



Crowe Soberman Inc.

**Crowe Soberman Inc.**  
Licensed Insolvency Trustee  
Member Crowe Global

2 St. Clair Avenue East, Suite 1100  
Toronto, ON M4T 2T5  
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March 17, 2021

Estate File #: 31-675583

**TO THE CREDITORS OF CONFORTI HOLDINGS LIMITED:**

Please be advised that the above mentioned has filed a Proposal under Part III Division 1 of the ***Bankruptcy and Insolvency Act***, with the Official Receiver on . To assist creditors in determining their position on the Proposal and to provide them with the information required in accordance with the ***Bankruptcy and Insolvency Act***, the following is enclosed:

1. A Notice to Creditors of Proposal and of the First Meeting of Creditors to be held:

**Date:** **April 1, 2021**

**Time:** **2:00 PM**

**Place:** **Via Telephone Conference**  
**Call In #:** **437-703-4645**  
**Conference ID:** **924 688 156#**

2. Trustees Cover Letter to Creditors on the Holding Proposal
3. The Holding Proposal
4. Statement of Affairs
5. Statement of Projected Cash Flow
6. Proof of Claim
7. General Proxy
8. Voting Letter
9. Stay of Proceedings

If there are any questions regarding this Proposal or the procedures to be followed, please feel free to contact our office at (416) 929-2500

**CROWE SOBERMAN INC.,**  
Licensed Insolvency Trustee  
acting in re: the Proposal of  
**CONFORTI HOLDINGS LIMITED:**



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Estate File #: 31-2675583

**FORM 92**

**Notice of Proposal to Creditors  
(Section 51 of the Act)**

**In the matter of the proposal of**

**CONFORTI HOLDINGS LIMITED  
of the City of Markham, in the Regional  
Municipality of York in the Province of Ontario**

Take notice that CONFORTI HOLDINGS LIMITED of the City of Markham 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 1st day of April 2021 at 2:00 PM, via telephone conference 437-703-4645; Conference Id: 924688156#.

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 17th day of March 2021.

**Crowe Soberman Inc., LIT  
Licensed Insolvency Trustee**



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**Estate File #: 31-2675583**

**TO THE CREDITORS OF CONFORTI HOLDINGS LIMITED**  
**(hereinafter referred to as the “Company” or “Debtor”)**

**Purpose of the First Meeting of Creditors**

As noted in the attached documents, on March 12, 2021, the Company filed a proposal to their creditors. However, unlike a traditional proposal which provides details of how the Debtor will attempt to settle their pre-filing obligations, which will then be voted upon at a meeting of creditors, this is a holding proposal (“Holding Proposal”) which seeks to permit the Debtor and its creditors to reach an agreement that will allow the Debtor to file a viable proposal (hereinafter referred to as the “Ultimate Proposal”). The dividends payable to the unsecured creditors will be as set out in the Ultimate Proposal.

The Debtor had originally intended to make a proposal to its creditors on or before December 14, 2020. However, the various lockdown orders and subsequent stay-at-home orders implemented by the Government of Ontario have meant that many of the Company’s salons have been closed since November 23, 2020, during which what is their busiest month, the December holiday season. Subsequently, all of the Company’s salons were closed from December 26, 2020 to February 11, 2021 as a result of the Province-wide lockdown and stay-at-home orders.

As of the date of filing this Proposal, fifteen (15) of the Company’s salons remain closed in Peel and Toronto Regions as a result of lockdown Provincial orders.

The lockdown and stay-at-home orders have complicated the Company’s efforts to develop a proposal to its creditors.

At the present time, it appears the realization of assets of the Debtor would be insufficient to pay the first ranking secured creditor in full and accordingly, there would no funds available for unsecured creditors. Consequently, the Debtor determined that the filing of a Holding Proposal is the only course of action available to them to permit them to attempt to make a viable proposal to their creditors, the alternative being a bankruptcy which would result in no recovery for the unsecured creditors.

Pursuant to the Certificate of Filing from the Superintendent of Bankruptcy, the Trustee will be calling a meeting of creditors to be held on April 1, 2021 at 2:00 p.m. (the “Creditors’ Meeting”).

The Trustee will recommend that the meeting be adjourned until the Ultimate Proposal is filed by the Debtor. The timing of the filing of the Ultimate Proposal is, in large part, dependent on the timing of the easing of the restrictions from the lock-down and stay-at-home- orders.

Attached is a copy of the Holding Proposal, the notice, statement of affairs, proof of claim and voting letter.

The Debtor and the Trustee realize that further delay is not ideal, but as noted above, if a bankruptcy were to occur immediately, there will be no prospect for any distribution to unsecured creditors. Accordingly, the Trustee recommends to the creditors to vote in favour of adjourning the Creditors' Meeting until the Ultimate Proposal can be filed.

Should you have any questions in advance of the meeting, please contact:

Linda Stern at 416-644-4692 or by email at [linda.stern@crowesoberman.com](mailto:linda.stern@crowesoberman.com).

Dated at Toronto, Ontario, this 16<sup>th</sup> day of March, 2021.

**CROWE SOBERMAN INC.**  
Licensed Insolvency Trustee  
Acting in re: the Proposal of  
Conforti Holdings Limited, a debtor

Per: Hans Rizarri, LIT, CIRP

District of Ontario  
Division No. 9- Toronto  
Estate No. 31-2675583  
Court File No. 31-2675583

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE **BANKRUPTCY AND INSOLVENCY ACT**,  
R.S.C. 1985, c. B-3, as amended

-and-

IN THE MATTER OF THE PROPOSAL OF  
CONFORTI HOLDINGS LIMITED

PROPOSAL

**Conforti Holdings Limited**, (the “**Debtor**”), hereby submits the following Proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

ARTICLE 1  
DEFINITIONS

**1.1 Definitions**

In this Proposal, capitalized terms shall have the meanings set out in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended, save and except for the terms and definitions set out below:

- (a) “**Act**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (b) “**Administrative Fees and Expenses**” means:
  - (i) the proper fees and expenses of the Proposal Trustee including its legal fees and disbursements; and
  - (ii) The legal and consulting fees and disbursements of the Proposal Trustee incurred on or incidental to negotiations in connection with the preparation of the Proposal and the transactions and agreements contemplated hereby, including advice given to the Debtor, its officers, directors and principals;
- (c) ‘**Approval order**’ means an Order of the Court approving the Proposal in form and substance satisfactory to the Debtor;

- (d) **“Business Day”** means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;
- (e) **“Canada Pension Plan”** means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended;
- (f) **“Certificate of Full Performance”** shall have the meaning given to it in Article 9.2 of this Proposal;
- (g) **“Claim”** means, collectively, any of the following:
  - (i) any right or claim of any Person against the Debtor that may be made in whole or in part against the Debtor or any property or assets of the Debtor, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of the Debtor, which indebtedness, liability or obligation is in existence at the Filing Date or which is based on an event, act or omission which occurred in whole or in part prior to the Filing Date, and any accrued interest thereon and costs payable in respect thereof to and including the Filing Date, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, by surety or otherwise and whether or not such a right is executory or anticipatory 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 or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which existed prior to or at the Filing Date and includes any other claims that would have been claims provable in bankruptcy had the Debtor become bankrupt on the Filing Date; and
  - (ii) any right or claim of any Person against the Debtor in connection with any indebtedness, liability or obligation of any kind whatsoever owed by the Debtor to such Person arising out of the restructuring, repudiation, disclaimer, resiliation, termination, amendment or breach after the Filing Date of any contract, lease, employment agreement or other agreement or obligation whether written or oral and whether such restructuring, disclaimer, resiliation, termination, amendment or breach took place or takes place before or after the Filing Date;
- (h) **“Claims Bar Date”** shall have the meaning given to it in Article 4.3 of this Proposal;
- (i) **“Court”** means the Ontario Superior Court of Justice (in Bankruptcy and Insolvency);

