

Court File No:

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF AN APPLICATION UNDER SECTION 47 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3
AND IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O.
1990, C.C-43**

B E T W E E N:

**1787811 ONTARIO INC. C/O PETER WATTS, 1815612 ONTARIO INC., 2134265
ONTARIO LTD., 2204293 ONTARIO INC., 2204051 ONTARIO LTD. C/O ELIZABETH
HUYGE, 2226700 ONTARIO INC., 2229987 ONTARIO INC., 2230916 ONTARIO LTD.,
2231288 ONTARIO INC., 2232139 ONTARIO LTD. C/O PETER VILACA, 2232466
ONTARIO INC., 2232471 ONTARIO INC., AARON PHILLIPS, ALLAN MUDGE,
AUTUMN CREEK FIELD INC., BIRDIEBUFF HOLDINGS LTD., BMW FARMS INC.,
BRANDON VANHAECKE, BRIAN SIOEN, BRIAN VANDERHAEGHE, C & B
VANKERREBROECK FARMS INC., COLLIN YARMIE, D & M CSERCICS FARMS
INC., DAVID TOTH, DIERICK FARMS LTD., D K SIOEN FARMS INC., EDWARD
POLJANOWSKI, G.D. BYERS FARMS, GARY DEMEYERE, GARY ISENER, JACOB
D & ELISABETH KNELSEN, MENDONCA HOLDINGS INC., JEFF NEVILLE,
JORDAN JAMES FARMS, KEITH BOKLA, KYLIE DEMEULENAERE FARMS LTD.,
MATTHEW SOBCZYK, MICHAEL DEW, MYTY FARM, PETER WALL, R & R
FARMING LIMITED, RHINELAND FARMS LTD., RICHARD & BARBARA
DEMAREST, RYAN DEMEULENAERE FARM LTD., SCOTT BRINKER, TRUDY
REDEKOPP, STEVEN KNILL and SPRIET VENTURES LTD.**

Applicants

-and-

**BRIAN KEVIN POREBA, VICTOR OSZTROVICS and TRUE BLEND TOBACCO
COMPANY INC.**

Respondents

APPLICATION RECORD

(Application for the Appointment of an Interim Receiver,
returnable May 10, 2011)

Date: May 10, 2011

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BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3
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LTD., RICHARD & BARBARA DEMAREST, RYAN DEMEULENAERE FARM
LTD., SCOTT BRINKER, TRUDY REDEKOPP, STEVEN KNILL and SPRIET
VENTURES LTD.**

Applicants

-and-

**BRIAN KEVIN POREBA, VICTOR OSZTROVICS and TRUE BLEND TOBACCO
COMPANY INC.**

Respondents

NOTICE OF APPLICATION

(Application for an Interim Receivership Order – Returnable May 10, 2011)

THE APPLICANTS, as listed in Schedule “A” attached hereto, will make an application to a Judge on May 10, 2011 at 10:00 a.m. or as soon after that time as the application can be heard at 330 University Ave in Toronto, Ontario.

PROPOSED METHOD OF HEARING:

The application is to be heard orally.

THE APPLICATION IS FOR:

1. An Order validating the manner of service of the Application Record herein and declaring that the time for service of this Notice of Application and the Application Record herein be abridged so that this application properly returnable today and that further service thereof is dispensed with;
2. An Order pursuant to section 47.1 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, C. B-3, as amended (the “*Act*”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended (the “*CJA*”) appointing PricewaterhouseCoopers as interim receiver (the “**Interim Receiver**”), without security, over all of the current and future property, assets and undertakings of the debtor, True Blend Tobacco Company Inc. (“**True Blend**”), in substantially the form of the draft Order attached hereto as Schedule “B”; and
3. Such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THE APPLICATION ARE:

4. The applicants are unsecured creditors (the “**Creditors**”) of the Estate of True Blend Tobacco Inc. (“**True Blend**”), Brian Poreba (“**Brian**”) and Victor Osztrovics (“**Victor**”) (collectively, the “**Insolvent Persons**”);
5. The Creditors are also the plaintiffs in the Action bearing Court File No. 54/11 (the “**Action**”);

6. The Creditors are farmers of tobacco who are collectively owed about \$12,735,363.38 from the Insolvent Persons under individual contracts for the sale and purchase of tobacco;
7. On April 1, 2011, the Creditors obtained a *Mareva* Injunction (the “**Mareva Order**”) against the Insolvent Persons on the grounds that the Insolvent Persons had sold the Creditors tobacco to unknown, unregistered and illegal buyers of tobacco for the purposes of contraband cigarette tobacco manufacturing at Akwesasne Mohawk Reserve;
8. On April 8, 2011, the Mareva Order was ordered to remain in place until further order of the Court. On April 14, 2011 the Insolvent Persons brought an unsuccessful motion to vary the Mareva Order to allow for the sale and purchase of tobacco;
9. A Notice of Intention to File a Proposal in Bankruptcy was filed by True Blend on April 20, 2011, immediately staying the action in accordance with Section 69 of the *Act*;
10. The Creditors brought a motion under Section 69.4 of the Act on Wednesday May 4, 2011 to lift the stay. The Motion was adjourned, as Brian and Victor both filed Notices of Intention to File a Proposal in Bankruptcy on May 2, 2011;
11. There is a real risk of True Blend’s assets being dissipated or disposed of, if this Honourable Court does not appoint the Interim Receiver;
12. The Creditors will suffer irreparable harm if an interim receiver is not appointed;
13. The appointment of an Interim Receiver is necessary for the protection of True Blend’s estate and the interests of the Creditors and other creditors of True Blend;
14. The appointment of an Interim Receiver is just and convenient;
15. Section 47.1 of the *Act* and section 101 of the CJA;
16. Rules 2.01, 2.03, 3.02 and 38 of the *Rules of Civil Procedure*; and

17. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. The Affidavit of Michael Sioen sworn on May 9, 2011 and the exhibits thereto;
2. The Consent of PricewaterhouseCoopers dated May 9, 2011;
3. The Motion Record of the Plaintiffs in Court File No. 54/11 for the motion heard on April 1, 2011;
4. The Responding Motion Record of the Defendants in Court File No. 54/11 for the motion heard on April 14, 2011;
5. The Supplementary Responding Motion Record of the Defendants in Court File No. 54/11 for the motion heard on April 14, 2011;
6. The Supplementary Motion Record of the Plaintiffs in Court File No. 54/11 for the motion heard on April 14, 2011;
7. The Motion Record of the Plaintiffs in Court File No. 54/11 for the motion scheduled for May 4, 2011;
8. The Responding Motion Record of the Plaintiffs for the motion scheduled for May 4, 2011; and
9. Such further and other evidence as counsel may advise and this Honourable Court may permit.

Date: May 10, 2011

BRAUTI THORNING ZIBARRAS LLP

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SCHEDULE "A"

LIST OF CREDITORS

<p>1787811 Ontario Inc. c/o Peter Watts 1815612 Ontario Inc. 2134265 Ontario Ltd. 2204293 Ontario Inc. 2204051 Ontario Ltd. c/o Elizabeth Huyge 2226700 Ontario Inc. 2229987 Ontario Inc. 2230916 Ontario Ltd. 2231288 Ontario Inc. 2232139 Ontario Ltd. c/o Peter Vilaca 2232466 Ontario Inc. 2232471 Ontario Inc. Aaron Phillips Allan Mudge Autumn Creek Field Inc. Birdiebuff Holdings Ltd. BMW Farms Inc., Brandon Vanhaecke, Brian Sioen, Brian Vanderhaeghe, C & B Vankerrebroeck Farms Inc., Collin Yarmie, D & M Csercsics Farms Inc., David Toth, Dierick Farms Ltd.,</p>	<p>D K Sioen Farms Inc. Edward Poljanowski G.D. Byers Farms Gary Demeyere Gary Isenor Jacob D & Elisabeth Knelsen Mendonca Holdings Inc. Jeff Neville Jordan James Farms Keith Bokla Kylie Demeulenaere Farms Ltd. Matthew Sobczyk Michael Dew MYTY Farm Peter Wall R & R Farming Limited Rhineland Farms Ltd. Richard & Barbara Demarest Ryan Demeulenaere Farm Ltd. Scott Brinker Trudy Redekopp Steven Knill Spriet Ventures Ltd.</p>
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SCHEDULE "B"

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE
JUSTICE

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TUESDAY, THE 10th
DAY OF MAY, 2011

**IN THE MATTER OF AN APPLICATION UNDER SECTION 47
OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3**

**AND IN THE MATTER OF SECTION 101 OF
THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C.C-43**

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REDEKOPP, STEVEN KNILL AND SPRIET VENTURES LTD.**

Applicant

- and -

**BRIAN KEVIN POREBA, VICTOR OSZTROVICS AND
TRUE BLEND TOBACCO COMPANY INC.**

Respondents

ORDER APPOINTING INTERIM RECEIVER

THIS APPLICATION made by certain of the creditors as listed in Schedule "A" to the Notice of Application (the "**Creditors**") for an Order pursuant to section 47.1(1)(b) of the Bankruptcy and Insolvency Act, R.S.C 1985, c. B-3, as amended (the "**BIA**") and section 101 of the Courts of *Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing PricewaterhouseCoopers as interim Interim Receiver (in such capacities, the "**Interim Receiver**") without security, of all of the assets, undertakings and properties of True Blend Tobacco Company Inc. (the "**Debtor**") acquired for, or used in relation to the business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Michael Sioen sworn May 8, 2011 and the Exhibits thereto and on hearing the submissions of counsel for the Secured Creditor and the Debtor, no one else appearing and on reading the consent of PricewaterhouseCoopers to act as the Interim Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 47.1 of the BIA and section 101 of the CJA, PricewaterhouseCoopers is hereby appointed Interim Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to the business carried on by the Debtor, including all proceeds thereof (the "**Property**").

3. THIS COURT ORDERS that, absent further Order of this Court, the Interim Receiver shall not operate, manage or carry on the business of the Debtor, or employ any employees of the Debtor.

INTERIM RECEIVER'S POWERS

4. THIS COURT ORDERS that the Interim Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Interim Receiver is hereby expressly empowered and authorized to do any of the following where the Interim Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories;
- (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Interim Receiver's powers and duties, including without limitation those conferred by this Order;
- (d) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (e) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Interim Receiver's name or

in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

- (f) to summarily dispose of Property that is perishable or likely to depreciate rapidly in value, and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall apply;
- (g) to report to, meet with and discuss with such affected Persons (as defined below) as the Interim Receiver deems appropriate on all matters relating to the Property and the Interim Receivership, and to share information, subject to such terms as to confidentiality as the Interim Receiver deems advisable;
- (h) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (i) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Interim Receiver, in the name of the Debtor;
- (j) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Interim Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE INTERIM RECEIVER

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders,

and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Interim Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Interim Receiver, and shall deliver all such Property to the Interim Receiver upon the Interim Receiver's request.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Interim Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Interim Receiver or permit the Interim Receiver to make, retain and take away copies thereof and grant to the Interim Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Interim Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Interim Receiver for the purpose of allowing the Interim Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Interim Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Interim Receiver. Further, for the

purposes of this paragraph, all Persons shall provide the Interim Receiver with all such assistance in gaining immediate access to the information in the Records as the Interim Receiver may in its discretion require including providing the Interim Receiver with instructions on the use of any computer or other system and providing the Interim Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE INTERIM RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Interim Receiver except with the written consent of the Interim Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Interim Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Interim Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Interim Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Interim Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Interim Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE INTERIM RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Interim Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, trade names, merchant accounts, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Interim Receiver, and that the Interim Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Interim Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Interim Receiver, or as may be ordered by this Court.

INTERIM RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Interim Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Interim Receiver (the "**Post Interim Receivership Accounts**") and the monies standing to the credit of

such Post Interim Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Interim Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Interim Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Interim Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Interim Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Interim Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Interim Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Interim Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Interim Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Interim Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Interim Receiver shall not, as a result of this Order or anything done in pursuance of the Interim Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE INTERIM RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Interim Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Interim Receiver by section 14.06 of the BIA or by any other applicable legislation.

INTERIM RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Interim Receiver and counsel to the Interim Receiver shall be paid their reasonable fees and disbursements, in each case at their

standard rates and charges, unless otherwise ordered by the Court on the passing of accounts, and that the Interim Receiver and counsel to the Interim Receiver shall be entitled to and are hereby granted a charge (the "**Interim Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Interim Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Interim Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Interim Receiver and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Interim Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Interim Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE INTERIM RECEIVERSHIP

21. THIS COURT ORDERS that the Interim Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$2 million (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Interim Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Interim Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together

with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Interim Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Interim Receiver's Borrowings Charge nor any other security granted by the Interim Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Interim Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "**Interim Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Interim Receiver pursuant to this Order or any further order of this Court and any and all Interim Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Interim Receiver's Certificates.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the Interim Receiver be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or notice by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

26. THIS COURT ORDERS that the Applicant, the Interim Receiver, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as such appear on the service list herein or in the materials filed in

these proceedings, and the Interim Receiver may post a copy of any or all such materials on its website.

GENERAL

27. THIS COURT ORDERS that the Interim Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Interim Receiver from acting as a trustee in bankruptcy of the Debtor.

29. THIS COURT ORDERS that the Interim Receiver is hereby authorized and empowered to file an assignment in bankruptcy for and on behalf of the Debtor and name PricewaterhouseCoopers as the Debtor's trustee in bankruptcy.

30. 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 Interim Receiver and its 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 Interim Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Interim Receiver and its agents in carrying out the terms of this Order.

31. THIS COURT ORDERS that the Applicant and the Interim Receiver shall have their costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Interim Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Interim Receiver and

to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

33. THIS COURT ORDERS that this Order is in effect to May 31, 2011.

SCHEDULE "A"

INTERIM RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that PricewaterhouseCoopers, the Interim Receiver (the "**Interim Receiver**") of the assets, undertakings and properties of True Blend Tobacco Company Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (the "**Court**") dated the 10th of May, 2011 (the "**Order**") made in an action having Court file number 35-1489580, has received as such Interim Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Interim Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the ____ day of each month] after the date hereof at a notional rate per annum equal to the rate of ____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Interim Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Interim Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Interim Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Interim Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Interim Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ___ day of _____, 20__.

PricewaterhouseCoopers solely in its
capacity as Interim Receiver of the
Property,
and not in its personal capacity

Name:

Title:

**IN THE MATTER OF AN APPLICATION UNDER SECTION 47 OF THE BANKRUPTCY
AND INSOLVENCY ACT, R.S.C. 1985, C. B-3**

**AND IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990,
C.C-43**

B E T W E E N:

**1787811 ONTARIO INC. C/O PETER WATTS, 1815612 ONTARIO INC., 2134265 ONTARIO
LTD., 2204293 ONTARIO INC., 2204051 ONTARIO LTD. C/O ELIZABETH HUYGE, 2226700
ONTARIO INC., 2229987 ONTARIO INC., 2230916 ONTARIO LTD., 2231288 ONTARIO
INC., 2232139 ONTARIO LTD. C/O PETER VILACA, 2232466 ONTARIO INC., 2232471
ONTARIO INC., AARON PHILLIPS, ALLAN MUDGE, AUTUMN CREEK FIELD INC.,
BIRDIEBUFF HOLDINGS LTD., BMW FARMS INC., BRANDON VANHAECKE, BRIAN
SIOEN, BRIAN VANDERHAEGHE, C & B VANKERREBROECK FARMS INC., COLLIN
YARMIE, D & M CSERCICS FARMS INC., DAVID TOTH, DIERICK FARMS LTD., D K
SIOEN FARMS INC., EDWARD POLJANOWSKI, G.D. BYERS FARMS, GARY
DEMEYERE, GARY ISENER, JACOB D & ELISABETH KNELSEN, MENDONCA
HOLDINGS INC., JEFF NEVILLE, JORDAN JAMES FARMS, KEITH BOKLA, KYLIE
DEMEULENAERE FARMS LTD., MATTHEW SOBCZYK, MICHAEL DEW, MYTY FARM,
PETER WALL, R & R FARMING LIMITED, RHINELAND FARMS LTD., RICHARD &
BARBARA DEMAREST, RYAN DEMEULENAERE FARM LTD., SCOTT BRINKER,
TRUDY REDEKOPP, STEVEN KNILL and SPRIET VENTURES LTD.**

Applicants

-and-

**BRIAN KEVIN POREBA, VICTOR OSZTROVICS and TRUE BLEND TOBACCO
COMPANY INC.**

Respondents

AFFIDAVIT OF MICHAEL SIOEN

(Sworn May 10, 2011)

**I, MICHAEL SIOEN, OF THE TOWNSHIP OF DELHI IN THE PROVINCE OF
ONTARIO, MAKE OATH AND SAY AS FOLLOWS:**

- I am the farm manager of 2204051 Ontario Ltd. (the "Corporation"), one of the creditors in the Estate of True Blend Tobacco Company Inc. ("True Blend"), and as such, have knowledge of the
-

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matters hereinafter deposed save and except where my knowledge is indicated to be based on information and belief and where so stated, I verily believe same to be true. I am also acting as a representative affiant for the purposes of this application, and my evidence is therefore provided on behalf of all of the Creditors in the action described below.

The Parties

2. The Corporation, through its licensee Elizabeth Huyge, is one of 49 plaintiffs (collectively, the "Creditors") in the action bearing Court File No. 54/11 (the "Action"). A copy of the Statement of Claim in the Action is attached as **Exhibit "A"**.

3. The Creditors are owed in excess of \$12,735,363.38, under contracts of purchase and sale for tobacco, by True Blend Tobacco Company Inc. ("True Blend") and its principals, Brian Poreba ("Brian") and Victor Osztrovics ("Victor") (True Blend, Brian and Victor are collectively referred to as the "Insolvent Persons"). The Corporate Profile Report for True Blend is attached as **Exhibit "B"**. The Insolvent Persons did not file a Statement of Defence in the Action.

4. Along with Brian and Victor, Grant Sanders is the directing mind of True Blend. Although he is not a director or officer of True Blend, Grant Sanders was True Blend's primary "investor" and acted as True Blend's controller. He directed True Blend's accounts receivables into his own personal bank account and determined what amounts, if any, would be advanced to True Blend. It is unknown how much he has kept for himself.

5. The Creditors are licensed by the Ontario Flue-Cured Tobacco Marketing Board (the "Board") to grow and sell tobacco in Ontario. Brian and Victor are licensed buyers. Only parties licensed by the Board may buy or sell tobacco in Ontario.

