaving a blank will indicate that there were no such payments and credits.
7. The person signing the form must insert the place and date and the signature must be witnessed. If an affidavit is attached, it must have been made before a person qualified to take affidavits.

General Proxy:

If it is desired to appoint a proxy, the proxy form must be completed and signed by the creditor. If the creditor is a corporation, the proxy form must be signed in the corporate name (not necessarily by the individual signing the proof of claim form) and the proxy must be witnessed.

If there are any questions in completing the proof of claim, please write, email or telephone the office of the trustee:

Dodick Landau Inc.
6 - 4646 Dufferin Street
Toronto, ON M3H 5S4
Telephone: 416-645-0542
Fax: 416-649-7725
Email: brenda.mcknight@dodick.ca

PROXY

District of: Ontario
Division No. 09 – Toronto
Court No. 31-2711340
Estate No. 31-2711340

FORM 36
PROXY
(Paragraph 102(2) and paragraphs 51(1)(e) of the Act)

In the Matter of the Proposal of
Nuotaka International Inc.
of the City of Scarborough, in the Province of Ontario

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

DATED at _____ this _____ day of _____.

Witness

Individual Creditor

Witness

Signature of Corporate Creditor

Per:

Name and Title of Signing Officer

Return to:
Dodick Landau Inc. – Licensed Insolvency Trustee
4646 Dufferin Street, Suite 6
Toronto, ON M3H 5S4
Phone: (416) 645-0542 Fax: (416) 649-7725
Email: brenda.mcknight@dodick.ca

PLEASE NOTE:

All Corporations **MUST** appoint an individual to act on its behalf if the Corporation wishes to log a vote in the Proposal.

VOTING LETTER

District of: Ontario
Division No. 09 – Toronto
Court No. 31-2711340
Estate No. 31-2711340

FORM 37
Voting Letter
(Paragraph 51(1)(f) of the Act)

In the Matter of the Proposal of
Nuotaka International Inc.
of the City of Scarborough, in the Province of Ontario

I, _____, creditor (or I, _____, representative of _____, creditor) of _____ (name of city), a creditor in the above matter for the sum of \$ _____, hereby request the trustee acting with respect to the proposal of Nuotaka International Inc. ("Nuotaka") pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended, dated July 23, 2021 (the "Proposal"), to record my vote _____ (for or against) the acceptance of the Proposal of Nuotaka.

Convenience Class Election: (To be completed only if the creditor is voting **FOR the proposal **AND** wishes to join the Convenience Class)**

I, _____, creditor (or I, _____, representative of _____, creditor) of _____ (name of city), a creditor in the above matter for the sum of \$ _____, hereby irrevocably elects to be treated for all purposes under the Proposal as a Convenience Class Creditor and thereby receive the lesser of (i) \$2,000.00, and (ii) the amount of the undersigned's Proven Claim(s), in full and final satisfaction of the Proven Claim(s) of the undersigned. I hereby acknowledge that I shall be deemed to vote the undersigned's Affected Claims in favour of the Proposal at the Creditors' Meeting.

For the purposes of this Voting Letter, capitalized terms not defined herein shall have the meanings ascribed thereto in the Proposal.

DATED at _____ this ____ day of _____, 2021.

Witness

Witness

Individual Creditor

Signature of Corporate Creditor

Per:

Name and Title of Signing Officer

Return to:
Dodick Landau Inc. – Licensed Insolvency Trustee
4646 Dufferin Street, Suite 6
Toronto, ON M3H 5S4
Phone: (416) 645-0542 Fax: (416) 649-7725
Email: brenda.mcknight@dodick.ca

TAB 2B

APPENDIX "B"



District of Ontario
Division No. 09 - Toronto
Court No. 31-2711340
Estate No. 31-2711340

IN THE MATTER OF THE PROPOSAL OF
NUOTAKA INTERNATIONAL INC.
MINUTES OF THE FIRST MEETING OF CREDITORS

August 26, 2021
Via Zoom Meeting

ATTENDANCE

Chairperson: Melissa Millar, Official Receiver
Office of the Superintendent of Bankruptcy

Secretary: Sheetal Patel, Official Receiver
Office of the Superintendent of Bankruptcy

Licensed Insolvency Trustee: Rahn Dodick
Dodick Landau Inc.

Licensed Insolvency Trustee: Naomi Lieberman
Dodick Landau Inc.

Estate Administrator: Brenda McKnight
Dodick Landau Inc.

Corporate Officer Of Nuotaka: Ramona Keveza

Legal Counsel for Nuotaka: Tyler Benoliel

Creditor: Amanda Bezner
TD Canada Trust

Creditor: Dani Matte
Nordstrommatte Public Relations

Legal Counsel for 1203840 Ontario Ltd: David Seifer

The attendance has been recorded.