- (j) **“Creditor”** means any Person, having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;
- (k) **“Creditors’ Meeting”** means any meeting of the Unsecured Creditor called for the purpose of considering and voting on the Proposal;
- (l) **“Creditors’ Meeting Date”** means such date and time as may be called by the Trustee, but in any event shall be no later than twenty-one (21) days following the filing of this Proposal with the Official Receiver;
- (m) **“Court Approval Date”** means the date on which the Court finally and conclusively approves this Proposal;
- (n) **“Debtor”** means Conforti Holdings Limited;
- (o) **“Director”** and **“Officer”**) means any person or persons who are, have previously been, or in future may be directors or officers of the Debtor, including but not limited to those persons who, in the past, present or future:
  - (i) have or will act in the capacity of director or officer of the Debtor, with or without being so named, or
  - (ii) have or will perform the functions of a director or officer of the Debtor, with or without being so named; or
  - (iii) have been, are or may in future be deemed, de facto, acting, substitute or effective directors or officers of the Debtor; or
  - (iv) have been, are or will be persons subject to statutory liabilities of directors or officers arising from any statute, act or regulation of Canada;
- (p) **“Effective Date”** means the date on which the transactions and agreements provided for in this Proposal become effective, which date shall be 30 days after the Court Approval Date;
- (q) **“Employment Insurance Act”** means the *Employment Insurance Act*, S.C. 1996, c. 23, as amended;
- (r) **“Filing Date”** means the date on which the Debtor filed its Notice of Intention to make a Proposal, which date is September 28, 2020;
- (s) **“Implementation Date”** means the date upon which the conditions set forth in Article 10.4 of this Proposal have been satisfied;
- (t) **“Income Tax Act”** means the *Income Tax Act*, R.S.C. 1985, c.1(5<sup>th</sup> Supp), as amended;

- (u) **“Inspectors”** means one or more inspectors appointed pursuant to the Act, as provided for in the Proposal;
- (v) **“Official Receiver”** shall have the meaning ascribed thereto in the Act;
- (w) **“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;
- (x) **“Preferred Creditors”** means Creditors with Proven Unsecured Claims which are required by the Act to be paid in priority to all other Claims under a proposal by a debtor (but only in respect and to the extent of such Proven Unsecured Claims) and including, without limitation:
  - (i) Employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the Act if the Debtor became bankrupt on the Filing Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of travelling salespersons, disbursements properly incurred by those salespersons in and about the Debtor's business during the same period, for greater certainty amounts due or which may become due pursuant to this paragraph do not include claims for severance or termination pay and any compensation in lieu of notice of termination;
  - (ii) Her Majesty in Right of Canada or a Province for all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under,
    - I subsection 224(1.2) of the Income Tax Act;
    - II any provisions of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the Income Tax Act and provides for collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or
    - III any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Income Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum;
      - (1) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Income Tax Act; or

(2) is of the same nature as a contribution under the Canada Pension Plan if the province is a “province providing a comprehensive pension plan” as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a “provincial pension plan” as defined in that subsection;

(y) **“Post Filing Goods and Services”** means in respect of the Proposal, the goods supplied, services rendered and other consideration given to the Debtor subsequent to the Filing Date;

(z) **“Proof of Claim”** shall mean the proof of claim required by the Act to be mailed to each known Creditor prior to the Creditors’ Meeting;

(aa) **“Proposal”** means this Proposal dated March 11, 2021 made pursuant to the Act, as further amended or supplemented from time to time;

(bb) **“Proposal Trustee”** or **“Trustee”** means Crowe Soberman Inc.;

(cc) **“Proven Unsecured Claim”** of a Creditor means the amount of the Claim of such Creditor (other than a Secured Creditor) finally determined in accordance with the provisions of the Act;

(dd) **“Secured Creditor”** means any Person or Persons holding a valid mortgage, hypothec, pledge, charge, lien or privilege on or against any property of any Person or Persons as security for a Claim or a person whose Claim is based upon, or secured by a negotiable instrument held as collateral security upon which the Debtor is only indirectly or secondarily liable;

(ee) **“Ultimate Proposal”** means the amended Proposal to be filed by the Debtor, which is expected to be filed after all of the Debtor’s existing salons are allowed to re-open under the Government of Ontario’s COVID-19 orders;

(ff) **“Unsecured Creditors”** means, collectively, the Creditors who are not Secured Creditors; and

(gg) **“Voting Letter”** shall mean the voting letter required by section 51(1) of the Act to be mailed to each known Creditor prior to the Creditors’ Meeting.

## 1.2 Articles of Reference

The terms “hereof”, “hereunder”, “herein” and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

### **1.3 Interpretation Not Affected by Headings**

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

### **1.4 Date for Any Action**

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.

### **1.5 Time**

All times expressed herein are local time in Toronto, Ontario, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified the time shall be deemed to be 5:00 p.m. local time in Toronto, Ontario, Canada.

### **1.6 Numbers**

In the Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

### **1.7 Currency**

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

### **1.8 Statutory References**

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

### **1.9 Successor and Assigns**

The Proposal will be binding on and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

**ARTICLE 2**  
**GENERAL INTENT**

**2.1 Purpose of Proposal**

The purpose of this Proposal is to affect a compromise of the Claims of the Creditors of the Debtor, including statutory claims against Directors, strictly in accordance with subsections 50(13) to 50(15) of the Act, in the expectation that all Creditors will derive a greater benefit from a Proposal to Creditors than would result from a bankruptcy.

Notwithstanding the terms and conditions of all arrangements or other arrangements with creditors entered into before the Filing Date, for so long as an event of default in the Proposal has not occurred, or if it has occurred, has been waived or cured, 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.

**2.2 Persons Affected**

This Proposal will, as of the Court Approval Date, be binding on the Debtor and on all Creditors, including the Crown, to whom this Proposal is made.

**2.3 Post-Proposal Goods and Services**

All debts incurred subsequent to the Filing Date shall be paid in the ordinary course of business by the Debtor. The Debtor shall, to the fullest extent possible, carry on its normal business operations and shall not dispose of any assets other than is contemplated by this Proposal, or other than is in the normal and regular course of its ongoing business.

The Debtor agrees that the Trustee shall not in any case be responsible for ensuring that payment is duly made to all those persons supplying goods and services for any period subsequent to the Filing Date. All Creditors hereby release and forever discharge the Proposal Trustee from any and all liability relating to the Debtor's non-payment of any liabilities under this paragraph.

**2.4 Assets Remain Vested in Debtor**

The assets of the Debtor, if any, shall not vest in the Proposal Trustee, but shall remain vested in the Debtor, and the Trustee shall have no liability whatsoever for the Claims of Creditors arising before, on or after the Filing Date.

**ARTICLE 3**  
**CLASSIFICATION AND TREATMENT OF CREDITORS**

**3.1 Secured Creditors**

This Proposal is not being made to Secured Creditors and if this Proposal is passed by the Courts, it will not affect the amounts and rights of Secured Creditors. Secured Creditors may vote and participate as Unsecured Creditors to the extent that they surrender the value of their security.

Secured Creditors acknowledge that their security is subordinate to the trust claims of Her Majesty in Right of Canada or a Province in this Proposal and in any ensuing bankruptcy, unless it is supported by a mortgage on real property or otherwise entitled to be classified as a *prescribed security instrument* in accordance with the Income Tax Act.

**3.2 Classes of Creditors**

For the purposes of voting on the Proposal, the Creditors of the Debtor shall be comprised of one (1) class of Unsecured Creditors.

**3.3 Preferred Creditors**

The Proven Unsecured Claims of the Preferred Creditors are to be paid by the Debtor in full in priority to all Proven Unsecured Claims in accordance with the scheme of distribution set forth in the Act. For greater certainty, the amounts referred to in Article 1.1(x) (i) shall be paid immediately after the Court Approval Date and the amount referred to in Article 1.1(x) (ii) shall be paid within six (6) months of the Court Approval Date or as otherwise agreed.

**3.4 Unsecured Creditors**

The Proven Unsecured Claims will be satisfied in accordance with Article 7 herein.

**3.5 Different Capacities**

Persons who are affected by this Proposal may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person is entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless its Claims overlap or are otherwise duplicative.

**ARTICLE 4**  
**PROCEDURE FOR VALIDATION OF CLAIMS**

**4.1 Filing of Proofs of Claim**

Each Unsecured Creditor must file a Proof of Claim in accordance with the Act to vote on, or to receive a distribution under, the Proposal. Proofs of claim must be filed at, or prior to, the meeting of creditors to be considered valid. Only valid claims filed at, or prior to the meeting of creditors, either by proxy, or upon attendance at the meeting of creditors, shall be considered at the Proposal vote.

**4.2 Allowance or Disallowance of Claims by the Trustee**

Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each claim in accordance with the provisions of the Act. The procedure for valuing Claims of Creditors and resolving disputes with respect to such Claims will be as set forth in the Act. The Debtor and/or Trustee reserve the right to seek the assistance of the Court in valuing the Claim of any Creditor, if required, to ascertain the result of any vote on the Proposal or the amount payable or to be distributed to such Creditor under the Proposal, as the case may be.

**4.3 Claims Bar Process**

Forthwith after the Implementation Date, the Proposal Trustee shall give notice pursuant to section 149 of the Act by registered mail to every Person with a Claim (other than Secured Claims) of which the Trustee has notice or knowledge, but whose Claim has not been filed or proved that if such Person does not prove its Claim within a period of thirty (30) after the mailing of the notice (the "Claims Bar Date"), the Trustee will proceed to declare a final distribution without regard to such Person's Claim.