6. Based on the amounts indicated as owing to the creditors in the Notice of Intention to Make a Proposal of True Blend, the Creditors represent 59% of the total indebtedness of True Blend..

Overview of Procedural History

7. On April 1, 2011, an Order for a Mareva injunction issued against the Insolvent Persons prohibiting them from dealing with or disposing of their assets. In granting the Mareva injunction, the Court was satisfied that the Creditors had made out a strong *prima facie* case and that there was a real

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and substantial risk of dissipation of assets because the Insolvent Persons were selling the Creditors tobacco to unknown, unregistered and illegal purchasers for the purposes of contraband tobacco manufacturing. The Order of Justice McDermid dated April 1, 2011 is attached as **Exhibit "C"**. The Endorsement of Justice McDermid dated April 1, 2011 is attached as **Exhibit "D"**.

8. On April 14, 2011, the Insolvent Persons brought a motion to vary the terms of the Order to allow for certain sales and payments. The motion was denied as the Court was not satisfied that there was sufficient proper evidence to exempt those sales from the Mareva Order. The endorsement dated April 14, 2011 is attached as **Exhibit "E"**.

9. Unable to vary the terms of the Order, the Insolvent Persons filed Notices of Intention to Make a Proposal in order to invoke the automatic stay provisions of the *Bankruptcy and Insolvency Act* (the "*Act*"), attached as **Exhibit "F"**, **Exhibit "G"** and **Exhibit "H"**.

10. Since filing their Notices of Intention, the Insolvent Persons have continued to engage in a course of conduct aimed at dissipating their assets.

11. The Creditors therefore bring this application to appoint an interim receiver pursuant to s. 47.1 of the *Act* in order to preserve the value of the Estates of the Insolvent Persons.

Contracts for Purchase and Sale of Tobacco

12. The Creditors each entered into contracts with Brian and Victor, operating as True Blend, to grow and sell 7,816,001 pounds of tobacco, pursuant to which the Insolvent Persons were to pay for the tobacco upon delivery.

13. Beginning in September 2010, the Creditors began delivering tobacco to the Insolvent Persons.

14. The Insolvent Persons have defaulted on their payment obligations to the Creditors and owe in excess of \$12,735,363.38 to the Creditors. The full particulars of each of the Creditors' respective claims are summarized in the chart attached as **Exhibit "I"**.

Dissipation of Assets

15. The Creditors thereafter discovered that the Insolvent Persons were selling the Creditors' tobacco (which had not been paid for) to unknown and unlicensed buyers, some of which may have

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been directed to contraband tobacco manufacturing at Akwesasne, a Mohawk reservation widely known as being the largest source of contraband tobacco manufacturing in Canada.

(i) *Illegal Sale of Creditors' Tobacco to an Unknown Buyer at Akwesasne Mohawk Reservation*

16. In February 2011, I met with Victor at his home along with David Toth, one of the Creditors. Victor advised us that True Blend's principal investor, Grant Sanders ("Grant") had unilaterally shipped one (1) million pounds of the Creditors' tobacco to someone named "Eddie" in Akwesasne, a Mohawk reservation near Cornwall, Ontario. The full particulars of this meeting are set out in my Affidavit sworn April 1, 2011, in support of the motion for a Mareva Order. I have attached a signed statement from David Toth as Exhibit "J" confirming the meeting with Victor, and do verily believe same to be true.

17. Although Grant was only an "investor", and not a director or officer of True Blend, True Blend's accounts receivables' were directed to him, personally.

377. Q. Well, isn't it correct that a lot of the tobacco that was sent to third party buyers payments went to Mr. Saunders and then from him to True Blend?

A. Which period?

378. Q. Since August of 2010.

A. I believe so.

Excerpts from the cross-examination of Victor Osztrovics on April 14, 2011 are attached as Exhibit "K".

18. Grant would in turn decide what amounts, if any, would be advanced to True Blend. When asked whether Grant kept anything for himself, Victor answered, "I don't know".

381. Q. Why were payments for this tobacco going through Mr. Saunders?

A. That I -- because he arranged the sales.

That I don't.

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382. Q. Okay. He kept a portion of those proceeds

before sending a portion to True Blend?

A. I -- I don't -- I can't answer that. I
don't know.

383. Q. But you know that, you have had
discussions with him about that?

A. Had discussions about?

384. Q. Yeah, you know that he keeps a portion of
those proceeds and then he gives the balance
to True Blend?

MR. TOUESNARD: Counsel, he just told you he
didn't know.

THE DEPONENT: I didn't know. I don't know.

BY MR. ZIBARRAS:

385. Q. You don't know that?

A. I don't know that.

386. Q. Okay. You have never asked him that?

A. I have never asked him that.

387. Q. You haven't had that conversation with
him?

A. No.

388. Q. Okay. So he sets up the sales to these
third party buyers?

A. Yes.

389. Q. Which sales did he set up?

A. The ones -- the sales that we have noted.

390. Q. Noted where?

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A. Do you have the -- my mind just drew a blank, that's all.

Excerpts from the cross-examination of Victor Osztrovics on April 14, 2011 are attached as Exhibit "L".

19. I believe that Grant Sanders acted as a gate-keeper for True Blend's receivables in order to ensure that he would be repaid on his investment in True Blend.

20. At his cross-examination, Victor admitted that Eddie had also sold equipment to True Blend:

732. Q. You never discussed Eddie?

A. I may have mentioned Eddie. I don't even

733. Q. Who is Eddie?

A. Eddie, he is acquaintance of Grant. I don't even know his last name.

734. Q. You don't know Eddie's last name?

A. No.

...

740. Q. Okay. I take it that Eddie was one of the suppliers of the equipment?

A. Yes.

741. Q. Okay. When Eddie supplied the equipment, did Grant purchase it or did True Blend purchase it?

A. Well, True Blend ended up owning it.

742. Q. Who paid for it?

A. I am not -- I assume Grant. I bought some equipment myself, you know, like

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coordinated it.

743. Q. What equipment did Eddie sell you?
A. Umm, some thrashing, some of the
tumblers, bits and pieces, yeah.
744. Q. How much did you pay for it?
A. I could find that out.
745. Q. Did Eddie give you a receipt for the
purchase of that equipment?
A. I believe so. Honestly I don't know.
746. Q. Okay. Can you provide me with a copy of
that receipt then?
A. Okay.

Excerpts from the cross-examination of Victor Osztrovics on April 14, 2011 are attached as **Exhibit "M"**.

21. Akwesasne is considered by the RCMP to be the source of some 90 percent of illegal cigarettes in Canada and that the largest proportion of all contraband tobacco seized by the RCMP originates from illicit manufacturers at Akwesasne. I have attached a CBC News article stating the above and an RCMP report about contraband tobacco smuggling at Akwesasne as **Exhibit "N"**.

22. Victor was extremely evasive when asked about Akwesasne at his cross-examination on April 14. For example, he was asked these questions and gave these answers:

708. Q. You are familiar with Aquasasne?
A. No, I am not.
709. Q. You don't know it?
A. I know it's a reservation in Cornwall.
That's all I know

23. Victor then went on to give the following, rather contradictory evidence:

750. Q. Alright. So you could see from paragraph

- 9 -

28. A corporate profile search of Import Trading Company Inc., attached as **Exhibit "R"** reveals that it operates from a single location, has 2 employees and annual sales of \$130,000.00.

29. I am advised by Mr. Nguyen and do verily believe that Victor claimed that the tobacco was shipped from True Blend's facility in Tillsonburg, Ontario to Import Trading Company Inc. in Albany, New York, through Champlain, Quebec in the following terms:

706. Q. The tobacco that is destined for Albany, do you know what route the trucking company takes to deliver it?
- A. I believe they went up through Quebec and then through Champlain I believe and across.

Excerpts from the cross-examination of Victor Osztrovics on April 14, 2011 are attached as **Exhibit "S"**.

30. It is puzzling as to why True Blend would ship tobacco through Champlain, Quebec (1,381km) when as it would clearly be more direct to ship the tobacco directly through Buffalo, New York (670 km). I have marked the two different routes on the map attached as **Exhibit "T"**. I note that truck drivers would be driving past Akwesasne en route to Champlain.

(iii) *Illegal Sale of Creditors' Tobacco to Unregistered Buyers*

31. Subsequent to our meeting, Victor provided me with an email from a "Dennis Makepeace" which (a) outlined True Blend's potential sale of approximately 100,000 pounds of tobacco to a company in North Carolina for buyers from China and Vietnam; and (b) referred to Grant's shipment of three (3) additional truckloads of tobacco to Oxford, North Carolina for Chinese buyers. A copy of Dennis Makepeace's email to Grant Sanders and Victor Osztrovics, dated February 23, 2011 is attached as **Exhibit "U"**.

The *Mareva* Injunction

32. On April 1, 2011, Justice McDermid granted an Order for a *Mareva* injunction (the "Mareva Order") freezing all of the Insolvent Persons' assets. The Plaintiffs' Motion Record is attached as **Exhibit "V"**.

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33. On April 8, 2011, the Mareva Order was ordered to remain in place until further order of the Court. The endorsement dated April 8, 2011 extending the Mareva Order is attached as **Exhibit "W"**.

34. The Insolvent Persons moved on April 14, 2011 to vary the Mareva Order to allow for the sale and purchase of tobacco within the ordinary course of its business. In denying the Insolvent Persons' motion to vary the Mareva Order, the Judge stated that "I am not satisfied that there is sufficient proper evidence before me to make an endorsement excepting certain sales, purchases and payments from the scope of the existing Order". The Creditors were granted leave to conduct Rule 39 examinations of True Blend's employees for the purposes of determining what the Insolvent Persons had done with the tobacco that was delivered. The endorsement dated April 14, 2011 is attached as **Exhibit "X"**. The Creditors' supplementary motion record is attached as **Exhibit "Y"**. The Insolvent Parties' responding motion record is attached as **Exhibit "Z"**. The Insolvent Parties' responding supplementary motion record is attached as **Exhibit "AA"**.

The Proposals

35. However, before the Creditors could examine the employees, True Blend filed a Notice of Intention to Make a Proposal under s. 50.4(1) of the *Act*, dated April 22, 2011. This stayed the Action as against True Blend.

36. Since only the corporate entity, True Blend, had served a Notice of Intention to Make a Proposal, I understood that the Action was not stayed as against Brian Poreba or Victor Osztrovics. However, the Insolvent Persons were of the view that the Notice operated to stay the entire Action and refused to allow their employees to attend the Rule 39 examinations which had been scheduled for April 25.

37. As the Notice of Intention to Make a Proposal was filed in London, Ontario, the Creditors brought a motion on May 4, 2011 in London, Ontario to lift the stay under s. 69.4 of the *Act*. A copy of the Motion Record for that motion is attached as **Exhibit "BB"**.

38. However, two days before the motion was to be heard, Brian and Victor filed Notices of Intention to Make a Proposal on May 2, 2011, effectively staying the Action as against all of the Insolvent Persons.

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39. I am advised by the Creditors' lawyer, Trung Nguyen, and do verily believe that:
- a. the Insolvent Persons served a responding motion record, attached as **Exhibit "CC"**, at 6 pm on the eve of the return of the motion to lift the stay;
 - b. the Insolvent Persons', through their counsel's office, advised that no facts or authorities would be filed.
 - c. However, at 8 a.m. the next day, Insolvent Persons' counsel, Dennis Touesnard, reneged and sent two new cases to Mr. Nguyen just as he was about to drive from Toronto to London to argue the motion at 10:00 a.m. The emails between Mr. Nguyen and Mr. Touesnard are attached as **Exhibit "DD"**;
 - d. In response to the new cases, Mr. Nguyen sought leave to file the motion record that had been filed in support of the Mareva Order;
 - e. The Deputy Registrar granted leave to file the materials but adjourned the hearing of the motion for two weeks, his next available sitting.

Continued Attempts to Dissipate Assets

40. I am advised by one of the Creditors, Jeff Neville, and do verily believe that:
- a. within minutes of the adjournment of the motion by the Deputy Registrar, he observed Victor Osztrovics at the True Blend facilities attempting to remove the tobacco that was the subject of the Mareva Order;
 - b. he observed unknown individuals who pulled up in a white cargo van and who appeared to be of Aboriginal descent;

Mr. Neville took pictures of the white cargo van which are attached at **Exhibit "EE"**.

41. I am advised by Mr. Nguyen and do verily believe that the Proposal Trustee, Alan Page, confirmed in writing that he "was aware that the company was trying to remove its inventory". Mr. Page's email to Mr. Nguyen dated May 4, 2011 is attached as **Exhibit "FF"**.

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42. By letter dated May 5, 2011, attached as Exhibit "GG" the Proposal Trustee's solicitors demanded the immediate release of the tobacco that was held at True Blend's facility from the landlord, E & E McLaughlin (the "Landlord"). The Landlord had previously terminated the lease for non-payment of rent. The tobacco was the subject of the Mareva Order.

The Need for an Interim Receiver

43. Based on all of the foregoing, I believe that it is imperative that an interim receiver be appointed by the Court to preserve and protect the value of the Estate for the following reasons:

- a. The Insolvent Persons have sold the Creditors' tobacco to unknown and unregistered third parties, some of which may have been for the purposes of contraband cigarette tobacco manufacturing at Akwesasne Mohawk Reserve;
- b. The Insolvent Persons have been dissipating their assets;
- c. There is a real and substantial risk that the Insolvent Persons' assets will be dissipated or disposed of prior to a proposal being made or bankruptcy;
- d. The Creditors have already established a strong *prima facie* case and have satisfied the test to obtain a *Mareva* injunction;
- e. The Insolvent Persons attempted to vary the Mareva Order on the basis of purported sales, which the Court has already found that there was no proper evidence of;
- f. The Notices of Intention to Make a Proposal are filed for the purpose of collaterally attacking the Mareva Order so that the Insolvent Persons can do through the back door what they could not do through the front; and
- g. Immediately after the stay motion was adjourned on May 4, the Insolvent persons again attempted to remove assets and inventory from the True Blend facilities.

44. The appointment of an interim receiver is required to:

- a. To preserve the value of the Insolvent Persons' assets;
- b. To secure payment of the Insolvent Persons' debts;

- c. To stabilize True Blend's operations;
- d. To provide direction and expertise in the management of True Blend;
- e. To facilitate legitimate sales of tobacco currently held by the Insolvent Persons and to monitor and prevent any improper or illegal sales of tobacco;
- f. To determine whether True Blend can be sold as a going concern in order to maximize its value; and
- g. To prevent further financial deterioration of the Insolvent Persons.


45. In light of the above, I verily believe that it is imperative that a receiver take control of True Blend's business.

46. I believe that PWC is qualified and has consented to act as receiver if so appointed by this Honourable Court. A copy of PWC's consent is attached as Exhibit "HH".

47. I make this affidavit in support of the application for the appointment of an interim receiver and for no improper purpose.

SWORN BEFORE ME in the Town of)
)
Orlho in the Province of Ontario)
)
 May 10, 2011)
)
Linette Colleen Cronk)
 Commissioner for Taking Affidavits)

2204051 Ontario Limited


 Per: Michael Sioen

Linette Colleen Cronk, a Commissioner, etc.,
 Province of Ontario, for
 Brimage, Tyrrell, Van Severen & Hornsbyk LLP,
 Barristers and Solicitors
 Expires June 17, 2011.

IN THE MATTER OF THE BANKRUPTCIES OF BRIAN KEVIN POREBA, VICTOR OSZTROVICS AND TRUE BLEND TOBACCO COMPANY INC., a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Tillsonburg, in the Province of Ontario

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

Proceeding commenced at London

**AFFIDAVIT OF
MICHAEL SIOEN**

(Sworn on May 10, 2011)

BRAUTI THORNING ZIBARRAS LLP
151 Yonge Street, Suite 1800
Toronto, ON M5C 2W7

**P. James Zibarras
LSUC No. 48856F**

**Trung S. Nguyen
LSUC No. 49386C**

**Tel: 416.362.4567
Fax: 416.362.8410**

Lawyers for the Applicants

This is **Exhibit "A"** referred to in the
affidavit of **Michael Sioen**, sworn before me
this 10th day of May, 2011.


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

Court File No.: 54/11

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

**1787811 ONTARIO INC., 1815612 ONTARIO INC., 2134265 ONTARIO LTD.,
2204293 ONTARIO INC., 2204051 ONTARIO LTD.,
2226700 ONTARIO INC., 2229987 ONTARIO INC., 2230916 ONTARIO LTD.,
2231288 ONTARIO INC., 2232139 ONT. LTD., 2232466 ONTARIO INC.,
2232471 ONTARIO INC., AARON PHILLIPS, ALLAN MUDGE,
AUTUMN CREEK FIELD INC., BIRDIEBUFF HOLDINGS LTD., BMW FARMS INC.,
BRANDON VANHAECKE, BRIAN SIOEN, BRIAN VANDERHAEGHE, C & B
VANKERREBROECK FARMS INC., COLLIN YARMIE, D & M CSERCICS FARMS
INC., DAVID TOTH, DIERICK FARMS LTD., DK SIOEN FARMS INC., EDWARD
POLJANOWSKI, G.D. BYERS FARMS, GARY DEMEYERE, GARY ISENER, JACOB
D & ELISABETH KNELSEN, MENDONCA HOLDINGS INC., JEFF NEVILLE,
JORDAN JAMES FARMS, JOSEPHINE DECAROLIS, KEITH BOKLA, KYLIE
DEMEULENAERE FARMS LTD., MATTHEW SOBCZYK, MICHAEL DEW, MYTY
FARM, PETER WALL, R & R FARMING LIMITED, RHINELAND FARMS LTD.,
RICHARD & BARBARA DEMAREST, RYAN DEMEULENAERE FARM LTD., SCOTT
BRINKER, TRUDY REDEKOPP, STEVEN KNILL and SPRIET VENTURES LTD.**

Plaintiffs

- and -

**BRIAN KEVIN POREBA and VICTOR OSZTROVICS together operating as
TRUE BLEND and TRUE BLEND TOBACCO COMPANY INC.,
and JOHN DOE and JANE DOE**

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff.
The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you
must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure,

serve it on the Plaintiffs' lawyer or, where the plaintiffs do not have a lawyer, serve it on the Plaintiffs, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFF'S CLAIM, and \$1000.00 for costs, within the time for serving and filing your statement of defence you may move to have this proceeding dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiffs' claim and \$400 for costs and have the costs assessed by the court.