CALL TO ORDER AND INTRODUCTIONS

Melissa Millar, on behalf of the Office of the Superintendent of Bankruptcy ('OSB'), acted as Chairperson under the authority of section 51.(3) of the Bankruptcy and Insolvency Act ('BIA'). The Chairperson called the meeting to order at 11:00 AM and introduced all parties present.

QUORUM

The Chairperson reviewed the proof of claims, Notice of Mailing, and proxies and established that there was a quorum and the meeting was duly constituted.

PURPOSE OF THE MEETING AND REPORT OF THE OFFICIAL RECEIVER

In accordance with s. 54.(1) of the *Bankruptcy and Insolvency Act*, The Chairperson outlined that the purpose of the meeting was to vote on the Debtor's Division 1 proposal, appoint inspectors if required and provide directions to the LIT on the administration of the estate.

PRESENTATION OF THE TRUSTEE'S REPORT

The Chairperson invited the LIT to present his report to those present.

The LIT stated that the Trustee's Initial Report on Proposal to Creditors and notice of meeting had been sent to all creditors. The LIT stated everyone would have received the report in the creditor's package.

The LIT explained that Nuotaka International Inc primary target market is luxury weddings and formal events. He explained that due to COVID restrictions many events were cancelled which impacted the sales of the company and due to this the company faced financial difficulties. The company is now filing a proposal to its creditors.

The LIT explained the proposal. He explained that there are no known amounts owing to CRA however if they are owed they will be paid first. The LIT also explained that there are no known amounts owing to employees, but again if there are any they will be paid out of the additional funds.

The LIT explained the proposal. He explained the proposal will begin April 1, 2022 as the company needs business to get back to normal before they can start proposal payments. He explained the amount is \$3050.00 for 3 years until an amount is paid to the trustee equal to the lesser of 10% of proven claims plus the aggregate value of the convenience claims or \$110 000.00 plus the aggregate value of the convenience claims.

The LIT explained the priority of payments is 1) Administrative fees and expenses 2) funds to pay any preferred claims, 3) convenience class creditors, 4) unsecured creditors on a pro rata basis.

The LIT explained what a default is in a proposal and how to remedy it.

The LIT explained that he estimates the recovery in a bankruptcy would be \$0 and the recovery based on the proposal is about 11% after remuneration and the OSB levy.

The LIT explained that these details are available in the creditor's package that was sent out.

QUESTION PERIOD

The Chairperson opened the meeting for questions. No questions were asked.

Chairperson asked if any creditor would like to adjourn the meeting prior to the vote taking place and did not receive any responses.

VOTE ON PROPOSAL

The chairperson called to vote on the proposal dated July 23, 2021.

The voting tally on the proposal is as follows:

Voting	# of Votes	Claim Amount (\$)
For	11	431 847.55
Against	1	19 733.95
Total	12	
For	91.67%	95.63%
Against	8.33%	4.37%

The proposal was considered accepted by statutory majority.

APPOINTMENT OF INSPECTORS

Chairperson explained the role of the inspector to the estate and asked for inspector nominations. There was no interest for inspectors to the estate.

No inspectors were appointed.

Chairperson explained that inspectors could be appointed during the proposal if anyone changed their mind regarding the appointment of inspectors.

APPOINTMENT OF TRUSTEE

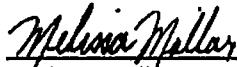
At the request of the LIT, the chairperson called for a motion to appoint Dodick Landau to be appointed the LIT for the estate. The motion was moved and carried by Amanda Bezner of TD Canada Trust and was seconded by Dani Matte of Nordstrommatte Public Relations.

ADJOURNMENT

The Chairperson asked if there were any further comments or questions, of which there were none.

The Chairperson asked for a motion to adjourn the meeting. The motion was moved and carried by Amanda Bezner of TD Canada Trust and was seconded by Dani Matte of Nordstrommatte Public Relations.

The meeting was adjourned at 11:23 am.



August 26, 2021

Melissa Millar

Chairperson / Official Receiver

Office of the Superintendent of Bankruptcy

Encl.: Voting Sheet

District of Ontario
 Division No. 09 - Toronto
 Court No. 31-2711340
 Estate No. 31-2711340

Voting Summary

In the matter of the proposal of
 Nuotaka International Inc.
 of the city of Scarborough, in the Province of Ontario

Insolvency Date: 23-Jul-2021
 Estate Number: 31-2711340

Result of Voting

Class	Total #		Dollar Value of Claims		Percentage by Votes		Percentage by Value		Result		
	Votes	Yes	No	Yes	No	Yes	No	Yes	No	By Votes	By Value
	12	11	1	431,847.55	19,733.95	91.67	8.33	95.63	4.37	App.	App.