Subject to any exceptions set out in sections 149(2), (3) and (4) of the Act, any Creditor that does not prove its Claim (other than Secured Claims) by the Claims Bar Date shall be barred from making a Claim in the Proposal or sharing in any distribution hereunder, and such Claim shall be forever barred, extinguished and released.

**ARTICLE 5**  
**MEETING OF CREDITORS**

**5.1 Creditors' Meeting**

On the Creditors' Meeting Date, the Debtor shall hold the Creditors' meeting in order for the Unsecured Creditors to consider and vote upon the Proposal.

## **5.2 Time and Place of Meeting**

Unless otherwise ordered by the Court, the Creditors' Meeting shall be held at a time and place to be established by the Official Receiver, or the nominee thereof, and confirmed in the Proposal Trustee's notice of meeting to be mailed pursuant to the Act.

## **5.3 Conduct of Meetings**

The Official Receiver, or the nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the meeting. The only Persons entitled to attend the meeting of creditors are those Persons, including the holders of proxies, entitled to vote at the meeting, their respective legal counsel, if any, Secured Creditors and their respective legal counsel, if any, and the officers, directors, auditors and legal counsel of the Debtor, together with such representatives of the Proposal Trustee as the Proposal Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other Person may be admitted on invitation of the chair of the meeting or with the consent of the Creditors.

## **5.4 Adjournment of Meetings**

The Creditors' Meeting may be adjourned in accordance with Section 52 of the Act.

## **5.5 Voting by Creditors**

To the extent provided for herein, each Unsecured Creditor will be entitled to vote to the extent of the amount that is equal to that Creditor's Proven Unsecured Claim.

## **5.6 Approval by Creditors**

In order that the Proposal be binding on all of the Unsecured Creditors of the Debtor, in accordance with the Act, it must first be accepted by the Unsecured Creditors by a majority in number of the Unsecured Creditors who vote upon the Proposal (in person or by proxy) pursuant to Article 5.5 of this Proposal at the Creditors' Meeting or by a Voting Letter, representing two-third in value of the Proven Unsecured Claims of the Unsecured Creditors who voted on the Proposal pursuant to Article 5.5 of this Proposal whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

## **5.7 Appointment of Inspectors**

At the Meeting of Creditors the Creditors may appoint up to five (5) Inspector(s) whose powers will be limited to:

- (a) advising the Proposal Trustee concerning any dispute which may arise as to the validity of Claims, and

- (b) advising the Proposal Trustee from time to time with respect to any other matter that the Proposal Trustee may refer to them.

Any decision, direction or act of the Inspector(s) may be referred to the Court by the Proposal Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it thinks just.

The authority and term of office of the Inspector(s) will terminate upon the discharge of the Trustee.

## ARTICLE 6 PAYMENT OF ADMINISTRATIVE FEES AND EXPENSES

### **6.1 Priority of Administrative Fees and Expenses**

The Trustee's Administrative Fees and Expenses shall rank in priority to all other creditors, except as may be set out in the Act and will be paid pursuant to sections 60(1) and 60(2) of the Act. If the Debtor should default on his payment thereof, the Trustee may, in absolute priority, call upon all funds accumulated in the Proposal to satisfy its proper Administrative Fees and Expenses. In such case, the Proposal shall be considered in default, subject to waiver of same by the Inspectors.

### **6.2 Payment of Administrative Fees and Expenses**

The Trustee shall be at liberty from time to time to apply reasonable amounts, out of the Proposal proceeds against its Administrative Fees and Expenses, and such amounts shall constitute advances against the Administrative Fees and Expenses when and as approved by the Court.

## ARTICLE 7 PROPOSAL

### **7.1 Implementation of Proposal**

The Debtor had originally intended to make a proposal to its creditors on or before December 14, 2020. However, the various lockdown orders and subsequent stay-at-home orders implemented by the Government of Ontario have meant that many of Conforti's most profitable salons have been closed since November 23, 2020, during what is their busiest month—the December holiday season. Further, all of Conforti's salons were closed from December 26, 2020 to February 11, 2021 as a result of the Province-wide lockdown and stay-at-home orders.

As of the date of filing this Proposal, thirteen of Conforti's salons remain closed in Peel and Toronto Regions as a result of lockdown provincial orders.

The lockdown and stay-at-home orders have complicated Conforti's efforts to develop a proposal to its creditors.

Accordingly, Conforti is filing this Proposal as a holding proposal. The general intent of this holding Proposal is to provide the Debtor and the Proposal Trustee with sufficient time to permit the Debtor and its creditors to reach an agreement that will allow the Debtor to file a viable proposal.

The dividends payable to Unsecured Creditors will be as set out in the Ultimate Proposal.

**ARTICLE 8**  
**PROPOSAL TRUSTEE**

**8.1      Proposal Trustee**

Crowe Soberman Inc., corporate trustee of the City of Toronto, in the Province of Ontario, and not in its personal capacity, shall be the Proposal Trustee under this Proposal and all monies payable under this proposal shall be paid over to the Proposal Trustee who shall make payment of all distributions in accordance with the terms of this Proposal.

**8.2      Superintendent Levy**

Any payments made by the Proposal Trustee to creditors hereunder shall be made by the Proposal Trustee net of any levies payable or due under the Act.

**8.3      No Liability**

The Proposal Trustee is acting in its capacity as Proposal Trustee and not in its personal capacity and no officer, director, employee or agent of the Proposal Trustee shall incur any obligations or liabilities in connection with this Proposal or in respect of the business activities or liabilities of the Debtor.

**8.4      Discharge of Proposal Trustee**

Upon distribution of the amounts payable under Article 7.1 of this Proposal, and payment of the Administrative Fees and Expenses, the Proposal Trustee shall have discharged its duties as Proposal Trustee and shall be entitled to apply for its discharge as Proposal Trustee hereunder. For greater certainty, the Proposal Trustee will not be responsible or liable for any obligations of the Debtor before, on or after the Filing Date and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.

**ARTICLE 9**  
**FULL PERFORMANCE OF PROPOSAL**

**9.1 Obligations of the Debtor**

All obligations of the Debtor under this Proposal will commence as of the Court Approval Date. This Proposal will be fully performed upon the payment to the Proposal Trustee of the amounts referred to in Article 7 and when all other obligations of the Debtor set out herein have been satisfied.

**9.2 Certificate of Full Performance**

When the Proposal has been fully performed by the Debtor, the Proposal Trustee will issue to the Debtor and the Official Receiver the Certificate of Full Performance as provided for in Section 65.3 of the Act (the "Certificate of Full Performance").

**9.3 Status of the Debtor**

During the currency of this Proposal and until the Certificate of Full Performance is issued by the Proposal Trustee, the Debtor shall not merge, amalgamate, rollover or otherwise change or reorganize its corporate structure, without the prior approval of the Inspectors and unless the new or successor entity agrees to be bound by all terms and conditions of this Proposal.

**ARTICLE 10**  
**MISCELLANEOUS**

**10.1 Compromise Effective for all Purposes**

On the Implementation Date, all Claims (other than Claims of Secured Creditors) shall be forever discharged, extinguished and released, excepting only the obligations of the Debtor to make distributions in respect of Article 7 of this Proposal in the manner and to the extent provided for in this proposal. The distributions contemplated hereunder will be binding upon each Creditor, its heirs, executors, administrators, successors and assigns, for all purposes.

**10.2 Modification of Proposal Prior to Approval by Unsecured Creditors**

Prior to the vote on the proposal, the Debtor or any Unsecured Creditor may propose an alteration or modification of the Proposal. If there are any variations, amendments, modifications or supplements to the Proposal made at or prior to the final meeting of the Creditors held to consider the Proposal that the Proposal Trustee determines are for the general benefit of Creditors, the Proposal Trustee shall be entitled to approve such variations, amendments, modifications or supplements.

### 10.3 Consents, Waivers and Agreements

As at 12:01 a.m. on the day the Certificate of Full Performance is issued by the Proposal Trustee, each Creditor (other than Secured Creditors) shall be deemed:

- (a) to have executed and delivered to the Debtor all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) to have waived any default by the Debtor in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor that has occurred on or prior to the Implementation Date;
- (c) to have agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor as at the Implementation Date (other than those entered into by the Debtor on, or with effect from the Implementation Date) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly; and
- (d) to have released the Debtor, the Proposal Trustee and each of their respective affiliates, employees, agents, directors, officers, shareholders, advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens, set-off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with Claims, the filing of the Debtor's Notice of Intention to Make a Proposal under the Act and actions taken in furtherance thereof, the business and affairs of the Debtor, the Proposal or any of the matters herein.