Date: March 29, 2011

Issued by:


Local registrar

Address of
Court Office:

145 Curtis St
St. Thomas, ON
N5P 3Z7

TO: BRIAN KEVIN POREBA
188 Highway 8
Cathcart, Ontario
N0B 1B0

AND TO: VICTOR OSZTROVICS
26 Lawrence St
R.R. #3
Burford, Ontario
N0E 1A0

AND TO: TRUE BLEND TOBACCO COMPANY INC.
500 Highway 3
Tillsonburg, Ontario
N4G 4H4

AND TO: JOHN DOE

AND TO: JANE DOE

CLAIM

1. The plaintiffs claim, as against the defendants, Brian Kevin Poreba, Victor Osztrovics and True Blend Tobacco Company Inc. (collectively the "Defendants"):
 - (a) damages for breach of contract, negligent misrepresentation, fraudulent misrepresentation, breach of trust, breach of fiduciary duty, conversion and unjust enrichment in the amount of \$15,000,000;
 - (b) an accounting of all profits from the True Blend Defendants' activities;
 - (c) consequential damages for breach of contract, negligent misrepresentation, fraudulent misrepresentation and unjust enrichment of the Defendants in the amount of \$20,000,000;
 - (d) special damages, the particulars of which will be proven at trial;
 - (e) aggravated, exemplary, and punitive damages in the amount of \$1,000,000;
 - (f) pre-judgment and post-judgment interest in accordance with the provisions of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
 - (g) the costs of this action on a substantial indemnity scale, plus applicable taxes; and
 - (h) such further and other relief as this Honourable Court may deem just.

2. The plaintiffs claim, as against the defendants, John and Jane Doe and other persons unknown (the "Co-Conspirators") who may have aided, abetted or conspired with the True Blend Defendants:
 - (a) damages for conversion, intentional interference with contractual relations, and unjust enrichment, in the amount of \$15,000,000;
 - (b) an accounting of all profits from the Co-Conspirators' activities;
 - (c) special damages, the particulars of which will be provided prior to trial;

- (d) aggravated, exemplary, and punitive damages in the amount of \$1,000,000;
- (e) pre-judgment and post-judgment interest in accordance with the provisions of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (f) the costs of this action on a substantial indemnity scale, plus applicable taxes; and
- (g) such further and other relief as this Honourable Court may deem just.

The Parties

3. The plaintiffs are the owners and/or operators of family run farms in Southern Ontario who are licensed by the Ontario Flue-Cured Tobacco Growers' Marketing Board (the "Board") to grow tobacco. The tobacco that each of the plaintiffs grows is in most cases its sole source of income.
4. The defendant, Brian Kevin Poreba ("Brian") is an individual residing in Cathcart, Ontario. Brian carries on business as a sole proprietor under the name "True Blend", and was licensed by the Canada Revenue Agency ("CRA") and the Board to purchase tobacco in 2010.
5. The defendant, Victor Osztrovics ("Victor") is an individual residing in Burford, Ontario. Victor carries on business as a sole proprietor under the name "True Blend", and was licensed by the CRA and the Board to purchase tobacco in 2010.
6. The defendant, True Blend Tobacco Company Inc. (the "True Blend"), is a corporation incorporated pursuant to the laws of the Province of Ontario with its head office in Tillsonburg, Ontario. The Corporation has never been licensed by the Board to purchase or otherwise deal with tobacco in Ontario.
7. The defendants, John and Jane Doe and other persons unknown (collectively, the "Co-Conspirators"), are persons, the identities of which are unknown to the Plaintiffs, but known to the True Blend Defendants, who have directly or indirectly caused damages and loss to the Plaintiffs as pleaded herein.

Background

8. From December 2009 to May 2010, each of the Plaintiffs entered into separate contracts (collectively the "Contracts") with True Blend for the purchase and sale of over 10 million pounds of tobacco.
9. Pursuant to the Contracts, the Plaintiffs were to produce the tobacco during the 2010 crop season and sell it to the Defendants at an average price of \$2.20 per pound.
10. The Contracts were initially executed by True Blend. However, the Board subsequently required that the defendants, Brian and Victor, re-execute the Contracts in their personal capacities as True Blend was not licensed by the Board to buy tobacco.
11. Based on the terms of the Contracts and the representations made by the Defendants that they would be paid pursuant to the terms of the Contracts, the Plaintiffs seeded, grew, harvested and cured their respective tobacco crops from March to October of 2010.
12. Beginning in September of 2010, the Plaintiffs either delivered or attempted to deliver the tobacco to the Defendants.
13. However, the Defendants either: (a) accepted the tobacco without paying; or (b) refused to accept the tobacco altogether, in contravention of the terms of the Contracts.
14. As a result of the Defendants' actions as pleaded herein, the Plaintiffs are collectively owed in excess of \$12,735,363.38.
15. Since the fall of 2010, the Defendants repeatedly told the Plaintiffs that payment under the Contracts was imminent and that delivery to their facilities of the remainder of the tobacco could resume shortly. To date, this has not occurred.
16. Moreover, the True Blend Defendants have sold all of the tobacco that the Plaintiffs were allowed to deliver. To date, the True Blend Defendants have failed, refused or neglected to pay the Plaintiffs for the tobacco that was delivered or any of the amounts due under the Contracts.

The Defendants Are Liable to the Plaintiffs for Their Wrongful Conduct

(i) Breach of Contract

17. The Plaintiffs plead that the True Blend Defendants have breached the Contracts by failing to pay for tobacco delivered by the Plaintiffs and/or refusing to accept delivery of tobacco from the Plaintiffs.

18. As a result of the breach, the Plaintiffs are entitled to all damages and losses suffered, as well as all consequential damages and losses in an amount to be proved at trial.

(ii) Fraudulent and Negligent Misrepresentation

19. The True Blend Defendants negligently and/or fraudulently misrepresented to the Plaintiffs that they were licensed buyers financially capable of, and able to pay for, large quantities of tobacco crops on delivery.

20. The True Blend Defendants made these representations which:

- (a) they knew or ought to have known, were untrue;
- (b) the Plaintiffs believed to be true;
- (c) were intended by the True Blend Defendants to induce the Plaintiff to enter the Contracts;
- (d) the True Blend Defendants knew or ought to have known would be relied upon by the Plaintiffs; and
- (e) the Plaintiffs did rely on.

21. As a result of their reliance on the representations, the Plaintiffs have suffered and continue to suffer damages. Accordingly, the True Blend Defendants are liable for fraudulent misrepresentation, or in the alternative, negligent misrepresentation.

(iii) Breach of Trust and Fiduciary Duty

22. The Plaintiffs plead that the True Blend Defendants hold all delivered tobacco in trust for each of the individual plaintiffs that delivered tobacco and were not paid. The True Blend Defendants' wrongful conduct and actions as described herein constitute a breach of trust which has caused the Plaintiffs damage.

23. The Plaintiffs further plead that the True Blend Defendants owe a fiduciary duty to the Plaintiffs and that their conduct, as pleaded herein, constitutes a breach of fiduciary duty to the Plaintiffs, which has caused the Plaintiffs damage.

(iv) Conversion

24. The Plaintiffs have a right to receive revenues, proceeds and profits arising from the delivery of the tobacco to the True Blend Defendants and continue to have a proprietary interest in the delivered tobacco until full payment is made and received.

25. By their acts, the True Blend Defendants have wrongfully converted and usurped the property of the Plaintiffs, namely the tobacco that has not been paid for, and any right to revenues, proceeds and/or profits therefrom, without authority or payment of any kind to the Plaintiffs.

26. The Plaintiffs further plead that they are entitled to an accounting and disgorgement of any and all revenues and/or profits received by the True Blend Defendants from the wrongful conversion of the Plaintiffs' property.

(vi) Unjust Enrichment

27. The Plaintiffs plead that the True Blend Defendants accepted delivery of tobacco for which no payment has been made. As a result, the True Blend Defendants have been unjustly enriched to the detriment of the Plaintiffs and are liable to the Plaintiffs therefor.

Consequential Damages

28. The True Blend Defendants' wrongful conduct as described above has deprived the Plaintiffs of revenue, proceeds and profits from the growth and processing of tobacco.
29. The tobacco which remains in possession of the Plaintiffs has not been sold and it is unlikely that it will be sold with the result that the Plaintiffs have incurred and continue to incur significant losses and expenses, including:
 - (a) the deterioration of the value of the stored product;
 - (b) the cost of attempting to find a third party purchaser for the stored product;
 - (c) interest paid on account of operating loans and/or notional interest lost as a result of not having received payment for the tobacco produced; and
 - (d) the future income lost as the result of not being able to contract with other tobacco buyer for the 2011 crop year.
30. The full extent of the Plaintiffs' consequential damage as described herein is not yet known but the Plaintiffs will provide particulars of all such damages prior to trial.

Liability of the Co-Conspirators

31. The Co-Conspirators, the identities of which are not yet known to the Plaintiffs, have conspired with the True Blend Defendants to intentionally interfere with the contractual relations between the Plaintiffs and the True Blend Defendants. The Co-Conspirators knew or ought to have known of the harm they would cause to the Plaintiffs.
32. The Co-Conspirators have wrongfully converted and usurped the property of the Plaintiffs.
33. The Co-Conspirators have been unjustly enriched as a result of these unlawful actions, to the detriment of the Plaintiffs, with no good juristic reason.
34. By reason of the foregoing, the Co-Conspirators are liable for pecuniary losses suffered by the Plaintiffs as a result of their unlawful interference.

Damages

35. As a result of the conduct of the Defendants, the Plaintiffs have suffered and continue to suffer loss, damage and expense, while the Defendants have profited and continue to profit from their wrongful activities. The full extent of the Plaintiffs' damages is not yet known to the Plaintiffs but the Plaintiffs undertake to provide the particulars of all such damages prior to the trial of this action.
36. The Defendants have acted in a high-handed, malicious and reprehensible fashion, and in a wanton and reckless disregard for the Plaintiffs' rights, which ought not be countenanced by this Honourable Court. Accordingly, the Plaintiffs are entitled to punitive, aggravated and exemplary damages.
37. As a result of the wrongful acts of the Defendants, the Plaintiffs have suffered and continue to suffer special and consequential damages, particulars of which will be provided before trial.
38. The Plaintiffs propose that this action be tried at the City of London, Ontario.

March 29, 2011

BRAUTI THORNING ZIBARRAS LLP
151 Yonge Street, Suite 1800
Toronto, ON M5C 2W7

James Zibarras - LSUC #48856F

Tel.: 416.362.4567
Fax: 416.362.8410

Trung S. Nguyen - LSUC #49386C

Fax: 416.306.2957
Tel.: 416.362.8410

Lawyers for the Plaintiffs

Court File No.: 54/11

1787811 ONTARIO INC. et al
Plaintiffs

and

BRIAN KEVIN POREBA et al
Defendants

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Woodstock

STATEMENT OF CLAIM

BRAUTI THORNING ZIBARRAS LLP
151 Yonge Street, Suite 1800
Toronto, ON M5C 2W7

P. James Zibarras
LSUC No. 48856F

Trung S. Nguyen
LSUC No. 49386C

Tel: 416.362.4567
Fax: 416.362.8410

Lawyers for the Plaintiffs

This is **Exhibit "B"** referred to in the
affidavit of **Michael Sioen**, sworn before me
this 10th day of May, 2011.


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homenik LLP,
Barristers and Solicitors
Expires June 17, 2011.

Request ID: 012955466
Transaction ID: 43669218
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/02/28
Time Report Produced: 16:45:51
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2208260	TRUE BLEND TOBACCO COMPANY INC.	2009/06/04
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
500 HWY 3 BOX 32 TILLSONBERG ONTARIO CANADA N4G 4H4	NOT APPLICABLE	NOT APPLICABLE
	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address	Revival Date	Continuation Date
500 HWY 3 BOX 32 TILLSONBURG ONTARIO CANADA N4G 4H4	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors Minimum Maximum	Date Commenced in Ontario
	00001 00010	NOT APPLICABLE
Activity Classification		Date Ceased in Ontario
NOT AVAILABLE		NOT APPLICABLE

Request ID: 012955466
Transaction ID: 43669218
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/02/28
Time Report Produced: 16:45:51
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CORPORATION PROFILE REPORT

Ontario Corp Number

2208260

Corporation Name

TRUE BLEND TOBACCO COMPANY INC.

Corporate Name History

TRUE BLEND TOBACCO COMPANY INC.

Effective Date

2009/06/04

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

**Administrator:
Name (Individual / Corporation)**

ELYSIA
OSZTROVICS

Address

R.R.#3, 26 LAWRENCE STREET

BURFORD
ONTARIO
CANADA N0E 1A0

Date Began

2009/06/04

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 012955466
Transaction ID: 43669218
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/02/28
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CORPORATION PROFILE REPORT

Ontario Corp Number

2208260

Corporation Name

TRUE BLEND TOBACCO COMPANY INC.

**Administrator:
Name (Individual / Corporation)**

ELYSIA
OSZTROVICS

Address

R.R.#3, 26 LAWRENCE STREET

BURFORD
ONTARIO
CANADA N0E 1A0

Date Began

2009/06/04

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

**Administrator:
Name (Individual / Corporation)**

ELYSIA
OSZTROVICS

Address

R.R.#3, 26 LAWRENCE STREET

BURFORD
ONTARIO
CANADA N0E 1A0

Date Began

2009/06/04

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Request ID: 012955466
Transaction ID: 43669218
Category ID: UN/E

Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

2208260

Corporation Name

TRUE BLEND TOBACCO COMPANY INC.

**Administrator:
Name (Individual / Corporation)**

VICTOR
OSZTROVICS

Address

R.R.#3, 26 LAWRENCE STREET

BURFORD
ONTARIO
CANADA N0E 1A0

Date Began

2009/06/04

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

**Administrator:
Name (Individual / Corporation)**

VICTOR
OSZTROVICS

Address

R.R.#3, 26 LAWRENCE STREET

BURFORD
ONTARIO
CANADA N0E 1A0

Date Began

2009/06/04

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Request ID: 012955466
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Category ID: UN/E

Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

2208260

Corporation Name

TRUE BLEND TOBACCO COMPANY INC.

**Administrator:
Name (Individual / Corporation)**

BRIAN
KEVIN
POREBA

Address

188 HIGHWAY 53

CATHCART
ONTARIO
CANADA N0B 1B0

Date Began

2009/06/04

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

**Administrator:
Name (Individual / Corporation)**

BRIAN
KEVIN
POREBA

Address

188 HIGHWAY 53

CATHCART
ONTARIO
CANADA N0B 1B0

Date Began

2009/06/04

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

VICE-PRESIDENT

Resident Canadian

Y

Request ID: 012955466
Transaction ID: 43669218
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/02/28
Time Report Produced: 16:45:51
Page: 6

CORPORATION PROFILE REPORT

Ontario Corp Number

2208260

Corporation Name

TRUE BLEND TOBACCO COMPANY INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2010	1C	2011/02/12 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

This is Exhibit "C" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011..


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homenluk LLP,
Barristers and Solicitors
Expires June 17, 2011.

Court File No: 54/11

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE *Mr. Justice*) FRIDAY THE 1st DAY OF
D. R. McDermid)
APRIL, 2011

BETWEEN:

1787811 ONTARIO INC., 1815612 ONTARIO INC., 2134265 ONTARIO LTD.,
2204293 ONTARIO INC., 2204051 ONTARIO LTD.,
2226700 ONTARIO INC., 2229987 ONTARIO INC., 2230916 ONTARIO LTD.,
2231288 ONTARIO INC., 2232139 ONT. LTD., 2232466 ONTARIO INC.,
2232471 ONTARIO INC., AARON PHILLIPS, ALLAN MUDGE,
AUTUMN CREEK FIELD INC., BIRDIEBUFF HOLDINGS LTD., BMW FARMS INC.,
BRANDON VANHAECKE, BRIAN SIOEN, BRIAN VANDERHAEGHE, C & B
VANKERREBROECK FARMS INC., COLLIN YARMIE, D & M CSERCICS FARMS
INC., DAVID TOTH, DIERICK FARMS LTD., DK SIOEN FARMS INC., EDWARD
POLJANOWSKI, G.D. BYERS FARMS, GARY DEMEYERE, GARY ISENER, JACOB
D & ELISABETH KNELSEN, MENDONCA HOLDINGS INC., JEFF NEVILLE,
JORDAN JAMES FARMS, JOSEPHINE DECAROLIS, KEITH BOKLA, KYLIE
DEMEULENAERE FARMS LTD., MATTHEW SOBCZYK, MICHAEL DEW, MYTY
FARM, PETER WALL, R & R FARMING LIMITED, RHINELAND FARMS LTD.,
RICHARD & BARBARA DEMAREST, RYAN DEMEULENAERE FARM LTD., SCOTT
BRINKER, TRUDY REDEKOPP, STEVEN KNILL and SPRIET VENTURES LTD.

Plaintiffs

- and -

BRIAN KEVIN POREBA and VICTOR OSZTROVICS together operating as
TRUE BLEND and TRUE BLEND TOBACCO COMPANY INC.,
and JOHN DOE and JANE DOE

Defendants

ORDER

- 2 -

NOTICE

If you, the Defendants, disobey this order you may be held to be in contempt of court and may be imprisoned, fined or have your assets seized. You are entitled to apply on at least twenty-four (24) hours notice to the Plaintiff, for an order granting you sufficient funds for ordinary living expenses and legal advice and representation.

Any other person who knows of this order and does anything which helps or permits the Defendant to breach the terms of this Order may also be held to be in contempt of court and may be imprisoned, fined or have their assets seized.

THIS MOTION, made without notice by the Plaintiffs, for an interim Order in the form of a *Mareva* injunction restraining the Defendants, from dissipating its assets and other relief, was heard this day at Woodstock, Ontario.