List of creditors

Class	Creditor Name	Type	Account #	\$ Admitted for Voting	Voted By	Vote
1	2120273 Ontario Ltd.	U		3,897.84	Letter	For
1	5007286 Ontario Limited	U		170,434.05	Letter	For
1	Danas Inc.	U		12,818.57		For
3	Hodgson Russ LLP	U	997190	1,783.92	Letter	For
1	Klauber Brothers Inc.	U		4,567.98	Letter	For
1	L.M. Clark Customs Broker Ltd.	U		2,590.64	Letter	For
3	Nordstrommatte Public Relations Inc.	U		16,340.65	Letter	For
1	Ron Hoover	U		132,844.56	Letter	For
1	Woodbecker Inc.	U	SC20000070430000	19,733.95	Letter	Against
3	WPW Inc.	U		27,706.72	Letter	For
1	Yi Bo Manufacturing Co.	U		56,382.85	Letter	For
3	YKK Canada Inc.	U		2,479.77	Letter	For

TAB 2C

APPENDIX "C"

Nuotaka International Inc.
Weekly Cash Flow Forecast
For the period from August 28, 2021 to October 15, 2021

Week Ending	Notes	03-Sep-21	10-Sep-21	17-Sep-21	24-Sep-21	01-Oct-21	08-Oct-21	15-Oct-21	TOTAL
Receipts									
Operational Receipts	2	30,000	30,000	30,000	30,000	30,000	30,000	30,000	210,000
Other Receipts	3	-	-	-	-	35,000	14,000	42,000	91,000
Total Receipts		30,000	30,000	30,000	30,000	65,000	44,000	72,000	301,000
Disbursements									
Direct Costs	4	5,000	5,000	5,000	5,000	5,000	5,000	5,000	35,000
Payroll	5	10,000	9,500	38,000	9,500	38,000	9,500	38,500	153,000
Occupancy Costs	6	9,848	2,000	-	-	9,848	11,848	-	33,545
G&A Expenses	7	3,575	6,150	-	-	2,000	4,725	5,000	21,450
Total Disbursements		28,423	22,650	43,000	14,500	54,848	31,073	48,500	242,995
Net Cash Flow From Operations		1,577	7,350	(13,000)	15,500	10,152	12,927	23,500	58,005
Professional Fees	8	-	-	-	2,640	2,640	2,640	5,140	13,060
Net Cash Flow		1,577	7,350	(13,000)	12,860	7,512	10,287	18,360	44,945
Bank Balance									
Opening Bank Balance	9	5,593	7,169	14,519	1,519	14,379	21,891	32,178	5,593
Add: Net Cash Flow		1,577	7,350	(13,000)	12,860	7,512	10,287	18,360	44,945
Closing Bank Balance		7,169	14,519	1,519	14,379	21,891	32,178	50,538	50,538

This statement of forecast cash flow of Nuotaka International Inc. is prepared in accordance with section 50.4 (2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the accompanying notes.

Nuotaka International Inc. (“Nuotaka” or the “Company”)
Major Assumptions
Cash Flow Forecast
For the Period August 28, 2021 to October 15, 2021 (the “Period”)

1. Nuotaka is a contract manufacturer of bridal wear and evening gowns. Nuotaka sells the products it manufactures to Romona Keveza Collection LLC (“RKC”) who distributes the products through retail stores located in the United States.

The financial projections have been prepared for the purpose of meeting the proposal proceeding requirements of the Bankruptcy and Insolvency Act. The Projection is based on the hypotheses that Nuotaka will continue operations in the normal course and will generate sufficient cash flow to meet its ongoing operational needs.

Receipts:

2. Nuotaka’s operational receipts are based on the collection of its existing receivables as well as a budget for new sales and is based on its average monthly collections for the last 6 months. As noted above Nuotaka sells the gowns it manufactures to RKC who then sells the bridal dresses and evening wear to retailers and pays approximately 60% of its cash receipts to Nuotaka for manufacturing the dresses. The Company’s business is seasonal in nature with significant orders historically being received in April and October. Due to the COVID-19 pandemic, significantly lower number of orders were received in April/21 as compared to previous years, but with the easing of restrictions in both the US and Canada the Company is expecting to receive a greater number of orders in October 2021, as compared to April 2021.
3. Other Receipts are composed of various payments forecast to be received from the Government of Canada including: (i) HST refunds, which the Company is receiving on a quarterly basis, and (2) wage and rent subsidies. The Company is expecting to continue to qualify for the wage and rent subsidy programs from the Government of Canada during the Period.

Disbursements:

4. Direct costs represent the cost of materials purchased by the Company to manufacture the wedding gowns, and evening wear, including fabric, zippers, buttons and garment bags.
5. Payroll includes amounts payable to 14 employees (3 hourly employees and 11 salaried employees). As well, payroll costs include payments on account of health benefits, source deduction remittances to CRA in the Period, and weekly payments to certain independent contractors.