### 10.4 Conditions to Proposal Implementation

The implementation of the Proposal by the Debtor will be conditional upon the fulfillment or satisfaction of the following conditions:

- (a) acceptance of the Proposal by the Unsecured Creditors in accordance with Article 5 of this Proposal;
- (b) granting by the Court of the Approval order which shall not have been varied, amended, stayed, suspended or appealed as of the Implementation Date except with the consent of the Debtor; and

- (c) the expiry of all appeal periods in respect of the Approval Order.

#### **10.5 Release**

Upon the issuance of the Certificate of Full Performance by the Trustee, each and every Director and Officer shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action that arose on or before the Filing Date and that relate to the obligation of the Debtor where the Director and Officer is by law liable in their capacity as Director and Officer for the payment of such obligations, and provided nothing herein shall release or discharge a Director and Officer from claims that:

- (a) relate to contractual rights of one or more Creditors arising from contracts with the Director and Officer;
- (b) are based on allegations of misrepresentation made by the Director and Officer to Creditors or wrongful or oppressive conduct by the Director and Officer; or
- (c) which may be asserted by Secured Creditors.

This release shall have no force or effect if the Debtor goes bankrupt before the terms of the Proposal are performed.

#### **10.6 Effect of Proposal Generally**

As at 12:01 a.m. on the date the Certificate of Full Performance is issued by the Proposal Trustee, the treatment of all Claims under the Proposal shall be final and binding on the Debtor and all Creditors (other than Secured Creditors), along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns, and the Proposal shall constitute (i) a full, final and absolute settlement of all rights of Creditors (other than in respect of Secured Creditors); and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Debtor of or in respect of all Claims (other than Secured Claims).

#### **10.7 Sections 95 to 101 of the BIA**

Sections 95 to 101 of the BIA and any other laws relating to preferences, fraudulent conveyances or transfers at undervalue shall not apply to the Proposal or to any payments or distributions made in connection with this Proposal or with the restructuring of the Debtor, whether made before or after the Date of Filing.

## 10.9 Notices

Any notices or communications to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, prepaid mail, or fax/email to the respective parties as follows:

(a) if to the Debtor:  
Conforti Holdings Limited  
7755 Warden Avenue  
Markham, ON L3R 0N3

Attention: Floriana Ottaviani  
Email: [floriana@yourspacesalons.ca](mailto:floriana@yourspacesalons.ca)

with a copy to:

Miller Thomson LLP  
5800 Scotia Plaza, 40 King Street West  
P.O. Box 1011  
Toronto, ON M5H 3S1

Attention: Bobby Sachdeva  
Email: [bsachdeva@millerthomson.com](mailto:bsachdeva@millerthomson.com)

(b) if to an Unsecured Creditor, to the address or fax for such Unsecured Creditor specified in the Proof of Claim filed by such Unsecured Creditor or, if no Proof of Claim has been filed, to such other address at which the notifying party may reasonably believe that the Unsecured Creditor may be contacted; and

(c) if to the Proposal Trustee:

Crowe Soberman Inc.  
2 St. Clair Avenue East, Suite 1100  
Toronto, ON M4T 2T5

Attention: Hans Rizari  
Email: [Hans.Rizari@CroweSoberman.com](mailto:Hans.Rizari@CroweSoberman.com)

with a copy to:

Goldman Sloan Nash & Haber LLP  
Suite 1600, 480 University Avenue  
Toronto, ON M5G 1V2

Attention: Brendan Bissell  
Email: [bissell@gsnh.com](mailto:bissell@gsnh.com)

or to such other address, email or fax number as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts

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

#### **10.9 Foreign Currency Obligations**

For the purposes of this Proposal, Claims denominated in a currency other than Canadian Dollars will be converted to Canadian Dollars at the daily average exchange rate of the Bank of Canada on the Filing Date.

#### **10.10 Applicable Law**

This Proposal shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

#### **10.11 Non Severability**

It is intended that all provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatsoever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect.

#### **10.12 Deeming Provisions**

In this Proposal the deeming provisions are not rebuttable, are conclusive and irrevocable.

**DATED at the City of Toronto, in the Province of Ontario, this 11th day of March 2021.**

**CONFORTI HOLDINGS LIMITED**

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

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2675583  
Estate No. 31-2675583

Original

Amended

-- Form 78 --

**Statement of Affairs (Business Proposal) made by an entity**  
(Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the proposal of  
CONFORTI HOLDINGS LIMITED  
of the City of Markham, in the Regional Municipality of York  
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 28th day of September 2020. 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" .....  |  |
| Balance of secured claims as per list "B" .....   |  |
| Total unsecured creditors .....   |  |
| 2. Secured creditors as per list "B" .....  |  |
| 3. Preferred creditors as per list "C" .....  |  |
| 4. Contingent, trust claims or other liabilities as per list "D"<br>estimated to be reclaimable for ..... |  |
| Total liabilities .....   |  |
| Surplus .....   |  |

|              |
|--------------|
| 5,717,994.25 |
| 1,291,000.00 |
| 7,008,994.25 |
| 2,140,333.68 |
| 0.00         |
| 9,149,327.93 |
| NIL          |

|  |              |
|--|--------------|
| 1. Inventory .....   | 149,000.00   |
| 2. Trade fixtures, etc. ....                                       | 55,000.00    |
| 3. Accounts receivable and other receivables, as per list "E"      |              |
| Good .....   | 0.00         |
| Doubtful .....   | 0.00         |
| Bad .....  | 0.00         |
| Estimated to produce. ....   | 0.00         |
| 4. Bills of exchange, promissory note, etc., as per list "F" ..... | 0.00         |
| 5. Deposits in financial institutions .....                        | 0.00         |
| 6. Cash .....  | 0.00         |
| 7. Livestock. ....   | 0.00         |
| 8. Machinery, equipment and plant. ....                            | 0.00         |
| 9. Real property or immovable as per list "G" .....                | 2,558,089.00 |
| 10. Furniture .....  | 5,000.00     |
| 11. RRSPs, RRIFs, life insurance, etc. ....                        | 0.00         |
| 12. Securities (shares, bonds, debentures, etc.) .....             | 0.00         |
| 13. Interests under wills .....                                    | 0.00         |
| 14. Vehicles .....   | 0.00         |
| 15. Other property, as per list "H" .....                          | 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         |
| <br>Total assets .....             | 2,767,089.00 |
| Deficiency .....                   | 6,382,238.93 |

|                    |              |
|--------------------|--------------|
| Total assets ..... | 2,767,089.00 |
| Deficiency .....   | 6,382,238.93 |

I, Antonio Conforti, of the City of Markham 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 12th day of March 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 12th day of March 2021.

A. Frances Doria, Commissioner of Oaths  
For the Province of Ontario  
Crowe Soberman Inc., LIT

Alfonsina Frances Doria, a Commissioner, etc.,  
Province of Ontario, for Crowe Soberman Inc.,  
and its affiliates.  
Expires May 4, 2021.

  
Antonio Conforti

Antonio Conforti

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2675583  
 Estate No. 31-2675583