ON READING the Affidavits of Mike Sioen, Jeff Neville, and Mike Vankerrebroeck sworn on April 1, 2011, on hearing the submissions of counsel for the Plaintiffs, and on noting the undertaking of the Plaintiffs to abide by any Order this Court may make concerning damages arising from the granting and enforcement of this Order,

Mareva Injunction

1. **THIS COURT ORDERS** that the Defendant, and its servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, and any and all persons with notice of this injunction, are restrained from directly or indirectly, by any means whatsoever:

- (a) selling, removing, dissipating, alienating, transferring, assigning, encumbering, or similarly dealing with any assets of the Defendant, wherever situate, including but not limited to the assets and accounts listed in Schedule "A" hereto;
- (b) instructing, requesting, counselling, demanding, or encouraging any other person to do so; and
- (c) facilitating, assisting in, aiding, abetting, or participating in any acts the effect of which is to do so.

2. **THIS COURT ORDERS** that paragraph 1 applies to all of the Defendants' assets whether or not they are in their own name and whether they are solely or jointly owned. For the purpose of this order, the Defendants' assets include any asset which they have the power, directly or indirectly, to dispose of or deal with as if it were their own. The Defendant is to be regarded as having such power if a third party holds or controls the assets in accordance with his direct or indirect instructions.

- 3 -

Ordinary Living Expenses

3. **THIS COURT ORDERS** that the Defendant may apply for an order, on at least twenty-four (24) hours notice to the Plaintiff, specifying the amount of funds which the Defendant is entitled to spend on ordinary living expenses and legal advice and representation.

Disclosure of Information

4. **THIS COURT ORDERS** that the Defendant prepare and provide to the Plaintiff within 7 days of the date of service of this Order, a sworn statement describing the nature, value, and location of his assets in Ontario, whether in his own name or not and whether solely or jointly owned.

5. **THIS COURT ORDERS** that the Defendant submit to examinations under oath within 7 days of the delivery by the Defendant of the aforementioned sworn statements.

6. **THIS COURT ORDERS** that if the provision of any of this information is likely to incriminate the Defendant, he may be entitled to refuse to provide it, but is recommended to take legal advice before refusing to provide the information. Wrongful refusal to provide the information referred to in paragraph 4 herein is contempt of court and may render the Defendant liable to be imprisoned, fined, or have his assets seized.

Third Parties

7. **THIS COURT ORDERS** the any banks at which the Defendants hold accounts, including without limitation TD Canada Trust and the Canadian Imperial Bank Of Commerce (the "Banks") to forthwith freeze and prevent any removal or transfer of monies or assets of the Defendant held in any account or on credit on behalf of the Defendant, with the Banks, until further Order of the Court, including but not limited to the accounts listed in Schedule "A" hereto.

8. **THIS COURT ORDERS** that the Banks forthwith disclose and deliver up to the Plaintiff any and all records held by the Banks concerning the Defendant's assets and accounts, including the existence, nature, value and location of any monies or assets or credit, wherever situate, held on behalf of the Defendant by the Banks.

Alternative Payment of Security into Court

9. **THIS COURT ORDERS** that this Order will cease to have effect if the Defendant provides security by paying the sum of \$12,735,363.38 into Court, and the Accountant of the Superior Court of Justice is hereby directed to accept such payment.

Variation, Discharge or Extension of Order

10. **THIS COURT ORDERS** that anyone served with or notified of this Order may apply to the Court at any time to vary or discharge this order, on four (4) days notice to the Plaintiff.

11. **THIS COURT ORDERS** that the Plaintiff shall apply for an extension of this Order within ten (10) days hereof, failing which this Order will terminate.

DR. R. D. Arnold

ENTERED AT WOODSTOCK
in Book No. 182
as Document No. 46.
on APR 1 2011
by *M. Wallace*

SCHEDULE "A"

BANK	ADDRESS	ACCOUNT NAME	ACCOUNT NO.
Canadian Imperial Bank of Commerce	113 King Street E Burford, Ontario N0E 1A0	Brian Kevin Poreba	
TD Canada Trust	128 King Street Burford, Ontario N0E 1A0	Victor Osztrovics	
TD Canada Trust	128 King Street Burford, Ontario N0E 1A0	True Blend Tobacco Company Inc.	

- 6 -

Court File No: 54/11
BRIAN KEVIN POREBA et al
Defendants

and

1787811 ONTARIO INC. et al
Plaintiffs/Moving Parties

ONTARIO

SUPERIOR COURT OF JUSTICE

Proceeding commenced at Woodstock

ORDER

BRAUTI THORNING ZIBARRAS LLP
151 Yonge Street, Suite 1800
Toronto, ON
M5C 2W7

P. James Zibarras
LSUC No. 48856F
Trung S. Nguyen
LSUC No. 49386C

Tel: 416.362.4567
Fax: 416.362.8410

Lawyers for the Plaintiffs/Moving Parties

**This is Exhibit "D" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.**


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

CITATION: 1787811 Ontario Inc. et al v. True Blend, et al 2011 ONSC 2080
COURT FILE NO.: 54/11
DATE: 2011-04-01

ONTARIO

SUPERIOR COURT OF JUSTICE

RE: 1787811 Ontario Inc. et al, Plaintiffs, Moving Parties

and:

True Blend Tobacco Company Inc. et al, Defendants.

BEFORE: Mr. Justice D. R. McDermid at Woodstock

COUNSEL: J. Zibarras and Trung Nguyen, for the Plaintiffs

HEARD: April 1, 2011.

ENDORSEMENT

- [1] The 49 plaintiffs are licensed by the Ontario Flue-Cured Tobacco Marketing Board to grow and sell tobacco in Ontario. Each of them entered into a contract with the personal defendants who are licensed by the Board as buyers of flue-cured tobacco in Ontario.
- [2] As required by the contracts, the plaintiffs grew the tobacco and delivered it to the defendants for payment. Although some payments were made in part to individual plaintiffs, the plaintiffs collectively claim that the defendants owe them in excess of \$12 million. Despite numerous promises from the defendants to make payment and the intervention of the Board, payment remains outstanding. Moreover, and of great concern to the plaintiffs, is the information they have received that the tobacco they did grow and deliver to the defendants is being sold to third parties without compensation to them. Part of their claim, as outlined in the statement of claim, is for damages for tobacco they grew but failed to deliver to the defendants because of their concern for payment.
- [3] Accordingly, they move *ex parte* for a *Mareva* injunction.
- [4] I am satisfied on a balance of probabilities on the material before me of the following:
 - a. The plaintiffs, acting in good faith on representations made by the defendants, entered into written contracts to grow and deliver tobacco to the defendants and the defendants agreed to pay them for that tobacco upon delivery in accordance with prevailing customs in the industry and the terms of the contracts.
 - b. When some of the plaintiff delivered their tobacco to the defendants, it was weighed and the defendants provided a cheque which, upon presentation, was

[2]

returned for insufficient funds. In some cases further cheques were provided which, again, were not honoured upon presentation.

- c. The net result is that the defendants failed to pay the plaintiffs in accordance with the terms of the contract when the plaintiffs delivered the tobacco to the defendants.
- d. The defendants made repeated promises to pay the plaintiffs which they did not keep.
- e. The defendants have arranged for the sale of tobacco delivered by the plaintiffs to third parties.
- f. The plaintiffs have not been paid for the tobacco that the defendants have arranged to have delivered to the third parties.
- g. As a result of non-payment, promises that were repeatedly broken, and mounting concerns, the plaintiffs refused to deliver the additional tobacco called for by their contracts.
- h. In fact, the Board restricted the defendants from receiving any further tobacco until they paid for the tobacco they had already received from the plaintiffs.
- i. The plaintiffs advised the defendants of an offer to purchase 1,000,000 pounds of the unsold tobacco at a reduced price but the defendants told them not to sell because they required the tobacco to meet existing contracts and that the plaintiffs would be paid soon. This did not happen.

- [5] The plaintiffs claim that the defendants owe them \$4,157,207.24 for tobacco that has been delivered and \$8,578,156.14 for tobacco that the plaintiffs have been unable to deliver because the defendants have not paid for the tobacco they already received.
- [6] In paragraph 42 of the affidavit of Michael Sieon sworn April 1, 2011, he deposes that he attended a meeting with the defendant Victor Osztrovics who told him that 1,000,000 pounds of the plaintiffs' tobacco had been shipped to a Mohawk reservation.
- [7] Exhibit H to his affidavit is an e-mail referred to in paragraph 45 of that affidavit which purports to be a message from a Dennis Makepiece to Victor Osztrovics with a copy to Grant Sanders dated February 23, 2011. It makes reference to potential sales of tobacco to buyers in other countries and the transportation of tobacco to North Carolina.
- [8] In his affidavit sworn April 1, 2011, Jeff Neville deposes that he attended at the defendants' facility on March 18, 2011 and saw four transport trucks preparing to exit the premises. He used his vehicle to block them and spoke with the drivers of the trucks who advised him that they contained flue-cured tobacco for delivery to Albany New York. Photographs of the trucks are attached as Exhibit A.

[3]

- [9] Paragraphs 48 and 49 of the affidavit of Michael Sieon set forth particulars of assets comprising bank accounts and lands and premises within Ontario believed to be owned by the defendants.
- [10] The test for obtaining a Mareva injunction is set out in paragraph 34 of the plaintiffs' factum.
- [11] Based on the material before me, I find that the plaintiffs have:
- a. Made full and frank disclosure of all material matters within their knowledge.
 - b. Set forth particulars of their claims against the defendants including the grounds for their claims and the amount claimed.
 - c. Set forth particulars of assets they believe are owned by the defendants in Ontario.
 - d. Given an undertaking as to damages.
- [12] I am satisfied that the plaintiffs have made out a strong prima facie case on the material filed and I have no hesitation in finding on a balance of probabilities that there are sufficient grounds to believe that there is a present and substantial risk of the defendants' assets, and tobacco delivered by the plaintiffs to the defendants for which they have not received payment, being removed from the jurisdiction or being dissipated or disposed of before a judgment or award is satisfied. In fact, it appears most probable that the defendants presently are selling tobacco delivered by the plaintiffs for which the plaintiffs have not been paid to third parties outside this jurisdiction. Unless this activity is stopped as soon as possible, the plaintiffs will suffer irreparable harm.
- [13] Accordingly, an order will issue for the relief requested in the notice of motion and the draft order. An interim injunction shall issue as requested. The plaintiffs shall apply for an extension of the order within 10 days of this date, failing which this order shall terminate.



Mr. Justice D. R. McDermid

Date: April 1, 2011.

This is Exhibit "E" referred to in the
affidavit of **Michael Sioen**, sworn before me
this 10th day of May, 2011.


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

1787811 ONTARIO INC. et al
Plaintiffs/Moving Parties

and

BRIAN KEVIN POREBA et al
Defendants/Responding Parties

8/04/11.

Adj to AP. 14/11 for 1/2 hr hearing.

On consent 12:30 pm.
Counsel to meet to remain in place until further
Mtg. 11/11 Street.

April 14, 2011

Zibarras, Nguyen for plaintiffs
Tones and for defendants

I am not satisfied that there is
sufficient paper evidence before me
to make an assessment excepting
certain fees, purchases and payments
from the scope of the existing order.

The writin is adjourned for a
special appointment (at least 2 days)
within 3 weeks, date to be
fixed by the trial court.
Leave is granted to conduct Rule 39
examinations after the cross-examination
of the defendant Osztorics. *Allen Moore*

ONTARIO

SUPERIOR COURT OF JUSTICE

Proceeding commenced at Woodstock

MOTION RECORD

(Ex Parte Motion for a Mareva Injunction)

VOLUME 1 OF 2

BRAUTI THORNING ZIBARRAS LLP

151 Yonge Street East, Suite 1800
Toronto, ON M5C 2W7

P. James Zibarras
LSUC No. 48856F

Trung S. Nguyen
LSUC No. 49386C

Tel: 416.362.4567
Fax: 416.362.8410

Lawyers for the Plaintiffs/Moving Parties

**This is Exhibit "F" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.**


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

Job no. _____

Schwartz Levitsky Feldman Inc.

TRUSTEE IN BANKRUPTCY
TORONTO □ MONTREAL □ OTTAWA

Telephone: (416) 785-5353 Facsimile: (416) 784-3025

TRANSMITTAL SHEET

DATE: April 21, 2011
FROM: Alan Page
TO: James Zibarras
COMPANY:
FACSIMILE NO.: 416-362-8410
RE: True Blend Tobacco Company Inc.

NUMBER OF PAGES (INCLUDING TRANSMITTAL SHEET): 10

COMMENTS FROM SENDER:

Please find following notice of intention to file a proposal.

THE ORIGINAL:	RETAINED ON FILE	<input checked="" type="checkbox"/>
	WILL FOLLOW BY MAIL	<input type="checkbox"/>
	WILL FOLLOW BY COURIER	<input type="checkbox"/>

The following material is intended for use only by the individual or entity to which it is specifically addressed and should not be read by, or delivered to, any other person. If you have received this facsimile in error, please notify us immediately. If there are any errors, or you do not receive any of these pages properly, please call the above-noted individual as soon as possible.

District of: Ontario
Division No. 05 - London
Court No.
Estate No.

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

In the matter of the proposal of
TRUE BLEND TOBACCO COMPANY INC.
A company duly incorporated pursuant to the laws of the
Province of Ontario with a head office in the Town of Tillsonburg
County of Oxford Province of Ontario

Take notice that:

1. I, TRUE BLEND TOBACCO COMPANY INC., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Schwartz Levitsky Feldman Inc. of 1167 Caledonia Road, Toronto, ON, M6A 2X1, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 20th day of April 2011.



TRUE BLEND TOBACCO COMPANY INC.
Insolvent Person

To be completed by Official Receiver:

Filing Date _____

Official Receiver

- Proposal Consent -


In the matter of the proposal of
TRUE BLEND TOBACCO COMPANY INC.
A company duly incorporated pursuant to the laws of the
Province of Ontario with a head office in the Town of Tillsonburg
County of Oxford Province of Ontario

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of TRUE BLEND TOBACCO COMPANY INC..

Dated at the City of Toronto in the Province of Ontario, this 20th day of April 2011.

Schwartz Levitsky Feldman Inc. - Trustee



1167 Caledonia Road
Toronto ON M6A 2X1
Phone: (416) 785-5353 Fax: (416) 784-3025

- Creditor Mailing List -

In the matter of the proposal of
TRUE BLEND TOBACCO COMPANY INC.
 A company duly incorporated pursuant to the laws of the
 Province of Ontario with a head office in the Town of Tillsonburg
 County of Oxford Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Secured	TRISURA GUARANTEE INSURANCE CO		BOX 22 1610-333 BAY STREET Toronto ON M5H 2R2	
Unsecured	1537702 ONTARIO INC.		R R 1 Walsingham ON N0E 1X0	71,233.40
	1787811 ONTARIO INC.		1310 2ND CONCESSION RD DeHI ON N4B 2W6	76,552.81
	1815612 ONTARIO INC.		17 ELEANOR COURT Tillsonburg ON N4G 2H3	65,328.35
	2134265 ONTARIO LTD.		595 CONCESSION 3 DeHI ON N4B 2W4	38,343.50
	2204293 ONTARIO INC.		P O BOX 25064 Brantford ON N3T 6K5	157,208.41
	2226700 ONTARIO INC.		80 BRIDGE ST E UNIT 507 Tillsonburg ON N4G 1T2	91,743.76
	2229987 ONTARIO INC.		R R 1 CourtLAND ON N0J 1E0	86,185.05
	2232466 ONTARIO INC.		31 KING'S HILL LANE Brantford ON N3T 6A3	98,245.83
	2232471 ONTARIO INC.		812950 BASELINE ROAD Norwich ON N0G 1P0	169,176.92
	ABILITY & DRIVE		100-C FORGE WAY Rockway NJ 07866 USA	485.00
	AUTUMN CREEK FIELD		R R 3 1329 CONCESSION 8 Langton ON N0E 1G0	81,016.81
	BELL CANADA		GROUPE INSOLVABILITE - AFFAIRE 1 ALEXANDRE GRAHAM BELL AILE E3 VERDUN PQ H3E 3B3	225.16
	BELL CANADA		GROUPE INSOLVABILITE - AFFAIRE 1 ALEXANDRE GRAHAM BELL AILE E3 VERDUN PQ H3E 3B3	53.62
	BEST WEIGH SCALE		R R 2 Scotland ON N0E 1R0	1,582.00
	BIRDIEBUFF HOLDINGS LTD.		R R 1 79 BELL MILL SIDE ROAD CourtLAND ON N0J 1E0	80,826.53
	BLAKE'S FARM EQUIPMENT		R R 2 SIMCOE ON N3Y 4K1	16,272.00
	BMW FARMS INC.		R R 3 1310 2ND CONCESSION DeHI ON N4B 2W6	75,861.98
	C & B VANKERREBROECK		R R 1 812425 BASELINE ROAD LaSalette ON N0E 1H0	94,627.98
	CANADA REVENUE AGENCY		LONDON TAX SERVICES OFFICE 451 TALBOT STREET, PO BOX 5548 London ON N6A 4R3 Fax: (519) 645-5397	35,108.66