6. **Occupancy expenses include Nuotaka's office rent, storage units' rents, insurance and utilities.**
7. **General and administrative expenses include various lease payments for furniture, a vehicle, printer, vehicle insurance and other general office expenses.**
8. **Professional fees include forecast fees for the Proposal Trustee and the Company's legal counsel for the Period.**
9. **The opening cash balance as of September 2, 2021 is \$5,593.**

TAB 2D

APPENDIX "D"

CANADA
Province of Ontario
District of: Ontario
Division No. 09 - Toronto
Court No. 31-2711340
Estate No. 31-2711340

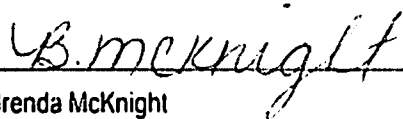
Affidavit of Mailing

In the matter of the proposal of
Nuotaka International Inc.
of the city of Scarborough, in the Province of Ontario

I, Brenda McKnight, of the Trustee's office of Dodick Landau Inc., 4646 Dufferin St., Suite 6, Toronto, ON, M3H 5S4, MAKE OATH AND SAY (or AFFRIM)

That on the 10th day of September 2021, I did cause to be sent by prepaid ordinary mail to all of the known creditors of the above named bankrupt and by e-file to the Office of the Superintendent of Bankruptcy, whose names and addresses appear on the paper writing marked exhibit "A" annexed hereto, a copy of: Notice of hearing of application for court approval of proposal.

And that, on the 10th day of September 2021, I mailed to the bankrupt a copy of same.



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

SWORN (or SOLEMNLY DECLARED) before me in the city of Toronto in
the Province of Ontario, this 10th day of September 2021.



Rahn Dodick, Commissioner of Oaths
For the Province of Ontario
Expires July 20, 2023

Rahn Dodick, a Commissioner, etc.
Province of Ontario, for Dodick
Landau Inc. and Dodick Landau
Partnership, Expires July 20, 2023

Creditor Mailing List

In the matter of the proposal of
Nuotaka International Inc.
of the city of Scarborough, in the Province of Ontario

This is Exhibit A to the Affidavit
of mevright
Sworn before me this 10 day
of September, 2021
[Signature]
A Commissioner, etc.,

Creditor Type	Name	Attention	Address	Rahn Dodick, a Commissioner, etc. Province of Ontario, for Dodick Landau Inc. and Dodick Landau Partnership, Expires July 20, 2023
Director	Romona Keveza		19 Mansion Avenue Scarborough ON MIL 1A7	
Secured	Romona Keveza		3140 Dufferin Street Toronto ON M6A 2S7	
Unsecured	Addecom RIs		xx xx ON XIX 1X1	
	API Alarm Inc.		700 - 5775 Yonge Street Toronto ON M2M 4J1 Fax: (866) 277-4086	
	Bell Canada F-88 - Business	Insolvency Department	25190774ZZZ.505 1 Carrefour Alexandre-Graham-Bell, Aile E3 Verdun QC H3E 3B3 Fax: (514) 766-7326 insolv@bell.ca	
	Bell Canada F-88 - Business	Insolvency Department	267221545 1 Carrefour Alexandre-Graham-Bell, Aile E3 Verdun QC H3E 3B3 Fax: (514) 766-7326 insolv@bell.ca	
	Bell Canada F-88 - Business	Insolvency Department	40474875 1 Carrefour Alexandre-Graham-Bell, Aile E3 Verdun QC H3E 3B3 Fax: (514) 766-7326 insolv@bell.ca	
	Bell Canada F-88 - Business	Insolvency Department	40475146 1 Carrefour Alexandre-Graham-Bell, Aile E3 Verdun QC H3E 3B3 Fax: (514) 766-7326 insolv@bell.ca	
	Bell Canada F-88 - Business	Insolvency Department	4166868894 1 Carrefour Alexandre-Graham-Bell, Aile E3 Verdun QC H3E 3B3 Fax: (514) 766-7326 insolv@bell.ca	
	Bell Canada F-88 - Business	Insolvency Department	536867115 1 Carrefour Alexandre-Graham-Bell, Aile E3 Verdun QC H3E 3B3 Fax: (514) 766-7326 insolv@bell.ca	
	C & J Textiles		230 West 38th Street, 7th Floor New York NY 10018 USA Fax: (212) 704-9771	
	Carma BPY		xx xx ON XIX 1X1	

Creditor Mailing List

In the matter of the proposal of
Nuotaka International Inc.
of the city of Scarborough, in the Province of Ontario