FORM 78 -- Continued

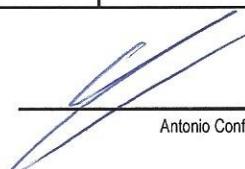
List "A"  
Unsecured Creditors

CONFORTI HOLDINGS LIMITED

| No. | Name of creditor  | Address   | Unsecured claim | Balance of claim | Total claim  |
|-----|---|---|-----------------|------------------|--------------|
| 1   | Alectra Utilities (formerly Enersource Hydro)                                 | 55 John St North<br>Hamilton ON L8R 3M8   | 1,086.10        | 0.00             | 1,086.10     |
| 2   | All In One  | 227 Bunting Road, Unit C<br>ST. CATHERINES ON L2M 3Y2                                 | 318.17          | 0.00             | 318.17       |
| 3   | Beauty Experts Inc.<br>General Security Agreement                             | 7755 Warden Ave., Unit 2<br>Markham ON L3R 0N3  | 0.00            | 1,291,000.00     | 1,291,000.00 |
| 4   | Bell Canada F-88 - Business<br>Attn: Insolvency Department                    | 1 Carrefour Alexandre-Graham-Bell, Aile E3<br>Verdun QC H3E 3B3                       | 4,394.15        | 0.00             | 4,394.15     |
| 5   | Brookfield Properties Canada Management LP<br>Brookfield Place store location | PO Box 3920, Commerce Court Postal Station,<br>Toronto ON M5L 1K1                     | 64,299.00       | 0.00             | 64,299.00    |
| 6   | Canadian Linen & Uniform Service - Etobicoke, ON                              | 24 Atomic Avenue<br>Etobicoke ON M8Z 5L2  | 288.54          | 0.00             | 288.54       |
| 7   | Canadian Springs  | PO BOX 4514, STN A<br>TORONTO ON M5W 4L7  | 252.66          | 0.00             | 252.66       |
| 8   | Carmelino Galessiere LLP<br>Attn: Linda Galessiere                            | Linda Galessiere<br>6 Adelaide St. East, Suite 220,<br>Toronto ON M5C 1H6             | 0.00            | 0.00             | 0.00         |
| 9   | Classique Nails Beauty Supply   | 3615 Weston Road, UNIT 3<br>TORONTO ON M9L 1V8  | 20,650.66       | 0.00             | 20,650.66    |
| 10  | Cosmic Computer   | 20 Royal Shamrock Court,<br>STOUFFVILLE ON L4A 0C9                                    | 552.57          | 0.00             | 552.57       |
| 11  | Cushman & Wakefield Assess Services ULC<br>Erin Mills Town Centre location    | 5100 Erin Mills Parkway,<br>Mississauga ON L5M 4Z5                                    | 345,507.00      | 0.00             | 345,507.00   |
| 12  | Cushman & Wakefield Asset Services ULC<br>Pen Centre location                 | 221 Glendale Ave,<br>St. Catharines ON L2T 2K9  | 155,736.00      | 0.00             | 155,736.00   |
| 13  | Cushman & Wakefield Asset Services ULC<br>Pickering location                  | Admin Office<br>1355 Kingston Road,<br>Pickering ON L1V 1B8                           | 188,045.00      | 0.00             | 188,045.00   |
| 14  | Darling Insurance   | 144 Queen St, Unit 4, P.O.BOX 1392,<br>Lakefield ON K0L 2H0                           | 525.96          | 0.00             | 525.96       |
| 15  | Dermalogica Canada  | 70 University Ave, Suite 300<br>TORONTO ON M5J 2M4                                    | 3,875.91        | 0.00             | 3,875.91     |
| 16  | Edge Mechanical   | 100 Sanford Road, UNIT 48<br>STOUFFVILLE ON L4A 7X5                                   | 429.40          | 0.00             | 429.40       |
| 17  | Ellectra  | xxxxxxxx<br>Toronto ON  | 664.26          | 0.00             | 664.26       |
| 18  | Energy + Inc.   | PO BOX 1060<br>CAMBRIDGE ON N1R 5X6   | 900.02          | 0.00             | 900.02       |
| 19  | Ericco  | xxxxxx<br>Toronto ON  | 471.89          | 0.00             | 471.89       |
| 20  | Gardiner Roberts LLP<br>Attn: Michael Citak                                   | Bay Adelaide Centre-East Tower, 22 Adelaide St W,<br>Suite 3600<br>Toronto ON M5H 4E3 | 0.00            | 0.00             | 0.00         |
| 21  | Good Linen Rental   | 145 Claireport Crest,<br>ETOBIKOKE ON M9W 6R6   | 46,859.15       | 0.00             | 46,859.15    |
| 22  | Hillcrest Mall Management Office<br>Hillcrest Mall location                   | 9350 Yonge St, Suite205<br>Richmond Hill ON L4C 5G2                                   | 131,480.00      | 0.00             | 131,480.00   |
| 23  | Hunter Amenities International Limited.<br>Attn: Louis Vasconcelos            | 1205 Corporate Drive,<br>Burlington ON L7L 5V5  | 727,591.60      | 0.00             | 727,591.60   |

12-Mar-2021

Date

  
Antonio Conforti

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2675583  
 Estate No. 31-2675583

FORM 78 -- Continued

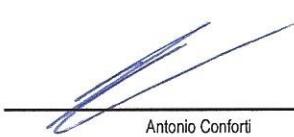
List "A"  
Unsecured Creditors

CONFORTI HOLDINGS LIMITED

| No. | Name of creditor   | Address   | Unsecured claim | Balance of claim | Total claim |
|-----|--|---|-----------------|------------------|-------------|
| 24  | ITB International Inc.   | 1233 Merriville HWY RR2<br>WELLAND ON L3B 5N5   | 119.80          | 0.00             | 119.80      |
| 25  | Ivanhoe Cambridge Inc.<br>Conestoga Mall location  | 550 King Street North,<br>Waterloo ON N2L 5W6   | 137,297.00      | 0.00             | 137,297.00  |
| 26  | Ivanhoe Cambridge Inc.<br>Oshawa Centre location   | Administration Office<br>419 King Street West,<br>Oshawa ON L1J 2K5                                   | 392,042.00      | 0.00             | 392,042.00  |
| 27  | Ize Body Art   | 99-384 Yonge St,<br>TORONTO ON M6B 1S8  | 455.51          | 0.00             | 455.51      |
| 28  | Joe's Mechanical   | 80 Baywood Crt,<br>THORNHILL ON L3T 5W3   | 678.00          | 0.00             | 678.00      |
| 29  | KS SP Limited Partnership<br>Scotia Plaza location   | Scotia Plaza Property Mgmt Office, 40 King Street<br>West, P1 Level, PO Box 101<br>Toronto ON M5H 3Y2 | 46,362.00       | 0.00             | 46,362.00   |
| 30  | Master Signs   | 1A-25 Mcintyre Pl,<br>KITCHENER ON N2R 1H1  | 326.57          | 0.00             | 326.57      |
| 31  | MesaLabs   | 500 Avenue Lepine,<br>DORVAL QC H9P 2V6   | 270.07          | 0.00             | 270.07      |
| 32  | MIL ITF Bramalea City Centre c/o Morguard Investment<br>Limited<br>Bramalea City Centre location | Attention: Bramalea City Centre Admin Office<br>25 Peel Centre Dr, UNIT 395B<br>Brampton ON L6T 3R5   | 43,892.00       | 0.00             | 43,892.00   |
| 33  | Miller Thomson LLP - Toronto<br>Attn: Kevin D. Sherkin   | Kevin D. Sherkin<br>40 King St. W., Suite 5800<br>Toronto ON M5H 4A9                                  | 0.00            | 0.00             | 0.00        |
| 34  | Miller Thomson LLP - Vaughan<br>Attn: Bobby H. Sachdeva  | Bobby H. Sachdeva<br>100 New Park Place, Suite 700<br>Vaughan ON L4K 0H9                              | 0.00            | 0.00             | 0.00        |
| 35  | Morguard REIT c/o Morguard Investment Limited<br>Cambridge Centre location                       | Attention: Cambridge Centre Admin Office<br>355 Hespeler Road,<br>Cambridge ON N1R 6B3                | 86,785.00       | 0.00             | 86,785.00   |
| 36  | Natalil Products   | 1181 FINCH AVE WEST #8<br>TORONTO ON M3J 2V8  | 90.85           | 0.00             | 90.85       |
| 37  | Newmarket Hydro  | 590 Steven Court<br>Newmarket ON L3Y 6Z2  | 1,204.08        | 0.00             | 1,204.08    |
| 38  | Nice, Jody<br>Attn: Jason Schmidt<br>SC20000005750000  | 26 Ontario St,<br>Port Hope ON L1A 2T6  | 16,000.00       | 0.00             | 16,000.00   |
| 39  | Nutak Holdings Ltd.  | 74 Wellington Street East,<br>Aurora ON L4G 1H8   | 11,337.45       | 0.00             | 11,337.45   |
| 40  | Ontrea Inc.<br>Eaton Centre location   | 220 Yonge Street PO Box 511, Suite 110,<br>Toronto ON M5B 2H1   | 562,643.00      | 0.00             | 562,643.00  |
| 41  | Ontrea Inc.<br>Fairview Park location  | Administration Office<br>2960 Kingsway Dr,<br>Kitchener ON N2C 1X1                                    | 224,928.00      | 0.00             | 224,928.00  |
| 42  | Ontrea Inc.<br>Markville Mall location   | Administration Office<br>5000 Highway 7,<br>Markham ON L3R 4M9  | 229,134.00      | 0.00             | 229,134.00  |
| 43  | Ontrea Inc.<br>Sherway Gardens location  | 25 The West Mall PO Box 101,<br>ETOBICOKE ON M9C 1B8  | 323,616.00      | 0.00             | 323,616.00  |

12-Mar-2021

Date

  
Antonio Conforti

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2675583  
 Estate No. 31-2675583