- Creditor Mailing List -

In the matter of the proposal of
TRUE BLEND TOBACCO COMPANY INC.
 A company duly incorporated pursuant to the laws of the
 Province of Ontario with a head office in the Town of Tillsonburg
 County of Oxford Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	CANADA STEEL		25 CUDDY BLVD London ON N5V 3Y3	2,097.28
	CLINE, BACKUS, NIGHTINGALE		P O BOX 528 39 COLBORNE STREET SIMCOE ON N3Y 4N5	7,150.07
	COOPER MILLS LTD.		R R 3 MaDOC ON K0K 2K0	296.29
	D & M CSERCISIS FARMS INC.		514 TALBOT ROAD DeHI ON N4B 2W6	159,742.73
	D K SIOEN FARMS INC.		R R 2 101 10TH CONCESSION Burford ON N0E 1A0	92,368.83
	DIIL EXPRESS CANADA LTD.		200 WESTCREEK BLVD Brampton ON L6T 5T7	96.62
	DIERICK FARMS LTD.		2021 BRANTFORD RD 4 Vinessa ON N0E 1V0	245,179.79
	DODSLEY PROPANE		45 BRUCE STREET Tillsonburg ON N4G 5C4	1,288.57
	E & E MCLAUGHLIN LTD.		P O BOX 428 500 HWY #3 Tillsonburg ON N4G 4H8	243,644.51
	EQUIPMENT SALES & SERVICE INC.		P O BOX 3114 Wilson NC 27893 USA	95,550.00
	EXECULINK TELECOM		P O BOX 130 Burgessville ON N0J 1C0	141.05
	FARMER'S BLEND INC.		P O BOX 444 Burford ON N0E 1A0	11,602.66
	FASTENAL CANADA		860 TRILLIUM DRIVE Kitchener ON N2R 1K1	398.41
	G D BYERS FARMS INC.		2 DUFFERIN ST Norwich ON N0J 1P0	75,063.47
	GRACIOUS LIVING		7200 MARTINGROVE RD Woodbridge ON L4L 9J3	110,000.00
	HAUNT RICHMOND INC.		2800 CHARLES CITY RD Richmond VA 23231 USA	1,612.60
	HUGYE, ELIZABETH		R R 2 81190 BASELINE Otterville ON N0J 1R0	136,061.76
	ICR CANADA CORPORATION		7032 WELLINGTON ROAD Guelph ON N1H 6J3	898.35
	J/B BEARING & MACHINE LTD.		68 SPRUCE STREET Tillsonburg ON N4G 5V3	2,053.69
	JONES, JOHNATHON & DANIELLE		R R 1 27 RIDGEWAY AVE SIMCOE ON N3Y 4J9	74,266.63
	JORDAN JAMES FARMS LTD.		219 2ND CONCESSION RD PRINCETON ON N0J 1V0	71,881.02
	KANTERS, PAUL		R R 1 113 CROTON AVENUE DeHI ON N4B 2W4	66,486.43
	KEITH BOKLA		2865 WINDHAM WAY DeHI ON N4B 2W5	63,942.31

- Creditor Mailing List -

In the matter of the proposal of
TRUE BLEND TOBACCO COMPANY INC.
 A company duly incorporated pursuant to the laws of the
 Province of Ontario with a head office in the Town of Tillsonburg
 County of Oxford Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	KEYSTONE PACKAGING INC.		2088 JETSTREAM ROAD London ON N5V 3P6	3,241.12
	KLENZOID		P O BOX 3857 Toronto ON M5L 1K1	2,742.31
	KNELSON, JACOB & ELIZABETH		R R 1 894 EAST QUARTERLINE Walsingham ON N0E 1X0	79,067.29
	KNILL, STEVEN		R R 1 105 HIGHWAY 2 PRINCETON ON N0J 1V0	71,030.30
	KOSLOWSKI, CLAUDE		P O BOX 1195 Port Dover ON N0A 1N0	1,110,550.80
	KUKIELKA PRODUCE		1228 WINDHAM RD, 6 Vanessa ON N0E 1V0	23,222.00
	KYLIE DEMEULENAERE FARMS LTD.		R R 3 224 3RD CONCESSION PRINCETON ON N0J 1V0	1,651.74
	LABSTAT INTERNATIONAL ULC		262 MANITOU DRIVE Kitchener ON N2C 1L3	819.48
	LEACH, ARCHIE		1000 POND MILLS RD, UNIT 6 London ON N6N 1A3	401,000.00
	MANARY, J BRENT		R R 1 57238 LIGHT LINE Vienna ON N0J 1Z0	143,965.23
	MANULIFE FINANCIAL		P O BOX 1627 Waterloo ON N2L 4P4	5,185.16
	MENDONCA HOLDINGS INC.		71 WOODLAND CRES Tillsonburg ON N4G 4G6	146,671.69
	MICHAEL DEW		R R 2 532236 UNION LINE Tillsonburg ON N4G 4G7	59,494.45
	MUDGE, ALLAN		R R 2 712214 MIDDLETOWN LINE Oterville ON N0J 1R0	76,248.11
	MYTY FARMS		R R 2 164855 NEW ROAD Tillsonburg ON N4G 4G7	68,050.66
	NEVILLE, JEFF		R R 2 St WILLIAMS ON N0E 1P0	252,507.86
	ONTOR LIMITED		12 LESWYN ROAD Toronto ON M6A 1K3	222.58
	OSZTROVICS, ELYSIA		R R 3 26 LAWRENCE Burford ON N0E 1A0	34,162.20
	PARKVIEW CUSTOMS BROKERAGE LTD.		P O BOX 39 773451 HIGHWAY 59 Norwich ON N0J 1P0	1,522.39
	PERRAS MECHANICAL SERVICES LTD.		R R 6 585 OAK PARK ROAD Brantford ON N3T 5L8	46,832.40

- Creditor Mailing List -

In the matter of the proposal of
TRUE BLEND TOBACCO COMPANY INC.
 A company duly incorporated pursuant to the laws of the
 Province of Ontario with a head office in the Town of Tillsonburg
 County of Oxford Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	PHILIPS, AARON		R R 4 302 13TH CONCESSION RD Langton ON N0E 1G0	38,030.58
	POREBA, BRIAN		118 COUNTY RD 53 Cathcart ON N0E 1B0	121,790.24
	R & R FARMING		R R 1 158 BURFORD Norwich ON N0J 1P9	152,329.24
	RDA CONTAINER CORPORATION		70 CHERRY ROAD Rochester NY 14624 USA	8,277.50
	REDEKOPP, TRUDY		R R 1 200 NORFOLK COUNTY RD Walsingham ON N0E 1X0	82,294.95
	RHINELAND FARMS LTD.		531 BOSTWICK ROAD Courtland ON N0J 1E0	85,619.04
	RICHARD & BARBARA DEMAREST		R R 1 1506 CONCESSION 2 Delhi ON N4B 2W6	175,472.64
	RYAN DEMEULENAERE FARMS LTD.		55 KING STREET Burford ON N0E 2A0	81,992.53
	SAMPLA BELTING CANADA LTD.		430 HARROP DRIVE Milton ON L9T 3H2	947.68
	SCOTT BRINKER		78 MASSECAR LANE SIMCOE ON N3Y 4J9	80,641.78
	SEAWEST LOGISTICS		5000 ARMAND-FRAPIER St HUBERT QC J3Z 1G5	134,803.76
	SOBCZYK, MATTHEW		R R 3 283 5TH CONCESSION RD Burford ON N0E 1A0	79,935.53
	SPRIET VENTURES LTD.		214 MAPLE AVE S Burford ON N0E 1A0	73,156.24
	SZALKAI, REBECCA		R R 5 219 CONCESSION 2 Langton ON N0E 1G0	80,834.59
	TOTH, DAVID		R R 2 432250 ZENDA LINE Tillsonburg ON N4G 4G7	244,087.57
	TSC STORES L.P.		1950 OXFORD ST E London ON N5V 2Z8	424.64
	ULINE		P O BOX 3500 Mississauga ON L5M 0S8	988.54
	UNION GAS		P O BOX 2025 Chatham ON N7M 6C7	8,103.23
	UPS CANADA		STN A P O BOX 4900 Toronto ON M5W 0A7	275.78
	VAN HOUTTE COFFEE SERVICES INC.		8215 17TH AVE Montreal QC H1Z 4J9	45.94
	VANBERLO, AMANDA & MATTHEW		R R 3 110 BURFORD Scotland ON N0E 1R0	786.75

- Creditor Mailing List -

In the matter of the proposal of
TRUE BLEND TOBACCO COMPANY INC.
 A company duly incorporated pursuant to the laws of the
 Province of Ontario with a head office in the Town of Tillsonburg
 County of Oxford Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	VANBERLO, MIKE		R R 3 96 BURFORD Scotland ON N0E 1R0	751.63
	VANDERHAEGHE, BRIAN		R R 1 506 12TH CONCESSION Langton ON N0E 1G0	83,359.31
	VANHAECKE, BRANDON		R R 2 220 8TH CONCESSION Langton ON N0E 1G0	74,458.04
	WAEI.Z, JUSTIN		R R 2 155 WINDHAM RD DelHI ON N4B 2W5	90,882.57
	WALL, PETER		R R 6 57684 CARSON LINE Tillsonburg ON N4G 4G9	61,556.65
	WESTBURNE RUDDY ELECTRIC		UNITS 3 & 4 26 SPRUCE STREET Tillsonburg ON N4G 4W6	170.26
	WOODSIDE GREENS GOLF CLUB		847 CHARLOTTEVILLE RD SIMCOE ON N3Y 4J9	5,850.00
	YARMIE, COLIN		R R 2 145222 POTTERS ROAD Tillsonburg ON N4G 4G7	168,886.93

Court No.

File No.

In the matter of the proposal of
TRUE BLEND TOBACCO COMPANY INC.
A company duly incorporated pursuant to the laws of
the
Province of Ontario with a head office in the Town of
Tiltsenburg
County of Oxford Province of Ontario

Form 33
Notice of intention to make a proposal

Schwartz Levitsky Feldman Inc. - Trustee

1167 Caledonia Road
Toronto ON M6A 2X1
Phone: (416) 785-5353 Fax: (416) 784-3025

**This is Exhibit "G" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.**


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

**This is Exhibit "H" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.**


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

**This is Exhibit "I" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.**


A COMMISSIONER FOR TAKING AFFIDAVITS

Lnette Colleen Crook, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

Licensee	Date Contract Entered Into with True Blend	Total Volume Contracted (in lbs)	Total Volume Delivered to True Blend (in lbs)	Total Volume Shipped and Paid for by True Blend (in lbs)	Total Amount Received from True Blend (in \$)	Total Amount Still Owed By True Blend (in \$)	Total Volume In Barn Left To Ship (in lbs)	Estimated Value of Tobacco In Barn (in \$)
1787811 Ontario Inc. c/o Peter Watts	10-Dec-09	121,374	50,800	16,177	\$34,780.55	\$75,514.12	70,574	\$155,262.28
1815612 Ontario Inc. c/o Crystal Ginelle Verspeeten	3-Feb-10	121,073	97,797	37,797	\$80,690.08	\$65,328.35	53,491	\$117,680.20
2134265 Ontario Limited c/o Dennis Vanhooren	4-Jan-10	144,000	35,881	18,489	\$39,696.55	\$38,344.00	0	\$0.00
2204293 Ontario Inc. c/o John Lipsick	11-Dec-09	444,290	146,596	75,717	\$163,499.53	\$157,208.41	290,000	\$638,000.00
2204051 Ontario Limited c/o Elizabeth Huyge	24-Jan-10	282,450	100,500	38,396	\$81,712.15	\$137,950.98	181,950	\$400,290.00
2226700 Ontario Inc. c/o Carol Groenveld	21-Jan-10	120,000	73,211	32,629	\$69,637.08	\$89,805.72	0	\$0.00
2229987 Ontario Inc. c/o Nancy Thompson	11-Feb-10	170,875	70,210	31,695	\$66,514.08	\$85,029.60	100665.00	\$221,463.00
2230916 Ontario Limited c/o Ryan D'Hulster	1-Feb-10	111,840	15,336	15,366	\$32,136.42	\$0.00	96,477	\$212,242.80
2231288 Ontario Inc. c/o Chris VanAcker	11-Feb-10	82,708	21,143	21,143	\$45,002.20	\$0.00	61,565	\$135,443.00
2232139 Ontario Limited c/o Peter Vilaca	15-Jan-10	183,575	32,791	32,791	\$76,820.46	\$0.00	150,784	\$331,724.80
2232466 Ontario Inc. c/o Anita Wilson	4-May-10	110,066	77,803	32,940	\$72,747.12	\$99,298.68	32,263	\$70,978.86
2232471 Ontario Inc. c/o David Cain	22-Feb-10	154,488	107,852	32,258	\$68,795.72	\$164,995.18	46,636	\$102,599.20
Aaron Phillips	26-Jan-10	110,400	44,942	27,894	\$59,451.12	\$37,519.14	0	\$0.00
Allan Mudge	3-May-10	117,384	51,174	15,923	\$32,230.15	\$75,190.58	66,210	\$145,662.00
Autumn Creek Field Inc. c/o Andrew Vranckx	29-Jan-10	154,775	50,118	14,460	\$30,576.55	\$79,005.24	104,657	\$230,245.40
Birdiebuff Holdings Ltd. BMW Farms Inc.	4-Feb-10	136,920	70,146	33,981	\$74,758.20	\$82,500.00	69,054	\$151,918.80
c/o Magda Watts	20-Jan-10	133,135	50,724	16,346	\$35,200.10	\$74,830.64	82,411	\$181,304.20
Brandon Van Haecke	2-Feb-10	82,041	46,142	12,584	\$26,395.68	\$73,451.30	0	\$0.00
Brian Sioen	14-Dec-09	149,390	66,559	66,559	\$143,116.96	\$0.00	0	\$0.00
Brian Vanderhaeghe	6-Jan-10	127,575	50,365	11,320	\$23,998.40	\$83,359.31	77,210	\$169,862.00
C&B Vankebroeck Farms Inc.	12-Jan-10	136,158	74,025	31,933	\$67,934.60	\$93,365.22	62,133	\$136,692.60
Collin Yarmie	8-Jan-10	213,525	110,393	34,761	\$71,330.45	\$80,000.00	103,132	\$226,890.40
D & M Csercsics Farms Inc. c/o Rose Csercsics	20-Jan-10	156,168	88,033	15,718	\$32,894.60	\$159,742.43	68,135	\$149,897.00

<u>Licensee</u>	<u>Date Contract Entered into with True Blend</u>	<u>Total Volume Contracted (in lbs)</u>	<u>Total Volume Delivered to True Blend (in lbs)</u>	<u>Total Volume Shipped and Paid for by True Blend (in lbs)</u>	<u>Total Amount Received from True Blend (in \$)</u>	<u>Total Amount Still Owed By True Blend (in \$)</u>	<u>Total Volume In Barn Left To Ship (in lbs)</u>	<u>Estimated Value of Tobacco In Barn (in \$)</u>
David Toth	8-Jan-10	182,710	124,008	15,244	\$32,195.58	\$242,059.55	58,702	\$129,144.40
Dierick Farms Ltd.	18-Feb-10	352,200	212,534	72,868		\$245,179.79	0	\$0.00
D K Sioen Farms Inc.	3-Dec-09	151,992	77,055	35,862	\$76,901.06	\$92,368.83	0	\$0.00
Edward Poljanowski	11-Feb-10	114,246	32,667	15,567	\$34,386.77	\$37,472.96	81,579	\$179,473.80
G.D.Byers Farms Inc.								
c/o Grant & Byers	5-Jan-10	115,782	50,294	16,032	\$34,762.04	\$74,035.61	65,488	\$144,073.60
Gary Demeyere	11-Feb-10	154,395	35,375	17,059	\$36,006.64	\$39,918.60	119,020	\$261,844.00
Gary Isenor	6-Jan-10	79,090	9,879	9,879	\$20,250.58	\$0.00	69,211	\$152,264.20
Jacob D & Elisabeth Knelson	6-Jan-10	137,146	50,098	15,190	\$31,622.45	\$76,339.54	87,048	\$191,505.60
Jamie Mendonca								
c/o Mendonca Holdings Inc.	6-Jan-10	184,800	83,467	17,474	\$35,883.96	\$142,279.51	101,333	\$222,932.60
Jeff Neville	4-May-10	190,463	130,323	16,033	\$34,524.87	\$249,079.16	60,140	\$132,308.00
Jordan James Farms Ltd.								
c/o Jordan Demeulenaere	10-Feb-10	221,562	64,845	33,393	\$72,177.79	\$68,694.56	156,717	\$344,777.40
2206388 Ontario Limited								
c/o Josephine DeCarolis	19-Jan-10	248,400	28,783	28,783	\$56,990.06	\$0.00	219,617	\$483,157.40
Keith Bokla	5-Jan-10	80,525	34,037	0	\$0.00	\$72,921.20	46,488	\$102,273.60
Kylie Demeulenaere Farms Ltd.	17-Feb-10	130,296	36,758	36,758	\$82,408.80	\$0.00	93,538	\$205,783.60
Matthew Sobczyk	8-Dec-09	214,544	70,351	35,063	\$74,258.17	\$77,486.96	144,193	\$317,224.60
Michael Dew	28-Jan-10	124,190	54,868	27,150	\$57,627.13	\$59,494.45	69,322	\$152,508.40
MyTy Farms								
c/o Amanda & Scott DeCloet	10-Jan-10	251,680	47,158	16,860	\$36,417.60	\$66,239.04	204,522	\$449,948.40
Peter Wall	23-Dec-09	101,550	43,581	14,740	\$30,864.70	\$61,565.00	57,969	\$127,531.80
R & R Farming Limited								
c/o Luke Sioen	12-Jan-10	171,144	96,636	28,162	\$59,363.56	\$150,275.02	74,508	\$163,917.60
Rhineland Farms Ltd.	11-Jan-10	141,289	70,312	32,066	\$69,327.04	\$85,619.04	70,977	\$156,149.40
Richard & Barbara Demarest	21-Jan-10	156,408	79,320	16,589	\$35,156.05	\$173,093.04	0	\$0.00
Ryan Demeulenaere Farm Ltd.	10-Feb-10	150,864	67,463	31,521	\$68,413.15	\$80,003.64	83,401	\$183,482.20
Scott Brinker	18-Jan-10	146,119	75,818	36,172	\$77,295.16	\$88,800.18	80,301	\$176,662.20
Trudy Redekopp	5-May-10	228,140	71,243		\$74,000.00	\$81,195.42	156,894	\$345,166.80
Steven Knill	21-Jan-10	113,762	32,912	0	\$0.00	\$68,504.34	80,850	\$177,870.00
Spriet Ventures Ltd.	7-Feb-10	108,504	33,778	0	\$0.00	\$72,142.90	0	\$0.00
TOTAL		7,816,001	3,246,104	1,235,362	\$2,560,751.91	\$4,157,207.24	3,899,165	\$8,578,156.14

**This is Exhibit "J" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.**


A COMMISSIONER FOR TAKING AFFIDAVITS

Lynette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

Statement

I was in attendance at a meeting at Victor Osztrovics home where Michael Sioen was also present. At this meeting I asked Victor what Grant, Brian and himself had been arguing about. Victor stated that he and Brian were angry because Grant had shipped a million pounds of tobacco to Akensawsnee to a guy named Eddie.