Creditor Type	Name	Attention	Address
Unsecured	Cartel & Bui LLP	Nicholas J. Cartel	67 Mowat Avenue, Suite 122 Toronto ON M6K 3E3 Fax: (416) 533-7890
	Co-op Cabs		128 - 130 Rivalda Road Toronto ON M9M 2M8 Fax: (416) 504-0663
	CRA - Tax - Ontario		Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9 Fax: (866) 229-0839
	D & D Electrical Contractors Inc.		990 Oaktree Crescent Newmarket ON L3X 2Z2
	De Lage Laden		xx xx ON X1X 1X1
	Decca Janitorial Services		14 Stewart Court, Unit #10 Orangeville ON L9W 3Z9
	Economical Insurance	Customer Account Centre	351 King St E, 9th Flr Toronto ON M5A 0L6 Fax: (866) 677-9477 customeraccountcentre@economical.com
	Elmer Olsen Model Management Inc.		477 Richmond Street West, Suite 708 Toronto ON M5V 3E7
	Empire Life Insurance Company	Legal Department	259 King St East Kingston ON K7L 3A8 Fax: (800) 920-5268 insurance@empire.ca
	Export Development Canada		151 O'Connor Street Ottawa ON K1A 1K3
	Federal Express Canada Ltd. - Revenue Recovery Department	Lynn Tassone	5985 Explorer Drive Mississauga ON L4W 5K6 Fax: (905) 212-5672 ltassone@fedex.com
	Gelmore Trading Co. Inc.		141 West 36th St., 15th Floor New York NY 10018 USA Fax: (212) 768-1151
	Gratacos	Lucy DiConzanzo	262 West 38th Street, Rm. 1408 New York NY 10018 USA
	Initial Global		140 Alpaaca Drive Richmond Hill ON L4E 0R2

Creditor Mailing List

In the matter of the proposal of
Nuotaka International Inc.
of the city of Scarborough, in the Province of Ontario

Creditor Type	Name	Attention	Address
Unsecured	Intact Insurance	Central Collections	700 University Avenue, 15th Flr Toronto ON M5G 0A1 Fax: (416) 440-8530 central.collections@intact.net
	Iron Mountain Canada Corporation		P.O. Box 3527, Station A Toronto ON M5W 3G4
	MNP LLC		709 Cotton Mill Street Cornwall ON K6H 7K7
	MNP LLP	Michael Murrell	c/o CMC Credit Management Corporation 608 - 1033 Davie Street Vancouver BC V6E 1M7 Fax: (604) 877-2399 michael.murrell@cmccredit.ca
	Movable Inc.		67 Mowat Avenue, Suite 500 Toronto ON M6K 3E3
	Nissan Canada Finance Inc. c/o BankruptcyHighway	Mike Timko	PO Box 57100 Etobicoke ON M8Y 3Y2 Fax: (416) 253-3610 bankruptcydocuments@asset.net
	Office Move Pro Toronto		5-3800B Laird Road Mississauga ON L5L 0B2
	Romona Kevezza		3140 Dufferin Street Toronto ON M6A 2S7
	RWAM Insurance Administrators Inc.		49 Industrial Drive Elmira ON N3B 3B1
	Silk Crafts (Silk Safari Inc.)		145 Michael Drive Syosset NY 11791 USA
	Soieries Chambutaires		21 Rue Lamartine B.P. 46 42140 Chazelles-sur-lyon, France . .
	Standard Telecom		23 Passmore Avenue, Unit 11R Scarborough ON M1V 4T3
	Through Way Cleaning Services Inc.		298 Old Orchard Circle Oakville ON L6H 4N3
	TSCC 2434		xx xx ON X1X 1X1
	ULINE Canada		60 Hereford Street Brampton ON L6Y 0N3 Fax: (800) 295-5571 customer.service@uline.ca
	UPS Canada c/o Credit Department	Attention accounting (bankruptcy)	200-1 Factory Lane Moncton NB E1C 9M3 Fax: (888) 429-4811

District of: Ontario
Division No.: 09 – Toronto
Court No.: 31-2711340
Estate No.: 31-2711340

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

In the matter of the proposal of
Nuotaka International Inc.
of the City of Scarborough, in the Province of Ontario

In Superior Court of Justice – Toronto.

In the matter of the proposal of Nuotaka International Inc., a debtor.

Take notice that an application will be made to the Court, at 330 University Avenue, 9th Floor, Toronto, Ontario on the 4th day of October, 2021 at 10:00 a.m., in writing, to approve the proposal of Nuotaka International Inc., accepted by the creditors at a meeting held on the 26th day of August, 2021.

Dated at the city of Toronto in the Province of Ontario, this 10th day of September, 2021.

Dodick Landau Inc. – Licensed Insolvency Trustee



4646 Dufferin St., Suite 6
Toronto, ON M3H 5S4
Phone: (416) 645-0542 Fax: (416) 649-7725

DODICK LANDAU

September 10, 2021

TO ALL CREDITORS OF NUOTAKA INTERNATIONAL INC.

Attached please find Form 40.1 – Notice of Hearing of Application for Court Approval of Proposal. Please note the date and time of the hearing, October 4, 2021 at 10:00 a.m.

Please note that due to the COVID-19 pandemic, in accordance with the Notice to the Profession – Toronto, as amended, the hearing is being held in writing as it is expected to be unopposed. Should you wish to oppose the approval of the Proposal, please advise the Proposal Trustee's office as soon as possible by emailing brenda.mcknight@dodick.ca stating your intention.

In that case, the hearing must be converted to a virtual in-person hearing on a date to be scheduled with the Bankruptcy Court. Your contact information will be provided to legal counsel who will contact you or your legal counsel directly.”