FORM 78 – Continued

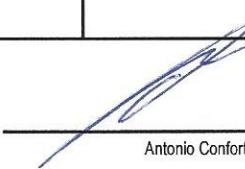
List "A"  
Unsecured Creditors

CONFORTI HOLDINGS LIMITED

| No. | Name of creditor  | Address   | Unsecured claim | Balance of claim | Total claim |
|-----|---|---|-----------------|------------------|-------------|
| 44  | OPGI Magement LP o/a Oxford ITF Square One Square One location  | Mangement Office<br>100 City Centre Drive,<br>Mississauga ON L5B 2C9                          | 164,893.00      | 0.00             | 164,893.00  |
| 45  | Oshawa PUC Networks Inc.<br>Attn: Suzanne Neal  | 100 Simcoe Street South<br>Oshawa ON L1H 7M7  | 1,094.68        | 0.00             | 1,094.68    |
| 46  | Oshawa PUC Networks Inc.<br>Attn: Suzanne Neal<br>00051023-02   | 100 Simcoe Street South<br>Oshawa ON L1H 7M7  | 0.00            | 0.00             | 0.00        |
| 47  | Oshawa PUC Networks Inc.<br>Attn: Suzanne Neal<br>00051818-03   | 100 Simcoe Street South<br>Oshawa ON L1H 7M7  | 0.00            | 0.00             | 0.00        |
| 48  | Oshawa PUC Networks Inc.<br>Attn: Suzanne Neal<br>00051907-09   | 100 Simcoe Street South<br>Oshawa ON L1H 7M7  | 0.00            | 0.00             | 0.00        |
| 49  | Oxford Properties Group<br>Upper Canada Mall location   | Box 256, 17600 Yonge St<br>Newmarket ON L3Y 4Z1   | 182,602.00      | 0.00             | 182,602.00  |
| 50  | Phytoderm   | 68 Stinson St,<br>ST-LAURENT QC H4N 2E7   | 15,976.37       | 0.00             | 15,976.37   |
| 51  | Precision Property Management & Maintenance Inc.<br>Attn: Enza Figueira<br>Invoice 046                  | 346 Wendoron Crescent<br>Mississaua ON L5R 3H3  | 1,163.90        | 0.00             | 1,163.90    |
| 52  | Premium Fire Protection   | 18 Huntington Cres,<br>COURTICE ON L1E 3C7  | 212.14          | 0.00             | 212.14      |
| 53  | Primaris Magagement Inc.<br>Stone Road location   | 435 Stone Road West,<br>Guelph ON N1G 2X6   | 151,249.00      | 0.00             | 151,249.00  |
| 54  | Promenade Limited Partnership<br>Promenade Mall location  | Admin Office, 1 Promenade Circle<br>Thornhill ON L4J 4P8                                      | 234,517.00      | 0.00             | 234,517.00  |
| 55  | Rio-Can Georgian Mall<br>Attn: Susanne Gill<br>Georgian Mall location                                   | 509 Bayfield St<br>Barrie ON L4M 4Z8  | 219,850.00      | 0.00             | 219,850.00  |
| 56  | S & K Beauty Supplies<br>Attn: Rafaat Sanam   | 615 Ave Josaphat-Demers<br>Laval QC H7X3R3  | 27,493.51       | 0.00             | 27,493.51   |
| 57  | SafeGuard Security  | 1520 Lesperance Road<br>Windsor ON N8N 1Y1  | 317.01          | 0.00             | 317.01      |
| 58  | Scarborough Town Centre Holdings Inc.<br>Scaborough Town Centre location                                | 300 Borough Dr, Suite 230<br>Scarborough ON M1P 4P5   | 407,658.00      | 0.00             | 407,658.00  |
| 59  | Select Plumbing & Heating Inc.  | PO BOX 10011 RPO Watline,<br>MISSISSAUGA ON L4Z 4G5   | 1,104.58        | 0.00             | 1,104.58    |
| 60  | Spavaro Inc.  | 5496 Corvan Dr,<br>MISSISSAUGA ON L4W 3E8   | 251.88          | 0.00             | 251.88      |
| 61  | TD Canada Trust C/O FCT Default Solutions<br>1025-400842  | PO Box 2514, Station B<br>London ON N6A 4G9   | 0.00            | 0.00             | 0.00        |
| 62  | Tex Euro Industrial Sales   | 530 Keele St, UNIT 307<br>TORONTO ON M6N 3C9  | 7,152.44        | 0.00             | 7,152.44    |
| 63  | The Cadillac Fairview Corporation Limited<br>Attn: Ellen Williamson<br>T0002302/T0002405/T0002000/T0002 | 20 Queen St W, 5th floor<br>Toronto ON M5H 3R3  | 0.00            | 0.00             | 0.00        |
| 64  | The Cadillac Fairview Corporation Limited<br>TD Centre location   | Toronto-Dominion Centre,<br>66 Wellington St West, Suite3800, PO BOX 2,<br>Toronto ON M2J 5A7 | 105,163.00      | 0.00             | 105,163.00  |

12-Mar-2021

Date

  
Antonio Conforti

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2675583  
 Estate No. 31-2675583

FORM 78 - Continued

List "A"  
Unsecured Creditors

CONFORTI HOLDINGS LIMITED

| No. | Name of creditor  | Address   | Unsecured claim | Balance of claim | Total claim  |
|-----|---|---|-----------------|------------------|--------------|
| 65  | The Cadillac Fairview Corporation Limited<br>T0002405/Fairview Mall location      | 1800 Sheppard Ave, East, SUITE 330, PO BOX 53<br>Toronto ON M2J 5A7               | 404,962.00      | 0.00             | 404,962.00   |
| 66  | The Printing House Ltd.<br>Attn: Marynna<br>602644                                | 1403 Bathurst Street<br>Toronto ON M5R 3H8  | 5,263.67        | 0.00             | 5,263.67     |
| 67  | Torys LLP<br>Attn: Mr. David Bish   | 79 Wellington St. W, 30th Floor, Box 270, TD South<br>Tower<br>Toronto ON M5K 1N2 | 0.00            | 0.00             | 0.00         |
| 68  | Venus Beauty Supplies   | 7400 Pacific Circles,<br>MISSISSAUGA ON L5T 2A4                                   | 235.03          | 0.00             | 235.03       |
| 69  | V-P Conveyancing  | 19 Hoddle Cres,<br>KITCHENER ON N2N 2N2   | 898.35          | 0.00             | 898.35       |
| 70  | Wahl Canada Inc.  | 165 Riviera Dr<br>Markham ON L3R 5J6  | 33.76           | 0.00             | 33.76        |
| 71  | Waterlogic Canada   | 87 Sharer Road,<br>Woodbridge ON L4L 8Z3  | 14,374.37       | 0.00             | 14,374.37    |
| 72  | Waterloo North Hydro Inc. - Credit Services<br>Attn: Jim Forler<br>490707-3000818 | PO Box 640<br>526 Country Squire Rd<br>Waterloo ON N2J 4A3                        | 419.19          | 0.00             | 419.19       |
|     |   |   | Total:          | 5,717,994.25     | 1,291,000.00 |
|     |   |   |                 |                  | 7,008,994.25 |

12-Mar-2021

Date

Antonio Conforti

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2675583  
 Estate No. 31-2675583

FORM 78 -- Continued

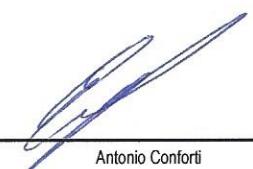
List "B"  
Secured Creditors

CONFORTI HOLDINGS LIMITED

| 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      | Beauty Experts Inc.<br>General Security Agreement | 7755 Warden Ave., Unit 2<br>Markham ON L3R 0N3      | 1,500,000.00    | Business Assets - Stock In Trade - Salon Inventory and Hand Sanitizers<br>Business Assets - Trade Fixtures - Trade Fixtures (Approximately \$1,500 per salon)<br>Furniture - Office Furniture & Computer Equipment |            | 149,000.00<br>55,000.00<br>5,000.00 |                                 | 1,291,000.00     |
| 2      | Conforti, Antonio<br>Mortgage Holder              | 7755 Warden Avenue,<br>Unit 2<br>Markham ON L3N 0N3 | 1,931,333.68    | Real Property or Immovable - Building - Markham - 7755 Warden Avenue, Unit 2   |            | 1,931,333.68                        | 626,755.32                      |                  |
| Total: |   |   | 3,431,333.68    |  |            | 2,140,333.68                        | 626,755.32                      | 1,291,000.00     |

12-Mar-2021

Date



Antonio Conforti

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2675583  
Estate No. 31-2675583