I was also at True Blend's facility on March 18, 2011 with Jeff Neville when six transport trucks departed the plant. We were in the process of stopping the trucks from leaving when Victor arrived. Victor called Steve Orrett to assure us that these loads would be paid for in full and that the money would go to the farmers. Victor gave the phone to Jeff Neville and at that point Steve told us that he was going to call the police and have us arrested if we did not allow their trucks to leave. At that time I advised Jeff to let the trucks go because it was Friday and if you are arrested on a Friday you won't get out till Monday. We returned to the plant the following Monday, March 21, 2011, in the afternoon and were told by Victor that the trailers were put in safe keeping as an insurance policy for himself. He also stated that money from the previous ten truck loads would be coming in that week.

A handwritten signature in black ink, consisting of a cursive name followed by a stylized initial or mark.

**This is Exhibit "K" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.**


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

FILE NO. 54/11

ONTARIO SUPERIOR COURT OF JUSTICE

B E T W E E N:

1787811 ONTARIO INC. Et al

Plaintiffs

- and -

BRIAN KEVIN POREBA, et al

Defendants

Cross-Examination of

VICTOR OSZTROVICS

CINDY JONES

VERBATIM REPORTING SERVICE

ONTARIO SUPERIOR COURT OF JUSTICE

B E T W E E N:

1787811 ONTARIO INC., 1815612 ONTARIO INC., 2134265
ONTARIO INC., 2294293 ONTARIO INC., 2204051 ONTARIO
LTD., 2226700 ONTARIO INC., 2229987 ONTARIO INC.,
2230916 ONTARIO LTD., 2231288 ONTARIO INC., 2232139
ONTARIO LTD., 2232466 ONTARIO INC., 2232471 ONTARIO
INC., AARON PHILLIPS, ALLAN MUDGE, AUTUMN CREEK
FIELDING INC., BIRDIEBUFF HOLDINGS LTD., BMW FARMS
INC., BRANDON VANHAECKE, BRIAN SIOEN, BRIAN
VANDERHAEGHE, C&B VANKERREBROECK FARMS INC., COLLIN
YARMIE, D&M CSERCISICS FARMS INC., DAVID TOTH, DIERICK
FARMS LTD., DK SIOEN FARMS INC., EDWARD POLJANOWSKI,
G.D. BYERS FARMS, GARY DEMEYERE, GARY ISENER, JACOB D
& ELISABETH KNELSEN, MENDONCA HOLDINGS INC., JEFF
NEVILLE, JORDAN JAMES FARMS, JOSEPHINE DECAROLIS,
KEITH BOKLA, KYLIE DEMEULENAERE FARMS LTD., MATTHEW
SOBCZYK, MICHAEL DEW, MYTY FARM, PETER WALL, R&R
FARMING LIMITED, RHINELAND FAMRS LTD., RICHARD &
BARBARA DEMAREST, RYAN DEMEULENAERE FARM LTD., SCOTT
BRINKER, TRUDY REDEKOPP, STEVEN KNILL and SPRIET
VENTURES LTD.

CINDY JONES
VERBATIM REPORTING SERVICE

Defendants.

MR. ZIBARRAS: Yeah.

MR. TOUESNARD: Any of the Defendants. UND

BY MR. ZIBARRAS:

373. Q. How did you first meet Mr. Saunders?

A. I believe it was at a tobacco trade show.

374. Q. Do you remember what year?

A. Oh, wait, just a year, year-and-a-half
prior.

375. Q. His name doesn't really show up in any of
your materials. He's received payments for tobacco,
correct, from buyers?

A. From buyers?

376. Q. Yes.

A. That I am not sure.

377. Q. Well, isn't it correct that a lot of the
tobacco that was sent to third party buyers payments
went to Mr. Saunders and then from him to True Blend?

A. Which period?

378. Q. Since August of 2010.

A. I believe so.

379. Q. Okay. Which bank -- which bank does Mr.
Saunders deal with?

A. I believe -- I am not sure. T-D I

This is Exhibit "L" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

- A. I have never asked him that.
387. Q. You haven't had that conversation with him?
- A. No.
388. Q. Okay. So he sets up the sales to these third party buyers?
- A. Yes.
389. Q. Which sales did he set up?
- A. The ones -- the sales that we have noted.
390. Q. Noted where?
- A. Do you have the -- my mind just drew a blank, that's all.
391. Q. Okay. Well, let me ask you this, you keep track of all the sales; right?
- A. Do I? I try to keep track. Keep in mind because I do have a lot on the go.
392. Q. You are required to keep track of it under the regulations? You are required by CRA and the Excise Tax Act to keep track?
- A. That's right. We keep track of it through Tammy. She was our right hand person kept track of it.
393. Q. Alright. So you would know about -- I am not asking you to tell me or give me a list right now, but you would know about every single sale that

**This is Exhibit "M" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.**


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

MR. TOUESNARD: Counsel, he already told you the conversation didn't happen.

BY MR. NGUYEN:

730. Q. He seems to be surprised right now by it right now. That's why I am pointing it out to him. Maybe you haven't read this Affidavit. Paragraph 42, have a read through.

A. No. There was no conversation of Aquasasne whatsoever.

731. Q. You never discussed Aquasasne?

A. No.

732. Q. You never discussed Eddie?

A. I may have mentioned Eddie. I don't even

733. Q. Who is Eddie?

A. Eddie, he is acquaintance of Grant. I don't even know his last name.

734. Q. You don't know Eddie's last name?

A. No.

735. Q. What would you have mentioned about Eddie?

A. It wasn't in that context, that's for sure.

736. Q. Tell me what context?

- A. I think in the -- in the -- back in the purchasing of equipment, yeah.
737. Q. Purchasing of what equipment?
- A. There is no secret, we bought some of the equipment through one, two, three different reservations.
738. Q. Okay.
- A. One was up in North Quebec from -- oh, boy. I forget the name. That's where the cutters come from.
739. Q. Okay.
- A. Then some of the elevation stuff come through Montreal, okay. Then there was a portion come from North Carolina through Equipment Sales.
740. Q. Okay. I take it that Eddie was one of the suppliers of the equipment?
- A. Yes.
741. Q. Okay. When Eddie supplied the equipment, did Grant purchase it or did True Blend purchase it?
- A. Well, True Blend ended up owning it.
742. Q. Who paid for it?
- A. I am not -- I assume Grant. I bought some equipment myself, you know, like coordinated it.
743. Q. What equipment did Eddie sell you?
- A. Umm, some thrashing, some of the

**This is Exhibit "N" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.**


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011. _____

90 per cent of illegal cigarettes made in Akwesasne: RCMP

Last Updated: Thursday, April 24, 2008 | 6:04 PM ET

[CBC News](#)

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Beginning of Story Content

The RCMP say they are cracking down on a booming cigarette industry based on the aboriginal reserve spanning the St. Lawrence River that they allege supplies most of the illegal cigarettes in Canada.

"The majority of contraband tobacco seized by the RCMP from B.C. to Newfoundland do come from the American side of the Akwesasne Mohawk Territory," Sgt. Michael Harvey said Thursday as the RCMP prepared to dispose of enough tobacco to make 3.7 million cigarettes, seized from the reserve straddling the borders of Quebec, Ontario and New York state.

Harvey alleged that 90 per cent of illegal cigarettes sold in Canada — mostly in Central Canada — come from Akwesasne, and police are now seizing in one week the number of cigarettes that they used to confiscate in a month.

"The Canadian people think that they're saving tax dollars by buying these illicit tobacco, but in fact, they're financing organized crime groups that are using the geography of our border to move illegal products back and forth and then to financially gain from the sale of this illicit project," Harvey said. "It is a public safety issue."

On Thursday, the RCMP invited CBC News to the Cornwall dump to watch as they crushed and buried \$400,000 worth of cigarillos, cartons of cigarettes, and garbage bags of fine-cut tobacco.

Harvey said about 105 organized crime groups are involved in manufacturing the cigarettes, and many use the proceeds from illegal tobacco to fund other activities. Right now, police are trying to target the groups' leaders, but they can't ignore the loads of cigarettes that cross the St. Lawrence River by the boatload, he said.

End of Story Content

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RCMP



ROYAL CANADIAN MOUNTED POLICE

2008

CONTRABAND TOBACCO ENFORCEMENT STRATEGY

Customs & Excise Branch
Border Integrity, Federal & International Customs



Royal Canadian Mounted Police
Gendarmerie royale du Canada

Canada



Dear Reader,

The contraband tobacco market is complex and continually evolving. The development of an RCMP Contraband Tobacco Enforcement Strategy is the first step in what will be a strategically driven process to tackle the growing illicit contraband tobacco market in Canada.

The RCMP's key concern is the increased involvement of organized crime implicated in illegal tobacco activities for monetary gain. The public needs to be aware that profits from illegal tobacco products are also funding other criminal activities, such as drug and gun trafficking. Furthermore, some of these organized crime groups are known to use violence to ensure profit. Be aware that you are funding criminal activity if you are purchasing products that are not sold legitimately. We all have a role to play in combating the contraband tobacco market.

Another disconcerting trend related to the illicit tobacco market is the increasing involvement of youth in contraband tobacco activities for organized crime groups. The lure of easy money and minimal risk is a situation that some can't resist.

It is important that we not only address the supply of, but also, the demand for contraband tobacco. Combating the illegal tobacco market includes targeting those who purchase the illegal products. As such, the overall goal of the Strategy is to nationally reduce the availability of and decrease the demand for contraband tobacco, in turn supporting government health objectives.

Given the broad interest in tobacco-related enforcement, we have spoken with a variety of federal, provincial and Aboriginal partners, non-governmental organizations, academia, industry and key police services. I would like to thank those that participated in the consultation process. While it is always difficult to draw the line at the number of individuals and groups to speak with, the RCMP feels that it has developed its first Contraband Tobacco Enforcement Strategy from a sampling of diverse views across the country.

In closing, the solutions to achieving our goal will not come easily or quickly, but the RCMP is dedicated to ensuring that Canadians continue to enjoy safe and secure communities.

William J.S. Elliott
Commissioner
Royal Canadian Mounted Police

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Any queries regarding the content of this report, or requests for additional copies, should be addressed to:

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Appendix 1 – Roles and Responsibilities of Partners and Stakeholders

Appendix 2 – Related Acts

Appendix 3 – Customs and Excise Program Logic Model

Appendix 4 – Glossary



I. EXECUTIVE SUMMARY

Illicit sales of contraband tobacco contribute to an underground economy worth hundreds of millions of dollars. Traditionally seen as a victimless crime, tobacco trafficking is now regarded as a significant source of income for all levels of organized crime, who reinvest the substantial profits to support other criminal activities. The linkages between the illicit tobacco market and organized crime have increased exponentially over the last six years. While tobacco is a legal substance that is consumed by approximately 5 million Canadians, a growing number are purchasing contraband tobacco without realizing the negative impact it is having on Canadian communities and Canada's economic integrity.

By definition, contraband tobacco is any tobacco product that does not comply with the provisions of all applicable federal and provincial statutes. This includes importation, stamping, marking, manufacturing, distributing and payment of duties and taxes. Contraband tobacco originates from both domestic and international activities. The current trend of manufacturing, distributing and selling contraband tobacco products, which has developed exponentially over the last six years, involves organized crime networks exploiting Aboriginal communities.

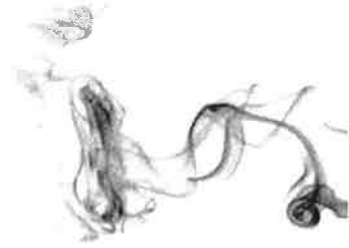
The expansion of the contraband tobacco distribution networks to the east and west coasts signify that the illicit tobacco market is a burden on all Canadians. Contraband tobacco directly:

- decreases government revenue for various programs (e.g., health and social) by hundreds of millions annually,
- increases criminal justice spending,
- undermines health objectives, and
- opens the door for easy and unmonitored accessibility by youth.

Through the implementation of the Contraband Tobacco Enforcement Strategy, the RCMP's strategic outcome is to reduce the availability of and decrease the demand for contraband tobacco nation-wide, as well as support government health objectives. In an effort to ensure that the Strategy is effective, regular reviews and updates will be conducted as the illicit market evolves, including reviews of enforcement efforts.

Aboriginal participation in public safety and anti-organized crime efforts is fundamental in achieving successful long-term outcomes for all communities. With this in mind, the RCMP is sensitive to long-standing Aboriginal claims concerning trading rights (e.g. inter-Nation, inter-Tribal) and jurisdiction. It is through open, ongoing dialogues with various Aboriginal leaders that collaborative efforts can be made to address public safety concerns.

ORGANIZED CRIME



II. INTRODUCTION

The illicit trade in tobacco products presents a serious threat to public safety and health in Canada. According to recent threat assessments, approximately 105 organized crime groups¹ of varying levels of sophistication are currently known to be involved in the illicit tobacco trade. Compounding the problem is that 69% are also involved in drug trafficking, mainly marijuana and cocaine, and/or weapons trafficking. Furthermore, 30% of these groups are known to have violent tendencies. The increasing trend of organized crime involvement in the illicit tobacco market is a growing concern for the RCMP because it undermines Canadians' expectations of community safety, public health and economic integrity.

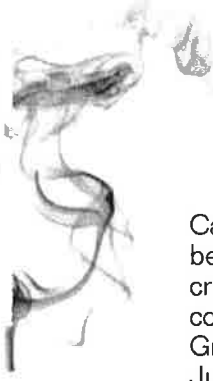
The sale of contraband tobacco contributes to a major underground economy worth hundreds of millions of dollars, and growing. While in the past, many individuals benefited from the illicit tobacco trade, this practice is regarded as a significant source of income for all levels of organized crime, income that is often reinvested to support other criminal activities. An illegal tobacco manufacturing and distributing operation evading all federal and provincial duties and taxes can sell its product for as little as \$6 for 200 cigarettes (equal to one carton), while legitimate tobacco products are sold for \$75-90 for one carton.

¹ The Criminal Code defines organized crime as a "criminal organization", however organized, that: (a) is composed of three or more persons in or outside Canada; and, (b) has as one of its main purposes or main activities the facilitation or commission of one or more serious offences, that, if committed, would likely result in the direct or indirect receipt of a material benefit, including a financial benefit, by the group or by any one of the persons who constitute the group.

On September 20, 2006, a Windsor, Ontario resident pleaded guilty in Detroit on racketeering charges for his role in an alleged smuggling ring that dealt in contraband cigarettes, counterfeit Zig-Zag rolling papers and fake Viagra, and steered some of the profits to Hezbollah guerrillas. The group ran a multimillion-dollar cigarette-trafficking ring out of Dearborn, Michigan. The group also transported stolen property, laundered money, and solicited money for Hezbollah's support of families of those killed in suicide bombings and other terrorist operations. See http://www.iht.com/articles/ap/2006/09/21/america/NA_GEN_US_Smuggling_Ring.php for the full story.

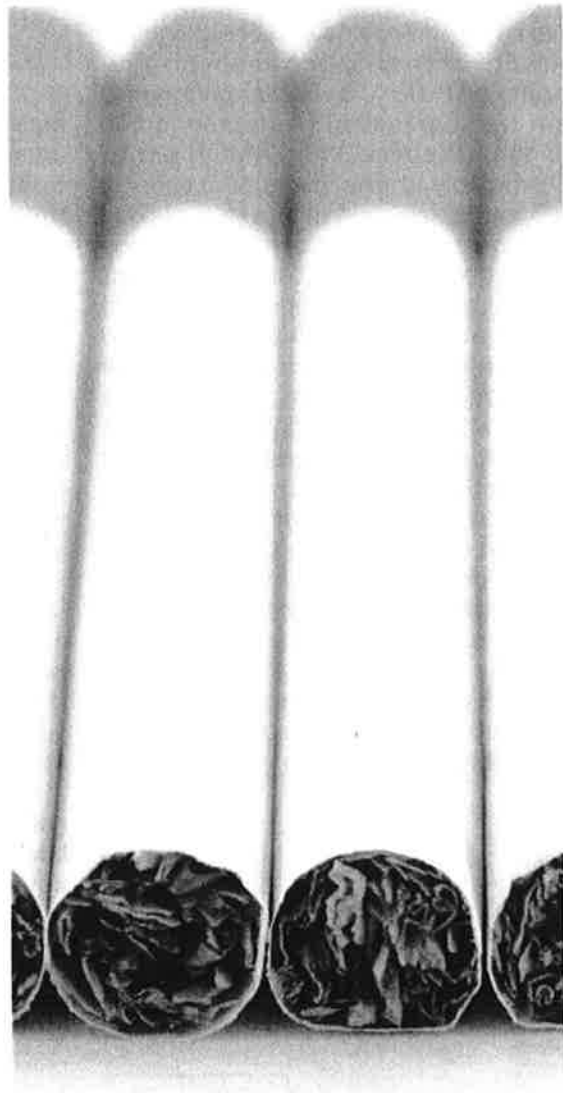
While extremely difficult to methodically estimate, losses to the federal and provincial governments could be in the order of hundreds of millions annually from the contraband tobacco market. Even more concerning are the potential links between the illicit trade in tobacco products and the funding of terrorist activities – as documented in recent foreign investigations.

VIOLENCE



Canadian smokers are not making the connection between cheap/illicit tobacco products and criminal activity. The Canadian tobacco industry contracted a third-party research company, GfK Group, to assess smoking trends in Canada. In June 2007, their research indicated that 22% of smokers are consuming illegal tobacco products. This estimate is up from 16.5% in 2006².

Based on the growth of the illicit tobacco market in recent years, it is evident that current deterrent efforts need to be enhanced and expanded. Presently, individuals who are prosecuted for tobacco-related offences are often the low-level “runners” who smuggle and distribute contraband goods. According to individuals regularly involved in the judicial process, the majority are low-income earners and repeat offenders who rarely pay their fine in full, creating an added burden on our court systems, primarily the Fine Recovery Units. For the most part, current enforcement efforts are focused on the trafficking and smuggling networks. The combination of supply, demand and inconsistent application of existing deterrents (e.g. penalties) are creating a low-risk – high-profit opportunity for criminal organizations.



² At the present time the federal government does not conduct similar research.