Yours very truly,

DODICK LANDAU INC.
Acting as Proposal Trustee of
Nuotaka International Inc.
and not in its personal or corporate capacity.



Rahn Dodick, CPA, CA, CIRP, LIT
President

TAB 3

Court File No. 31-2711340
Estate No. 31-2711340

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

REGISTRAR

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)
)

MONDAY, THE 4th

DAY OF OCTOBER 2020

**IN THE MATTER OF THE PROPOSAL OF
NUOTAKA INTERNATIONAL INC
OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO**

**ORDER
(Approving Proposal)**

THIS MOTION, made by Dodick Landau Inc, in its capacity as proposal trustee (the “**Proposal Trustee**”) in the proposal (the “**Proposal**”) of Nuotaka International Inc. (the “**Debtor**”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) was heard this day in writing.

UPON READING the Fourth Report of the Proposal Trustee dated September 24, 2021, (the “**Report**”), including the Appendices thereto, and the Court being satisfied that the required majorities of creditors duly accepted the Proposal and the terms thereof, and being satisfied that the said terms are reasonable and calculated to benefit the general body of creditors and that no offences or facts have been proved to justify the Court in withholding its approval:

1. **THIS COURT ORDERS** that the Proposal, attached hereto as **Schedule “A”**, be and is hereby approved.
2. **THIS COURT ORDERS** that the Proposal Trustee and the Debtor be and are hereby authorized to take all necessary steps to implement the Proposal.

TAB 3A

Schedule "A"

PROPOSAL

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

**IN THE MATTER OF THE PROPOSAL OF NUOTAKA INTERNATIONAL INC.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

PROPOSAL

Nuotaka International Inc. hereby submits the following Proposal under the provisions of the *Bankruptcy and Insolvency Act*.

**PART I
INTERPRETATION**

Definitions

I. In this Proposal:

- (a) "Act" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.
- (b) "Administrative Fees and Expenses" means the fees and expenses of the Trustee incidental to the NOI and the preparation and facilitation of the Proposal and any amendments thereto, including, without limitation, fees incurred by the Trustee in the administration of the Funded Proposal Payments; and, the legal fees and expenses of the Proposal Trustee and the Company before and following execution, acceptance and approval of this Proposal and in connection with the NOI and the preparation of this Proposal, as well as advice to the Company in connection therewith;
- (c) "Affected Creditors" means those Creditors of the Company forming Class I, as defined in Part III of this Proposal;
- (d) "Approval Order" means an order of the Court approving this Proposal to be granted pursuant to the provisions of the Act, the appeal period having

expired, and no appeal having been filed or any appeal therefrom having been dismissed and such dismissal having become final;

- (e) **"Bankruptcy Reserve"** means a reserve amount of \$20,000 to be held by the Trustee as security for the administrative costs of the bankruptcy of the Company, in the event that this Proposal is annulled, and the Company becomes bankrupt;
- (f) **"Business Day"** means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;
- (g) **"Claim"** means any right of any Person with indebtedness, liability or obligation of any kind against the Company which indebtedness, liability or obligation is in existence at the Date of Filing, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by surety or otherwise and whether or not such a right is executory in nature including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause, chose in action, whether existing at present or commenced in the future based in whole or in part on facts which exist prior to or at the time of Date of Filing;
- (h) **"Company"** means Nuotaka International Inc.;
- (i) **Convenience Claim** means an Unsecured Creditor's Claim against the Company which (i) is in an amount that is equal to or less than \$2,000, or (ii) is in an amount that is greater than \$2,000 and has been reduced to \$2,000 by election of the holder of such Claim on the ballot or voting letter provided for voting on the Proposal.
- (j) **Convenience Class Election** means an irrevocable election made by an Unsecured Creditor, on the ballot or voting letter provided for voting on the Proposal, that shall be deemed to amend such Unsecured Claim that is greater than \$2,000 and reduce the amount of such Claim to \$2,000 in aggregate.
- (k) **"Court"** means the Ontario Superior Court of Justice in Bankruptcy and Insolvency;
- (l) **"Court Approval Date"** means the date on which the Approval Order is issued;
- (m) **"Creditors"** means any Person having a Claim;
- (n) **"Creditors Meeting"** means the meeting of the Affected Creditors called for the purpose of considering and voting upon this Proposal;