FORM 78 – Continued

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

CONFORTI HOLDINGS LIMITED

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

12-Mar-2021

Date

  
Antonio Conforti

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2675583  
Estate No. 31-2675583

FORM 78 -- Continued

List "D"  
Contingent or Other Liabilities

CONFORTI HOLDINGS LIMITED

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

12-Mar-2021

Date

  
Antonio Conforti

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2675583  
Estate No. 31-2675583

FORM 78 -- Continued

List "E"  
Debts Due to the Debtor

CONFORTI HOLDINGS LIMITED

| No. | Name of debtor | Address and occupation | Nature of debt | Amount of debt<br>(good, doubtful,<br>bad) | Folio of ledgers or<br>other book where<br>particulars to be found | When<br>contracted | Estimated to<br>produce | Particulars of any<br>securities held for<br>debt |
|-----|----------------|------------------------|----------------|--|--|--------------------|-------------------------|---|
|     |                |                        | Total:         | 0.00<br>0.00<br>0.00                       |  |                    | 0.00                    |   |

12-Mar-2021

Date

  
Antonio Conforti

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2675583  
Estate No. 31-2675583

FORM 78 -- Continued

List "F"

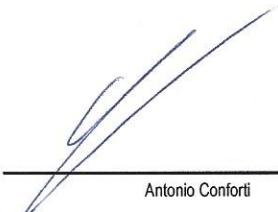
Bills of Exchange, Promissory Notes, Lien Notes, Chattel  
Mortgages, etc., Available as Assets

CONFORTI HOLDINGS LIMITED

| 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                 |  |

12-Mar-2021

Date

  
Antonio Conforti

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2675583  
Estate No. 31-2675583

FORM 78 -- Continued

List "G"  
Real Property or Immovables Owned by Debtor

CONFORTI HOLDINGS LIMITED

| Description of property   | Nature of debtor interest | In whose name does title stand | Total value  | Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)    | Equity or surplus |
|---|---------------------------|--------------------------------|--------------|---|-------------------|
| Building - Markham - 7755 Warden Avenue, Unit 2 - 7755 Warden Ave, Unit 2, Markham, Ontario | 100%                      | Conforti Holdings Limited      | 2,558,089.00 | Conforti, Antonio<br>7755 Warden Avenue, Unit 2<br>Markham ON L3N 0N3<br>1,931,333.68 | 626,755.32        |
|   |                           | Total:                         | 2,558,089.00 |   | 626,755.32        |

12-Mar-2021

Date



Antonio Conforti

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2675583  
Estate No. 31-2675583

FORM 78 -- Concluded

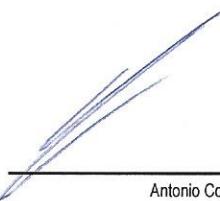
List "H"  
Property

CONFORTI HOLDINGS LIMITED  
FULL STATEMENT OF PROPERTY

| Nature of property                       | Location               | Details of property                              | Original cost | Estimated to produce |
|--|------------------------|--|---------------|----------------------|
| (a) Stock-in-trade                       | Possession of bankrupt | Salon Inventory and Hand Sanitizers              | 0.00          | 149,000.00           |
| (b) Trade fixtures, etc.                 | Possession of bankrupt | Trade Fixtures (Approximately \$1,500 per salon) | 0.00          | 55,000.00            |
| (c) Cash in financial institutions       |                        |  | 0.00          | 0.00                 |
| (d) Cash on hand                         |                        |  | 0.00          | 0.00                 |
| (e) Livestock                            |                        |  | 0.00          | 0.00                 |
| (f) Machinery, equipment and plant       |                        |  | 0.00          | 0.00                 |
| (g) Furniture                            |                        | Office Furniture & Computer Equipment            | 0.00          | 5,000.00             |
| (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:                                   |                        |  |               | 209,000.00           |

12-Mar-2021

Date

  
Antonio Conforti

Conforti Holdings Limited  
Cash flow Projections

For the Week Beginning:

|                                      | 08-Mar           | 15-Mar         | 22-Mar         | 29-Mar           | 05-Apr         | 12-Apr          | 19-Apr         | 26-Apr           | 03-May         | 10-May          | 17-May         | 24-May         | 31-May           | TOTAL            |
|--------------------------------------|------------------|----------------|----------------|------------------|----------------|-----------------|----------------|------------------|----------------|-----------------|----------------|----------------|------------------|------------------|
| <b>Cash-in</b>                       | <b>\$</b>        | <b>\$</b>      | <b>\$</b>      | <b>\$</b>        | <b>\$</b>      | <b>\$</b>       | <b>\$</b>      | <b>\$</b>        | <b>\$</b>      | <b>\$</b>       | <b>\$</b>      | <b>\$</b>      | <b>\$</b>        | <b>\$</b>        |
| Salons Revenue                       | 271,874          | 306,249        | 400,664        | 440,730          | 440,730        | 440,730         | 440,730        | 440,730          | 460,763        | 460,763         | 460,763        | 460,763        | 480,796          | 5,506,284        |
| CEWS (Note 1)                        | 12,751           |                |                |                  | 125,000        |                 |                |                  | 150,000        |                 |                |                | 175,000          | 462,751          |
| CERS (Note 1)                        | 76,156           |                |                |                  | 100,000        |                 |                |                  | 100,000        |                 |                |                | 100,000          | 376,156          |
| <b>Total Cash-in</b>                 | <b>284,625</b>   | <b>382,405</b> | <b>400,664</b> | <b>440,730</b>   | <b>665,730</b> | <b>440,730</b>  | <b>440,730</b> | <b>440,730</b>   | <b>710,763</b> | <b>460,763</b>  | <b>460,763</b> | <b>460,763</b> | <b>755,796</b>   | <b>6,345,191</b> |
| <b>Cash-out</b>                      |                  |                |                |                  |                |                 |                |                  |                |                 |                |                |                  |                  |
| Rent                                 |                  |                |                |                  | 360,750        |                 |                |                  | 337,876        |                 |                |                |                  |                  |
| Payroll                              | 141,375          | 159,249        | 208,345        | 229,180          | 229,180        | 229,180         | 229,180        | 229,180          | 239,597        | 239,597         | 239,597        | 239,597        | 348,682          | 1,047,308        |
| Head Office Payroll                  | 7,500            | 7,500          | 7,500          | 7,500            | 7,500          | 7,500           | 7,500          | 7,500            | 7,500          | 7,500           | 7,500          | 7,500          | 7,500            | 2,863,268        |
| CRA Source Deductions                | 33,930           | 38,220         | 50,003         | 55,003           | 55,003         | 55,003          | 55,003         | 55,003           | 57,503         | 57,503          | 57,503         | 57,503         | 60,003           | 97,500           |
| Accounts payable (salons)            | 26,000           | 26,000         | 26,000         | 26,000           | 26,000         | 26,000          | 26,000         | 26,000           | 26,000         | 26,000          | 26,000         | 26,000         | 26,000           | 687,184          |
| Accounts payable (Corp)              | 10,500           | 10,500         | 10,500         | 10,500           | 10,500         | 10,500          | 10,500         | 10,500           | 10,500         | 10,500          | 10,500         | 10,500         | 10,500           | 338,000          |
| Supplies                             | 57,094           | 64,312         | 84,139         | 92,553           | 92,553         | 92,553          | 92,553         | 92,553           | 96,760         | 96,760          | 96,760         | 96,760         | 100,967          | 136,500          |
| Management Fee                       |                  |                |                | 56,500           |                |                 |                |                  | 56,500         |                 |                |                |                  | 1,156,320        |
| Mortgage Interest                    |                  |                |                | 7,500            |                |                 |                |                  | 7,500          |                 |                |                |                  | 169,500          |
| Professional Fees                    | 10,000           | 10,000         | 10,000         | 10,000           | 10,000         | 10,000          | 10,000         | 10,000           | 10,000         | 10,000          | 10,000         | 10,000         | 7,500            | 22,500           |
| EHT                                  |                  |                |                | 15,000           |                |                 |                | 20,000           |                |                 |                |                | 20,000           | 55,000           |
| Merchant Fees & Bank Charges         | 5,437            | 6,125          | 8,013          | 8,815            | 8,815          | 8,815           | 8,815          | 8,815            | 9,215          | 9,215           | 9,215          | 9,215          | 9,616            | 110,126          |
| <b>Total Cash-out</b>                | <b>291,836</b>   | <b>336,907</b> | <b>404,500</b> | <b>864,300</b>   | <b>439,550</b> | <b>459,550</b>  | <b>439,550</b> | <b>841,427</b>   | <b>457,076</b> | <b>477,076</b>  | <b>457,076</b> | <b>457,076</b> | <b>887,282</b>   | <b>6,813,205</b> |
| <b>Net Cash inflow (outflow)</b>     | <b>(7,210)</b>   | <b>45,498</b>  | <b>(3,837)</b> | <b>(423,570)</b> | <b>226,179</b> | <b>(18,821)</b> | <b>1,179</b>   | <b>(400,697)</b> | <b>253,888</b> | <b>(16,312)</b> | <b>3,688</b>   | <b>3,688</b>   | <b>(131,486)</b> | <b>(468,014)</b> |
| <b>Opening cash balance (Note 2)</b> | <b>(772,493)</b> | <b>-</b>       | <b>45,498</b>  | <b>41,661</b>    | <b>-</b>       | <b>226,179</b>  | <b>207,359</b> | <b>208,538</b>   | <b>-</b>       | <b>253,688</b>  | <b>237,375</b> | <b>241,063</b> | <b>244,750</b>   | <b>(772,493)</b> |
| Net Cash (above)                     | (7,210)          | 45,498         | (3,837)        | (423,570)        | 226,179        | (18,821)        | 1,179          | (400,697)        | 253,688        | (16,312)        | 3,688          | 3,688          | (131,486)        | (468,014)        |
| Closing cash before DIP              | (779,703)        | 45,498         | 41,661         | (381,909)        | 226,179        | 207,359         | 208,538        | (192,159)        | 253,688        | 237,375         | 241,063        | 244,750        | 113,264          | (1,240,506)      |
| DIP loan (Note 3)                    | 779,703          |                |                | 381,909          |                |                 |                | 192,159          |                |                 |                |                | (113,264)        | 1,240,506        |
| <b>Closing cash</b>                  | <b>-</b>         | <b>45,498</b>  | <b>41,661</b>  | <b>-</b>         | <b>226,179</b> | <b>207,359</b>  | <b>208,538</b> | <b>-</b>         | <b>253,688</b> | <b>237,375</b>  | <b>241,063</b> | <b>244,750</b> | <b>-</b>         | <b>-</b>         |