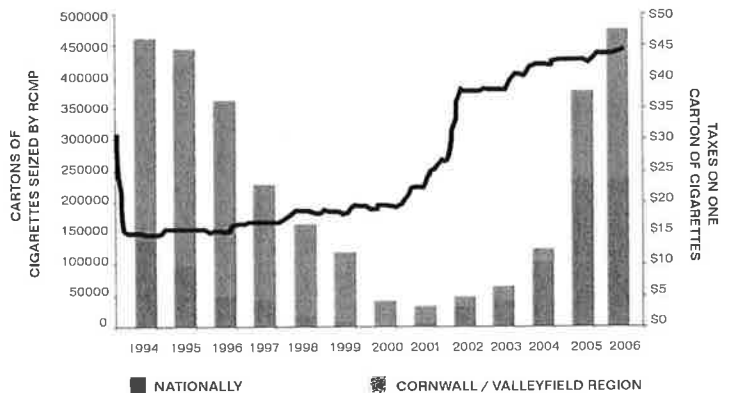


In 2001, Health Canada led the development of the Federal Tobacco Control Strategy (FTCS). The 10-year objective for the FTCS is to reduce tobacco-related disease and death in Canada. The four key elements that drive the health component of the Strategy are prevention, cessation, protection and harm reduction (presently referred to as product regulations). Additional resources to federal departments and agencies, including the RCMP, were allocated to monitor and assess the effectiveness of tobacco tax changes in reducing contraband tobacco activities. RCMP resources, along with other partners' efforts, enable Finance Canada to assess the effectiveness of the current tax structure and determine the size and timing of future tax increases.

Taxing tobacco at a high and sustainable level has been a key element in the strategy for reducing smoking and improving health outcomes. By June 2002, the federal government had restored excise taxes and duties to their pre-1994 level. In 2002 and 2003, the provinces also implemented substantial increases in tobacco taxes and they have continued these increases. According to non-governmental organizations, it is estimated that a 10% increase in the price of tobacco products reduces consumption by 4.5% to 4.7%⁴.

That being said, the objective of the FTCS is to find a balance between tax increases and the development of a contraband market, which can reduce the effectiveness of the tax increases. As the chart below illustrates, the increase in RCMP seizures mimics the fluctuation of taxes over the years. While the chart shows an increase of seizures over the last several years, RCMP resource levels had in fact dropped over the same period.

AVERAGE TAX RATES AND CONTRABAND TOBACCO



⁴ Estimating price elasticities when there is smuggling: the sensitivity of smoking to price in Canada. *Journal of Health Economics* 22 (2003) 821-842. Jonathan Gruber, Massachusetts Institute of Technology, Anindya Sen, University of Waterloo, and Mark Stabile, University of Toronto

ILLICIT MANUFACTURING



III. THE STRATEGY

The increasing availability of contraband tobacco is a growing concern among federal and provincial levels of government as well as many external stakeholders. RCMP seizures reached historic highs in 2006, surpassing the 1994 ASI seizure benchmark (456,333 cartons) by 3.5%, or a 16-fold increase since 2001. In response, the RCMP has developed the Contraband Tobacco Enforcement Strategy to guide RCMP operations, and to generate partner support and involvement in broader initiatives that are also expected to assist in decreasing the upward trend of the illicit market. With this in mind, the strategic outcome for the Strategy is:

to nationally reduce the availability of and decrease the demand for contraband tobacco.

Based on the purpose and strategic outcome, the related objectives are as follows:

- Enhance the skills of our members to effectively address the current contraband tobacco environment;
- Disrupt organized crime groups involved in illicit tobacco activities;
- Enhance intelligence gathering/sharing while leveraging investigative capacity; and
- Increase public and law enforcement awareness through a variety of communication initiatives.

The approach developed for the Strategy is in line with each of the RCMP's overarching strategic priorities to:

- reduce the threat and impact of organized crime in Canada;
- support activities that contribute to the health and safety of Aboriginal communities;
- work with youth to prevent crimes involving them either as victims or offenders;
- ensure economic integrity in order to minimize the occurrence of illegal economic activity that either robs or diverts funds away from hard-working Canadians; and
- reduce the threat of criminal terrorist activity in Canada, including illegal activities that provide financial support.

There are many avenues that can be taken to address the growing levels of contraband tobacco seizures in Canada. It will be important to monitor efforts undertaken in this strategy as the current environment evolves, successes are achieved, and new challenges emerge. Such efforts will assist in making a lasting difference on the contraband tobacco market. The RCMP is also committed to exploring and contributing, where possible, to a variety of policy efforts outside operational enforcement activities, including educational, economic and social objectives that will reduce the contraband tobacco market.



IV. OVERVIEW OF THE CANADIAN TOBACCO ENVIRONMENT

According to Health Canada's 2006 Canadian Tobacco Use Monitoring Survey, approximately 5 million Canadians, 15 years and older, are current smokers. While Canadians are well educated about the health implications of tobacco, approximately 19%⁶ of Canada's population continues to smoke and uptake among youth is still occurring. Statistics Canada reports that Canadians spent \$14.5B⁷ on tobacco products in 2005. In contrast, the Canada Centre on Substance Abuse conducted a study in 2002 which found that tobacco use placed a burden on Canadian society equivalent to approximately \$17 billion. The three highest contributors to the substance-related costs were health care and law enforcement costs as well as losses of productivity in the workplace or at home resulting from premature death and/or disability.

The current cost of a legitimate carton of cigarettes is \$75-90, depending on the province or territory. Approximately 70-75% of the retail cost is federal and provincial taxes. As the retail price of cigarettes increases, those who continue to smoke, especially those who are sensitive to price, are motivated to find lower cost options to satisfy their addiction.

Historically, Canadian smokers have been brand-loyal to Canadian blend cigarettes. There are three major legitimate manufacturers of tobacco for the Canadian market: Imperial Tobacco Canada, Rothmans Benson and Hedges Inc. and JTI MacDonald Corp. The primary retail source for their products is the 6,000 plus convenience stores across the country. Half of these businesses are family-run and have indicated⁸ that they depend on the sale of tobacco products to survive.

There are a variety of federal and provincial departments and agencies that have roles and responsibilities related to tobacco. These organizations are responsible for health objectives, regulatory regimes, taxation, enforcement and Aboriginal and international relations. The combination of their responsibilities results in layers of regulations, taxation, interdependent objectives, and multi-jurisdictional enforcement. Therefore, no one department or agency can act alone. See Appendix 1 for a list of partners and stakeholders, and their role in tobacco.

⁶ CTUMS, 2006

⁷ Statistics Canada, Canadian Socio-Economic Information Management System (CANSIMS), 2006

⁸ Researchology, Canadian Convenience Store Association Contraband Tobacco Merchant Study, July 2007



i. Defining Contraband Tobacco

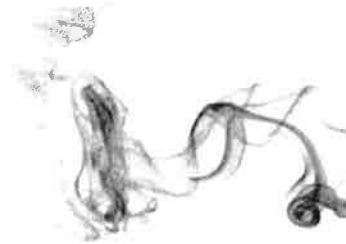
By definition, contraband tobacco is any tobacco product that does not comply with the provisions of all applicable federal and provincial statutes. This includes importation, stamping, marking, manufacturing, distributing and payment of duties and taxes. Contraband products are currently entering the Canadian tobacco market through four major sources:

- Unlawfully/lawfully manufactured in the US and then smuggled into Canada or unlawfully manufactured in Canada,
- Counterfeit tobacco products and other brands entering the country illegally;
- Diverted GST/HST-relieved and provincial tax-exempt tobacco products; and
- Other related criminality (e.g. convenience store and cargo thefts, truck high-jackings).

Historically, the tobacco black market has proven to be very responsive to government efforts to minimize the illicit market. As previously outlined, in response to measures implemented in the 1990s to target the cross-border smuggling of domestically produced cigarettes, the illicit market shifted to intra- and inter-provincial diversion methods. The current trend of manufacturing, distributing and selling contraband tobacco products, which has exponentially developed over the last 5 years, involves organized crime networks exploiting Aboriginal communities and the politically sensitive relationship between these communities and the different levels of government and enforcement agencies, as well as counterfeit tobacco products arriving in Canada mainly from China.



SMUGGLING

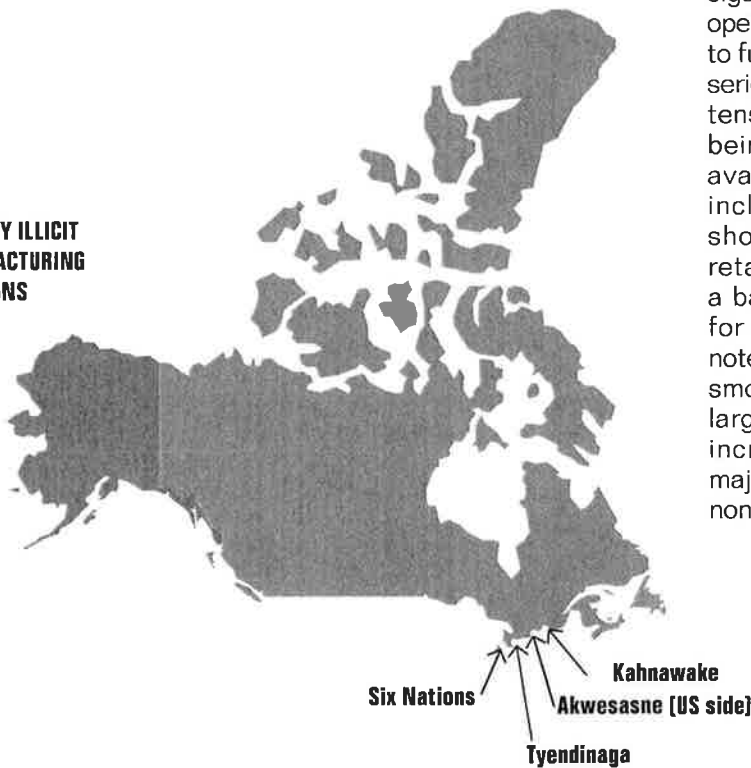


Illicit Manufacturing in Canada and the US


The largest source of illegal tobacco in Canada is manufacturing operations Aboriginal Territory based on the US side of Akwesasne and Kahnawake in Quebec and Tyendinaga and Six Nations in Ontario. The map above shows the location of these communities.

Not all manufacturing operations in these communities are illegal, and not all community members support the illegal operations which may be occurring within their communities. This trend started in 2001 and has been growing exponentially. The clear plastic resealable bags or "baggies" of 200 cigarettes are the most popular, and account for the largest proportion of seizures by police and provincial revenue enforcement agencies. These cigarettes come from different manufacturing operations, ranging from small ad-hoc operations to fully equipped manufacturing plants involving serious organized crime groups. Conservatively, tens of millions of contraband cigarettes are being produced each year. The baggies are available across Canada in various venues including the hundreds of smoke shacks/shops on reserves, door-to-door delivery, retail outlets, and schools. As of July 2007, a baggie of 200 cigarettes could be bought for approximately \$6 direct from one of the noted community's smoke shops/shacks. These smoke shops/shacks, which are designed for large volume cigarettes sales, are becoming increasingly accessible and they serve as major distributors for the underground market to non-Aboriginal traffickers and end-users.

PRIMARY ILLICIT MANUFACTURING LOCATIONS



COUNTERFEIT



Figures for 2006 indicate a total of 315 known bulk sales locations, but new locations continue to open.

COMMUNITIES	NUMBER OF SMOKE SHOPS/SHACKS
Kahnawake	125
Six Nations	100
Tyendinaga	40
Kanesatake	28
Kitigan Zibi	12
Curve Lake	10

Currently, the largest proportion of all contraband tobacco seized by the RCMP originates from illicit manufacturers on the US side of the Akwesasne Territory. The Cornwall/Valleyfield area is the hub of extensive smuggling activities between ports of entry. While some of these products may be legitimately produced in the US, they presently do not meet the proper importing requirements or comply with all applicable Canadian legislation in order to be lawfully sold on the domestic market.

Based on intelligence as well as previous and ongoing cases, the links to organized crime and the contraband tobacco market are clear. For example, in November 2006, after a two-year investigation, the Cornwall Combined Forces Special Enforcement Unit with support from RCMP Cornwall Detachment and police partners arrested 12 individuals who have been charged with a total of 115 counts for various offences including drug possession, conspiracy to traffic in drugs, cigarette smuggling, conspiracy to smuggle cigarettes and possession and sale of unstamped manufactured tobacco. Using runners, the two ringleaders arranged for the transportation of drugs and tobacco by boat across the St. Lawrence River between the Canadian and the US side of the Akwesasne Mohawk Territory.



Counterfeit and international tobacco products

Counterfeit tobacco products involving domestic and international brands are making their way into the country via sea containers. According to RCMP and Canada Border Services Agency (CBSA) intelligence, the majority of the counterfeit products are arriving from China. Globally, the most common counterfeit tobacco product intercepted is Marlboro cigarettes. In Canada, seized counterfeit Canadian brands have been identified only among the most popular brands. Licensed Canadian tobacco manufacturers receive several hundred customer complaints about their products annually. Upon inspection, these products are often counterfeit. Once counterfeiters are able to replicate the taste it will be virtually impossible for smokers to know the difference, except for the price. In 2006, approximately 22% of RCMP and joint RCMP-CBSA contraband cigarettes seized were counterfeit. Due to the international nature of counterfeit networks, the majority of seizures are joint efforts by CBSA and RCMP. Intelligence from CBSA further exposes the extent of counterfeit and international tobacco products on Canada's illicit market. Between 2003 and 2006, CBSA seized 823,303 cartons of cigarettes, of which 478,705 cartons were counterfeit Canadian brands and 87,507 cartons were counterfeit Marlboro cigarettes. Other international brands seized were mostly Chinese cigarettes.

There are also markets for specialty international tobacco products, which generally occur along cultural lines, and are predominantly found in major centres like Toronto. For example, an Egyptian water-pipe (also known as a hookah, sheesha, narg-eelay, hubble-bubble, or gouza) is a tall container with water at the bottom through which air is bubbled, and it has a long hose coming out of it that people smoke through. In most instances the tobacco is imported from the United Arab Emirates, Jordan, Egypt and Saudi Arabia. While water-pipe tobacco is legal in Canada, a smuggling trend has been noticed in Canada in the past few years.

Other foreign tobacco products are beedies (small unfiltered cigarettes wrapped in brown leaves and tied with a short length of thread) and chewing tobacco mixed with betel nuts, which are popular in East Indian communities. Use of beedies may be developing within the largely trend-driven youth market. In fact, reports state that beedies are gaining in popularity among non-East Indians in British Columbia and Toronto. In 2006, approximately 6% of RCMP seizures included illegal foreign tobacco products.



July 16th, 2007, a joint forces operation involving the RCMP Greater Toronto Area Customs and Excise Section, CBSA Investigations and Intelligence Divisions for the Greater Toronto Area and CBSA Container Examination Facility Division in Vancouver, resulted in the seizure of 49,000 cartons of various **Chinese brands** of cigarettes with an approximate total value of \$2.4 million. See http://www.rcmp-grc.gc.ca/on/press/2007/07-07-16_ted_ces_e.htm for the full story.

The monetary benefit from selling counterfeit and international tobacco products is evident. As an example, in Vancouver and Toronto, marine containers are used to smuggle contraband tobacco, both counterfeit and Chinese brands, from China into Canada. When shipping the goods, it is common practice for criminals to inaccurately describe the goods as other commodities (i.e. cover load) in an attempt to mislead CBSA inspectors. The potential financial gain is high; one container of contraband cigarettes (approximately 50,000 cartons) landing in Canada for \$100,000 could net profits of up to \$2.4 million on the black market.

Diversion of tax-relieved/exempted tobacco products

Status Indians (as defined in the Indian Act) are required to pay taxes on the same basis as other Canadians except where the exemption under section 87 of the Indian Act applies. Section 87 stipulates that the personal property of a status Indian or a status Indian Band situated on a reserve is not subject to tax.

Excise duty is imposed on tobacco products at the manufacturing level and is payable by the manufacturer, or in the case of imported tobacco products, by the importer prior to the product entering the domestic Canadian market. The excise duty forms part of the cost of the product. Under section 87 of the *Indian Act*, tax of the exemption does not apply to the excise duty. It is the subsequent sales taxes, whether a federal tax, such as the Goods and Services Tax/Harmonized Sales Tax (GST/HST), or a provincial tobacco/sales tax, that is subject to the section 87 exemption.

A status Indian must present a Certificate of Indian Status card to a vendor on a reserve in order to acquire tobacco products without paying the GST/HST. The purchase of tobacco products on a reserve by other persons is subject to the normal GST/HST rules.

TRAFFICKING



Many provincial governments have a system in place that allows status Indians to obtain their tobacco products on a reserve without paying the provincial taxes. These systems are usually based on a quota system based on the community's population. In order to purchase provincial tax-exempt tobacco on a reserve, some provinces require that the individual's band card be presented. In some cases, the provincial tobacco tax is paid by the vendor who receives the tobacco products, and the vendor then applies for a refund of the provincial tobacco taxes based on those sales that qualify as tax-exempt.

In addition, certain provinces/territories distribute tobacco products intended for sale on-reserve that differ in appearance from provincial tobacco products intended for sale off-reserve. These products have a peach-coloured EXCISE DUTY PAID DROIT ACQUITTE tear tape (stamp).

These products are sometimes described as 'black stock', which means that they are stamped in accordance with federal requirements but not marked in accordance with the provincial requirements that apply to tobacco products for sale in circumstances where the provincial tobacco tax applies.

GST/HST-relieved and provincial tax-exempt tobacco products are being diverted from Aboriginal communities throughout Canada, and end up being illegally sold in Toronto, Halifax, Vancouver and other cities across Canada. Such a scheme allows the seller, who received the GST/HST-relieved and provincial tax-exempt tobacco products, to offer the product at a discounted rate, which makes it appealing to non-status Indian customers. The seller also gains, as non-status Indian customers frequently purchase tobacco products in bulk to redistribute to friends and colleagues.



TRAFFICKING



Other related criminality

According to threat assessments, organized criminal groups have become more involved in the distribution of illicit tobacco products, which provides significant profits to support other illegal activities. The frequency of large-scale and multi-commodity seizures are increasing, revealing that these groups are also involved in the movement of drugs, weapons, counterfeit cash and money laundering operations, and human smuggling.