- (o) **"Crown Claims"** means Claims of Her Majesty in right of Canada or any province of all amounts of a kind contemplated by section 60(1.1) of the Act;
- (p) **"Date of Filing"** means the date on which the Company filed the NOI;
- (q) **"Employee Preferred Claim"** means a Claim by a current or former employee of the Company, or such portion of such Claim, that would be payable in priority under Subsection 136(1) of the Act;
- (r) **"Effective Date"** means the date on which the transactions and agreements provided for in this Proposal are to become effective which shall be the date on which the Approval Order is issued;
- (s) **"Event of Default"** has the meaning given to it in Part VIII of this Proposal;
- (t) **"Funded Proposal Payments"** shall mean funds which will be advanced to the Trustee for distribution to Unsecured Creditors pursuant to Part V of this Proposal;
- (u) **"Inspectors"** means the inspectors appointed pursuant to Part X of this Proposal;
- (v) **"Levy"** means the levy imposed by the Superintendent of Bankruptcy under the Act;
- (w) **"Maturity Date"** means the date on which all payments to the Creditors have been made, provided that no Event of Default has occurred that has not been cured or waived;
- (x) **"NOI"** means the Notice of Intention to Make a Proposal filed by the Company on February 10, 2021;
- (y) **"Person"** means any individual, partnership, joint venture, trust corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (z) **"Post-Filing Crown Claims"** means all Crown Claims that became due or shall become due on or after the Date of Filing;
- (aa) **"Post-Filing Goods and Services"** means the goods supplied, services rendered, and other consideration given or provided to the Company on or after the Date of Filing;
- (bb) **"Pre-Filing Crown Claims"** means all Crown Claims that were outstanding as at the Date of Filing;

- (cc) **"Preferred Claim"** means any claim that is afforded priority under Section 136(1) of the Act;
- (dd) **"Preferred Creditor"** means any Unsecured Creditor holding a Preferred Claim, solely in respect to that Preferred Claim;
- (ce) **"Proposal"** means this proposal dated July 23, 2021, together with any amendments or additions thereto;
- (ff) **"Proposal Period"** means the period between the Court Approval Date and the Maturity Date;
- (gg) **"Proven"** as used in relation to any Claim means such Claim as finally accepted or determined by the Trustee in accordance with the provisions of the Act and this Proposal, subject to the Creditor's right of appeal to Court, the Court's determination of that Claim or any applicable appeal periods having expired and no appeal having been made;
- (hh) **"Secured Claim"** means the value of any Claim by a Secured Creditor, excluding the Crown Claims;
- (ii) **"Secured Creditor"** means a Person holding a mortgage, hypothec, pledge, charge, lien or privilege on or against the property of the Company or any part thereof as security for a Claim, but excludes the Canada Revenue Agency to the extent of its Crown Claims;
- (jj) **"Trustee"** means Dodick Landau Inc., solely in its capacity as proposal trustee of the Company;
- (kk) **"Unsecured Claim"** means the value of any Proven Claim in respect of which no Security is held; and
- (ll) **"Unsecured Creditors"** means those Persons with Claims in respect of which no security is held, and which is not afforded priority under Section 136(1) of the Act.

Headings

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

Number, etc.

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

Date for Action

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

Accounting Principles

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

PART II PURPOSE AND EFFECT OF THIS PROPOSAL

Purpose of Proposal

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

Effect of Proposal

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

PART III CLASSIFICATION OF CREDITORS

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

**PART IV
SECURED CREDITORS**

9. No Secured Creditors shall be affected by this Proposal.

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

Crown Claims

10. At the Date of Filing, the Company owed approximately \$0 to CRA for employee source deductions withheld but not remitted, including related penalties and interest calculated up to the Date of Filing. In addition to the Funded Proposal Payments, all Proven Pre-Filing Crown Claims shall be paid by funds derived from the Company's operations following Court Approval of this Proposal and paid by the Company to the Trustee within six (6) months of the Court Approval Date, which amounts shall be remitted by the Trustee to Her Majesty in the Right of Canada or of any province, as applicable, within six (6) months of the Court Approval Date.

Employee Preferred Claims

11. All Employee Preferred Claims (if any) shall be paid out of additional funds to be delivered by the Company to the Trustee and shall be remitted by the Trustee to the entitled claimants (if any) immediately after the Court Approval Date.

Preferred Claims (In addition to Employee Preferred Claims)

12. Proven Preferred Claims, other than Employee Preferred Claims (if any), which shall be satisfied pursuant to Paragraph 11 of this Proposal, shall be paid in full, without interest, out of the Funded Proposal Payments, in priority to Proven Unsecured Claims.

Unsecured Claims

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

Funding the Proposal

Funded Proposal Payments

14. The Company's obligation to commence funding the Funded Proposal Payments shall commence on April 1, 2022. Upon the full satisfaction of the Crown Claims and Employee Preferred Claims (if any), the Company will cause to be paid to the Trustee the Funded Proposal Payments in the form of cash instalments in the

aggregate amount of \$3050.00 every month, for three (3) years, subject to Paragraph 15 of this Proposal (the "Funded Proposal Payments").

15. The Funded Proposal Payments will be made until an amount is paid to the Trustee equal to the lesser of:
 - (i) 10% of the value of the Proven Claims, plus the aggregate value of the Convenience Claims; and
 - (ii) \$110,000 plus the aggregate value of the Convenience Claims.