Notes:

1. Canada Emergency Rent Subsidy (CERS) & Canada Wage Subsidy (CERS) receipts are based on management's best estimates.

2. Opening cash balance consists of the following: **\$**

Actual bank balance on March 8, 2021 **1,568,872**  
Outstanding cheques **(407,365)**  
Cash balance after outstanding items **1,161,507**

Remove: Hypothecate/Security to Tony Conforti\*\*\* **1,934,000** \*\*\*We have reflected this amount as already paid out to Tony Conforti, for repayment of the funds he advanced to take out RBC.

Opening cash balance **(772,493)**

3 Mr. Conforti has agreed to fund any potential ongoing deficit by way of a DIP Financing loan.

**CERTIFICATION**

THE PURPOSE of this Statement of Projected Cash flow is to provide creditors with sufficient information to make an informed decision regarding the Proposal, and to fully disclose to the Trustee and the Official Receiver, the state of Conforti Holdings Limited's financial affairs. This Statement of Projected Cash flow is prepared pursuant to the requirements of sections 50.4(2)(a) and 50(6)(a) of the Bankruptcy and Insolvency Act and solely for that purpose.

Dated this 12th day of March, 2021.

  
Per: Antonio Conforti - authorized representative

CROWE SOBERAN INC.  
Licensed Insolvency Trustee  
Acting in re the proposal of Conforti Holdings Limited

  
Per: Maris Rizari, CA, CPA, LIT, CIRP

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2675583  
Estate No. 31-2675583

FORM 31

Proof of Claim

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

In the matter of the proposal of  
CONFORTI HOLDINGS LIMITED  
of the City of Markham, in the Regional Municipality of York  
in the Province of Ontario

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

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---

In the matter of the proposal of CONFORTI HOLDINGS LIMITED of the City of Markham in the Province of Ontario and the claim of \_\_\_\_\_, creditor.

I, \_\_\_\_\_ (name of creditor or representative of the creditor), of the city of \_\_\_\_\_ in the province of \_\_\_\_\_, do hereby certify:

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

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

3. That the debtor was, at the date of proposal, namely the 28th day of September 2020, and still is, indebted to the creditor in the sum of \$\_\_\_\_\_, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

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

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

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

(Check appropriate description.)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Creditor

Phone Number: \_\_\_\_\_

Fax Number : \_\_\_\_\_

E-mail Address : \_\_\_\_\_

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

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

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2675583  
Estate No. 31-2675583

FORM 36  
Proxy  
(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

In the matter of the proposal of  
CONFORTI HOLDINGS LIMITED  
of the City of Markham, in the Regional Municipality of York  
in the Province of Ontario

I, \_\_\_\_\_, of \_\_\_\_\_, a creditor in the above matter, hereby  
appoint \_\_\_\_\_, of \_\_\_\_\_, to be  
my proxyholder in the above matter, except as to the receipt of dividends, \_\_\_\_\_ (with or without)  
power to appoint another proxyholder in his or her place.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_  
Name and Title of Signing Officer

Return To:

Crowe Soberman Inc., LIT - Licensed Insolvency Trustee

\_\_\_\_\_  
2 St. Clair Ave East, Suite 1100  
Toronto ON M4T 2T5  
Phone: (416) 929-2500 Fax: (416) 929-2555  
E-mail: [Frances.Doria@CroweSoberman.com](mailto:Frances.Doria@CroweSoberman.com)

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2675583  
Estate No. 31-2675583

FORM 37

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

In the matter of the proposal of  
CONFORTI HOLDINGS LIMITED  
of the City of Markham, in the Regional Municipality of York  
in the Province of Ontario

I, \_\_\_\_\_, creditor (or I, \_\_\_\_\_, representative  
of \_\_\_\_\_, creditor), of \_\_\_\_\_, a creditor in the above matter  
for the sum of \$ \_\_\_\_\_, hereby request the trustee acting with respect to the proposal of  
CONFORTI HOLDINGS LIMITED, to record my vote \_\_\_\_\_ (for or against) the acceptance of the  
proposal as made on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Individual Creditor

Witness

\_\_\_\_\_  
Name of Corporate Creditor

Witness

Per \_\_\_\_\_

\_\_\_\_\_  
Name and Title of Signing Officer

Return To:

Crowe Soberman Inc., LIT - Licensed Insolvency Trustee  
Per:

\_\_\_\_\_  
Hans Rizarri, LIT, CIRP - Licensed Insolvency Trustee  
2 St. Clair Ave East, Suite 1100  
Toronto ON M4T 2T5  
Phone: (416) 929-2500 Fax: (416) 929-2555  
E-mail: [Frances.Doria@CroweSoberman.com](mailto:Frances.Doria@CroweSoberman.com)

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2675583  
Estate No. 31-2675583

Notice of stay of proceeding

In the matter of the proposal of  
CONFORTI HOLDINGS LIMITED  
of the City of Markham, in the Regional Municipality of York  
in the Province of Ontario

Date of Proposal: September 28, 2020.

Notice is hereby given that the above debtor filed a proposal.

Every proposal made in pursuance of this Act takes precedence over all judicial or other attachments, garnishments, certificates of judgment, judgments operation as hypothecs, executions or other process against the property of the debtor, except such as have been completely executed by payment to the creditor or his agent, and except also the rights of a secured creditor.

Upon the filing of a proposal made by an insolvent person or upon the bankruptcy of any debtor, no creditor with a claim provable in the proposal shall have any remedy against the debtor or his/her property or shall commence or continue any action, execution or other proceedings, for the recovery of a claim provable in bankruptcy until the consumer proposal or the amended consumer proposal as the case may be, has been withdrawn, refused, annulled, or deemed annulled or the administrator has been discharged.

Where a proposal has been made, the Sheriff or other officer of any Court or any person having seized property of the debtor under execution of attachment or any other process shall, upon receiving a copy of the proposal certified by the Estate Administrator as a true copy thereof, forthwith deliver to the Estate Administrator all the property of the debtor in his hands.

Where the Sheriff has sold the property of the debtor or any part thereof, he/she shall deliver to the Estate Administrator the money so realized by him/her less fees and the costs referred to in subsection 70 (2).

Any property of the debtor under seizure for rent or taxes shall on production of a copy of the proposal certified by the Estate Administrator as a true copy thereof be delivered forthwith to the Estate Administrator, but the costs of distress are a first charge thereon, and if such property or any part thereof has been sold, the money realized therefrom, less the costs of distress and sale shall be paid to the Estate Administrator.

Dated at the City of Toronto in the Province of Ontario, this 17th day of March 2021.

Crowe Soberman Inc., LIT - Licensed Insolvency Trustee

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