Distributions

Distributions to Unsecured Creditors

16. Interim distributions will be made to Unsecured Creditors when sufficient Funded Proposal Payments have, in the Trustee's discretion, accumulated to warrant an interim distribution.
17. The Funded Proposal Payments shall be distributed by the Trustee in the following order of priority:
 - (a) first, to the Administrative Fees and Expenses;
 - (b) second, to establish the Bankruptcy Reserve, to be held in trust by the Trustee, which amount shall be used to fund the administrative costs of the bankruptcy of the Company in the event that this Proposal is annulled, and the Company becomes bankrupt, failing which such amount shall be distributed in accordance with Subparagraphs 18(c) and 18(d) of this Proposal;
 - (c) third, to Proven Claims of Preferred Creditors, other than Employee Preferred Claims which will have been paid, without interest (if any);
 - (d) fourth to Proven Convenience Claims; and
 - (e) fifth, the balance of the Funded Proposal Payments shall be distributed *pro rata* among all of the Unsecured Creditors on account of all other Proven Unsecured Claims.

Amendments to Agreements

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

of this Proposal, the terms of this Proposal will govern. All Creditors will provide such acknowledgements, agreements, discharges or other documentation as may be necessary to give effect to the intent of this Proposal.

Treatment of Claims

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

PART VI POST-FILING OBLIGATIONS

Payment of Post-Filing Goods & Services

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

Post-Filing Crown Claims

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

Reporting by the Company

22. During the Proposal Period, the Company shall provide to the Trustee every three months commencing on first day of the month following the month in which the Approval Order is issued, a report containing the information set out below:
 - (i) a cash flow statement for the Company's business and affairs for the prior three months; and
 - (ii) evidence of Company's filing and remittance of source deductions and HST.

PART VII LEVY, MANDATORY PAYMENTS AND PREFERRED CLAIMS

Levy

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

Payment of Fees and Expenses

24. The Administrative Fees and Expenses shall be paid in priority to the Crown Claims, the Claims of Preferred Creditors, Convenience Claims and the Claims of other general Unsecured Creditors.

Employee Claims

25. As per Part V of this Proposal, All Employee-Preferred Claims (if any) will be paid in priority to other Claims immediately after the issuance of the Approval Order.

Preferred Claims

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

PART VIII EVENTS OF DEFAULT

27. The following events will constitute Events of Default for purposes of section 63 of the Act and otherwise under this Proposal:
 - (a) the non-payment by the Company of any of its obligations hereunder within thirty (30) days after written notice has been given by the Trustee that such payment is past due; and
 - (b) the breach or failure by the Company to observe and perform any other covenant and provision of this Proposal, other than payment as provided for in this Paragraph 28(a) which is not remedied within thirty (30) days after written notice thereof has been given to the Company by the Trustee.

PART IX TRUSTEE

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

PART X INSPECTORS

Appointment of Inspectors

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

Powers of Inspectors

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

PART XI CONDITIONS PRECEDENT

Creditor Approval

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

Court Approval

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

PART XII

RELEASES

34. As at 12:01 a.m. the Maturity Date, the Company, shall be released and discharged from any and all Claims. This release shall have no force or effect if the Company goes bankrupt before the terms of the Proposal are performed.
35. As of 12:01 a.m. the Maturity Date, each and every present and former officer and director of the Company shall be released from claims against them that arose before the Date of Filing and that relate to the obligations of the Company where such persons are by law liable in their capacity as directors for the payment of such obligations, provided that nothing herein shall release or discharge any director or officer of the Company from any claims coming within the exceptions set out in section 50(14) of the Act. This release shall have no force or effect if the Company goes bankrupt before the terms of the Proposal are performed.

PART XIII MISCELLANEOUS

Preferential Payments

36. Sections 95 to 101 of the Act shall not apply to any dealings by the Company at any time prior to the Date of Filing. The releases contemplated in Part XII of this Proposal include releases from all claims, actions, or remedies available to Creditors or others pursuant to Sections 95 to 101 of the Act, provided that nothing herein shall release any director of the Company from any claims coming within the exceptions set out in Section 50(14) of the Act.

Consents, Waivers and Agreements

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

Further Actions

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

Performance

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

Acceleration of Payments

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

Binding Effect

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

PART XIV ANNULMENT OF PROPOSAL

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

PART XV AMENDMENTS

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

DATED at the City of Toronto, in the Province of Ontario, as of this 23rd day of July, 2021.

NUOTAKA INTERNATIONAL INC.

DocuSigned by:
Romana Kuzma
Per: _____
AF72AF408BE44BD

Name: Romona Keveza
Title: Director

10-11

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD OF THE PROPOSAL TRUSTEE
(Approval of Proposal)
(Returnable October 4, 2021)

WeirFoulds LLP
Barristers & Solicitors
66 Wellington Street West, Suite 4100
Toronto-Dominion Centre
P.O. Box 35
Toronto, ON M5K 1B7

Philip Cho
(LSO # 45615U)
Tel: (416) 619-6296
Fax: (416) 365-1876
pcho@weirfoulds.com

Lawyers for Dodick Landau Inc. in its capacity as Proposal
Trustee of Nuotaka International Inc.