Project Royal Charm/Smoking Dragon – On August 22, 2005, a coordinated effort of the Federal Bureau of Investigation, the Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Immigration and Customs Enforcement and the Royal Canadian Mounted Police, led to the seizure of more than \$2 million USD in **counterfeit cigarettes**, \$3.3 million USD in **counterfeit currency**, 36,000 **ecstasy pills** and approximately half a kilogram of **methamphetamine**. There was also an agreement between the undercover agents and the defendants to purchase \$1 million USD of various weapons, including **rocket launchers and silenced sub-machine guns**. See http://www.usdoj.gov/opa/pr/2005/August/05_crm_426.htm for the full story.

Along with the increasing involvement of organized crime in contraband tobacco activities, crimes associated with tobacco have also been increasing. For example, convenience stores in large metropolitan centres are experiencing break-ins and armed robberies. Long-haul truck drivers are also being intimidated and threatened into unwillingly giving up their loads. Such actions show that there is a growing disregard for the law and escalating violence within the contraband tobacco trade. While theft and assaults are crimes within the jurisdiction of the local police, the examples serve as a good indicator of the level of violence and crime related to tobacco products within some communities across Canada, and the level of demand for contraband tobacco products.

A truck **driver was shot** in Vaughan early in the morning of July 25 when his cargo, consisting of \$200,000 worth of **cigarettes**, was **hijacked**. Three bandits drove the truck to a nearby parking lot where they shifted the cargo into another truck and fled. See the Toronto Star website www.thestar.com for the full story.

V. THE RCMP'S ROLE IN CONTRABAND TOBACCO



As Canada's national police service, the RCMP has the authority to enforce any Act of Parliament and its related regulations in order to achieve public safety and security.

The RCMP's Customs and Excise Program (C&E) has a wide-ranging mandate to enforce Canadian laws relating to the international movement of dutiable, taxable, controlled or prohibited goods; the manufacture, distribution or possession of contraband products including tobacco and spirits; the illicit traffic of critical high technology and strategic goods, and legislation or regulations that impose non-tariff (permit) controls on the international movement of commodities. Appendix 2 outlines the RCMP's illicit tobacco enforcement tools.

Other areas of the RCMP that play a supporting role in ensuring that the C&E Program can achieve its mandate include the Proceeds of Crime (POC) program which identifies, assesses and restrains illicit and/or unreported wealth accumulated through criminal activities. POC units investigate or assist in the investigation of cases involving the possession and laundering of the proceeds derived from the designated offence, including those related to contraband tobacco.

The RCMP's Aboriginal Policing Coordinators, on a regular basis, meet and consult with Aboriginal leaders, partners and communities on the issues associated with the contraband tobacco trade and organized crime. In addition, the National Aboriginal Policing Services of the RCMP has an established National Public Safety Protocol with the Assembly of First Nations to foster a cultural approach among all RCMP service lines.

The Pipeline/Convoy Interdiction Program is designed primarily for uniformed officers regularly involved in traffic stops. The purpose of the program is to prevent criminals and terrorists from using transportation routes and systems to smuggle or transport people and contraband. Emphasis is on police having heightened awareness based on enhanced observational, conversational and investigative skills. Given the extent to which some of the contraband tobacco networks have expanded across the country, such programs play a key role in preparing officers for encounters with tobacco traffickers.



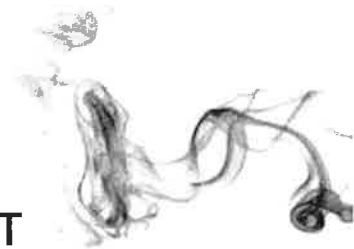
The Criminal Intelligence Program and Services provide criminal information and intelligence, which enables officers to detect and prevent crime having an organized and national-security dimension within Canada, or internationally but affecting Canada. This information is manifested in threat assessments and ongoing analysis of tobacco-related criminal activities.

The RCMP has several channels that provide outreach to communities across the country. Programs such as National Aboriginal Policing Services, Drugs and Organized Crime Awareness and Youth Services, all play a key role in providing the contraband tobacco message at the local level.

The Learning and Development Program provides courses and training opportunities that are needed to ensure that all RCMP officers, primarily C&E officers, are well equipped to carry out their mandate. Technical operations also provide specialized support services such as electronic surveillance support and border monitoring. Other RCMP functions that support C&E efforts include undercover agents, human source development and the source Witness Protection Program.



SMOKE SHOP



VI. OLD COMMODITY – NEW TWIST

i. National Overview

Canada's present contraband tobacco market has grown significantly since 2001, and continued growth is inevitable without an appropriate response. In 2006, various assessments reported some level of organized crime involvement in contraband tobacco activities in all provinces, from traditional organized crime, which is highly sophisticated, well established and potentially violent, to small independent groups, which operate on an ad-hoc basis. The assessments also found that the predominant illicit contraband tobacco product is the clear resealable baggy. Several criminal organizations involved in illicit tobacco activities are also involved in multi-commodity criminal operations, mainly drug-related.

Throughout the country, contraband tobacco is distributed through a variety of different channels. Domestically, the products are known to be sent through the mail or moved by couriers, buses and personal or rented vehicles. For the most part, international products (i.e. counterfeit international brands) are smuggled in vessels across the St. Lawrence Seaway or via marine containers at West Coast marine ports. Nationally, smuggling within the Cornwall region of the St. Lawrence Seaway accounts for the majority of RCMP seizures.



ii. Regional Trends

Central region (Ontario, Quebec)

The central region is home to 64.1%⁹ of Canadian smokers. Since January 2001, both provinces have significantly raised taxes on cigarettes. (see chart 1)

Canada's contraband tobacco market is largely defined by related illegal activities within the central region. This region is also the largest consumer of contraband tobacco. Although the illicit tobacco market in the central region is dominated by baggies, the region has seen an increase in activity from all sources of contraband tobacco. Presence of tobacco-related organized crime activities is also most predominant in the central region, because forty-two criminal organizations directly linked to contraband tobacco activities operate in the Cornwall/Valleyfield region alone. Intimidation is often used in illicit tobacco activities, as a result of the high level of competition in this lucrative market.

Historically, central region illicit tobacco networks distributed their products into the Maritimes. While these networks continue to operate, the RCMP is aware of expansion onto reserves in the country's Northwest region.

Common points of sale for illicit tobacco products at street level are bingo parlours, flea markets and the workplace. Availability continues to grow. Home delivery services are even being reported in the Montreal and Toronto area. The 401/20 highway corridor between these two cities continues to see countless arrests for contraband tobacco offences. Based on research by the GfK Group, it is estimated that 31% of the tobacco consumed in the central region is contraband; the highest in the country.

Tobacco farmers in Ontario are reporting large decreases in revenue due to a declining demand for their crops. A decreased demand through the legitimate market could be an incentive for some tobacco farmers to liquidate their stocks through illicit channels.

CHART 1		
JANUARY/01 – JANUARY/08	CURRENT PROVINCIAL PRODUCT TAXES	REAL INCREASE IN PROVINCIAL TAXES ¹⁰
Quebec	\$20.60	106.5%
Ontario	\$24.70	182.4%
	Federal Excise Duty	Real Increase in Federal Taxes
All provinces and territories	\$17.00	35.7%

⁹ Statistics Canada, Canadian Community Health Survey (CCHS3 1), 2005 CANSIM table 105-0427

¹⁰ Consumer Price index was taken into consideration in the computation of the real tax increases.



Atlantic Region (New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland & Labrador)

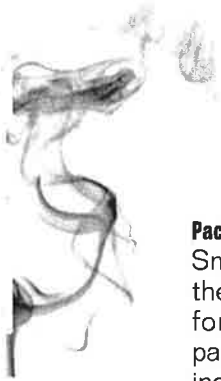
7.7%¹¹ of Canadian smokers live in the Atlantic region. Over the past six years, there have been tax increases within all the eastern provinces: (see chart 2)

This region has the second largest percentage of consumers of contraband in Canada. Organized crime involved in tobacco trafficking is taking on a drug-style approach, which includes acts of intimidation and turf wars within certain areas. As the potential for profit from illegal tobacco activities increases, so will the involvement of various organized crime groups, which will lead to disputes over illicit market share.

Investigations have demonstrated that Atlantic Canada contains a large client base for the Kahnawake and Akwesasne distribution networks. In addition to baggies, several unknown brands of fine cut tobacco products have been found in the region. Finally, over the past year, police reports have indicated that robberies targeting tobacco products are on the rise.

CHART 2		
JANUARY/01 – JANUARY/08	CURRENT PROVINCIAL PRODUCT TAXES	REAL INCREASE IN PROVINCIAL TAXES ¹²
Newfoundland & Labrador	\$36.00	42.9%
Prince Edward Island	\$34.90	127.1%
Nova Scotia	\$33.04	173.9%
New Brunswick	\$23.50	121.2%
	Federal Excise Duty	Real Increase in Federal Taxes
All provinces and territories	\$17.00	35.7%

11 Statistics Canada, Canadian Community Health Survey (CCHS3.1), 2005 CANSIM table 105-0427
 12 Consumer Price index was taken into consideration in the computation of the real tax increases.



Pacific Region - (B.C. & Yukon)

Smoking rates in B.C. & Yukon are the lowest in the country, but the Pacific region still accounts for 11.0% of smokers in Canada¹³. Over the past six years there have been the following tax increases in the region: (see chart 3)

The majority of known illicit tobacco activities are concentrated in the downtown eastside of Vancouver. Products from all sources are available, including illegally manufactured, tax-diverted tobacco products, internationally smuggled tobacco products (counterfeit and foreign brands) and stolen tobacco products.

Baggies from central Canada are very popular in downtown Vancouver. A smaller portion of the illegal market is GST/HST-relieved and provincial tax-exempt tobacco products, which are mainly obtained from any of the smoke shops/shacks which are located in Aboriginal communities around the province.

As an aside, inter-provincially diverted tobacco products are not as profitable as they used to be, due to the fact that the difference in provincial taxes between the central and Pacific regions are not as great as they have been in the past.

The West Coast is the main point of entry for counterfeit and foreign cigarettes, by way of marine sea containers from China. However, the majority of known shipments are destined for central Canada.

Finally, at street level, the main source of violence in B.C. surrounding tobacco, throughout 2006, was the ongoing incidence of retail store armed robberies. These robberies typically involved small weapons that were used to coerce store attendants into handing over tobacco products and cash.

CHART 3

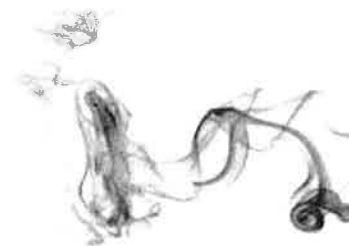
JANUARY/01 – JANUARY/08 ¹⁴	CURRENT PROVINCIAL PRODUCT TAXES	REAL INCREASE IN PROVINCIAL TAXES ¹⁵
British Columbia	\$35.80	40.3%
	Federal Excise Duty	Real Increase in Federal Taxes
Federal	\$17.00	35.7%

¹³ Statistics Canada, Canadian Community Health Survey (CCHS3.1), 2005 CANSIM table 105-0427.

¹⁴ Quantity increase in Yukon is negligible compared to the provinces.

¹⁵ Consumer Price index was taken into consideration in the computation of the real tax increases.

VICTIMIZATION



Northwest Region –(Alberta, Saskatchewan, Manitoba, Northwest Territories & Nunavut)

Lastly, 17.2%¹⁶ of Canadian smokers live in the Northwest region. Over the past six years, consumers of tobacco products have seen the following tax increases: (see chart 4)

The Prairie Provinces reported an influx of contraband tobacco products, noting that the street level market for contraband is significant and widespread throughout the area. Illegal tobacco is moved through the region by organized crime with ties to central Canada's illicit manufacturing and distribution networks. A distant second is the presence of Chinese cigarettes or Egyptian tobacco here and there throughout the region. Thefts involving tobacco at retail locations continue to be reported in all three provinces.

CHART 4		
JANUARY/01 – JANUARY/08 ¹⁷	CURRENT PROVINCIAL PRODUCT TAXES	REAL INCREASE IN PROVINCIAL TAXES ¹⁸
Manitoba	\$35.00	74.7%
Saskatchewan	\$36.60	77.9%
Alberta	\$37.00	127.8%
	Federal Excise Duty	Real Increase in Federal Taxes
All provinces and territories	\$17.00	35.7%

¹⁶ Consumer Price index was taken into consideration in the computation of the real tax increases.

¹⁷ Quantity increase in the NWT and Nunavut is negligible compared to the provinces.

¹⁸ Statistics Canada, CANSIM, table 105-0427 and Catalogue No 82-221-X, 2005

UNFAIR COMPETITION

VII. IMPACTS ON CANADIANS

The largest impact on Canadians, including Aboriginal communities, is the prevalence and ongoing involvement of organized crime in the contraband tobacco market. Organized crime affects Canadians' basic rights to peace, order and good government. Although the effects of illegal tobacco activities are not obvious, all Canadians, in one way or another, feel the repercussions of these activities in the form of:

- victimization,
- eroding respect for the law, which minimizes the serious consequences of this type of criminal activity,
- undermining of public health efforts to decrease tobacco use,
- the loss of millions in federal and provincial government revenues, money that could fund social programs, education, employment programs and health care,
- preventing legitimate businesses from carrying out their activities in a climate of fair competition,
- young people taking up smoking through unrestricted access to inexpensive cigarettes, and
- continuing growth of organized crime and commission of other offences.

Youth are being lured into contraband tobacco activities by the appeal of easy money. Local police have seen the results of youth being involved in organized crime, namely an increase in violent behaviour and general disrespect for their community as well as for others. A

On July 26, 2007, CBSA, RCMP and OPP officers approached two suspects believed to be **trafficking contraband tobacco** in the Cornwall, Ontario area. In addition to the 1,000,000 baggie-packed cigarettes, it was apparent that one of the individuals driving was **in the process of injecting** with what was believed to be liquid amphetamine. See http://www.rcmp-grc.gc.ca/qc/comm/2007/07/070731_e.htm for the full story.

number of youth, predominantly in Ontario and Quebec, are being exploited by organized crime via the contraband tobacco trade, which can be a gateway to involvement in other criminal activity.

The Assembly of First Nations, which is a national Aboriginal advocacy organization, passed Resolution No. 70 in February 2007 to develop and implement a National First Nations Youth Gang Prevention Strategy focused on the prevention of gang activity involving First Nations youth. The Resolution links poverty as the key driver of youth involvement in organized crime activities, such as prostitution, smuggling, drugs and other forms of violence and corruption. The resolution also calls for meetings with internal representatives and key Ministers to support the Strategy.¹⁹

¹⁹ Assembly of First Nations – Resolution No. 70, <http://www.afn.ca/article.asp?id=3555>

VIII. CONTRABAND TOBACCO MARKET DRIVERS



The demand for **cheaper tobacco products** is evident by the increased number of locations where illegal tobacco products can be purchased (e.g., smoke shacks and shops, independent distributors, home delivery). While the federal and provincial governments are raising taxes to discourage people from either taking up smoking or continuing to smoke, RCMP seizures are also increasing.

Tax evasion has traditionally been the primary driving force behind tobacco smuggling operations. The difference in price between contraband and legal tobacco products allows for a significant profit to be made. Simply put, organized crime involvement in the contraband tobacco market is driven by **greed**. Additionally, this particular criminal activity is viewed by many as virtually risk free, easy to carry out and requiring no particular skills. It is common practice within certain communities, and the monetary payback is quick. These views entice individuals to get involved in contraband tobacco activities.

Some First Nations believe that it is the **sovereign** right of their members to produce tobacco products without the interference of the Canadian government. This position has been raised primarily by those involved in the manufacturing and/or selling of illegal tobacco products. There are those who believe these individuals are taking advantage of the current politically charged situation to benefit from criminal activities.

On July 17, 2007, RCMP and CBSA combined efforts led to the arrest of a **71-year-old** male resident of Ohsweken, Ontario. A total of 1,350 re-sealable bags of contraband cigarettes, manufactured in the United States and smuggled into Canada, were seized. See http://www.rcmp-grc.gc.ca/qc/comm/2007/07/070724_e.htm for the full story.

Lastly, there are Canadians who believe that illicit tobacco production, distribution, sale or end-use is a **victimless crime**, meaning that no one is directly impacted by the illicit activities. The only negative impact is felt by the government, and "sticking it to the tax man" is a viable rationale for participating in contraband tobacco activities.



IX. PERSPECTIVES

Canadians have widely diverse perspectives on the illicit tobacco trade. These perspectives are defined by an individual's upbringing, cultural beliefs, place of employment and social pressure. In an effort to increase its understanding of Canadians' perspectives, the RCMP reached out to a number of sources.

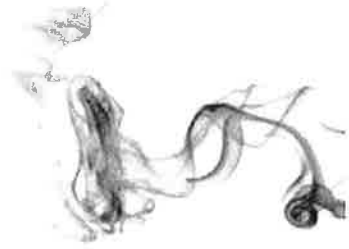
i. **Canadians**

A survey conducted by EKOS Research Associates in summer 2007 indicated that 74% of Canadians see the illegal tobacco trade in Canada as a "somewhat" to a "very serious" problem and almost half the participants identified unregulated "smoke shacks" in Aboriginal communities as the primary source for illegal tobacco. The survey also found that 76% of Canadians think law enforcement should place a "moderate" to "high" priority on combating the illegal tobacco trade in general, and even more (81%) say a "moderate" to "high" priority should be placed on combating cross border trafficking (i.e. smuggling). Interestingly, when asked about the most concerning consequences of the illegal tobacco trade, the fact that it is a source of revenue for organized crime tops the list. These findings show that Canadians see illegal tobacco as a problem, are aware of the linkages between points of sale in Aboriginal communities and organized crime, and be a priority for law enforcement.²⁰

²⁰ Results are based on a telephone survey with a national random sample of 1,013 Canadians that was conducted between June 21 and June 30, 2007. The findings were statistically weighted to ensure that they are representative of the Canadian public 18 years of age and older.



TOBACCO MONITORING



The media play a significant role in informing Canadians about issues that affect their lives. A year in review analysis of national, regional and newswire print publications in French and English revealed a high frequency of coverage of RCMP efforts to combat contraband tobacco activities, compared to other enforcement issues. Coverage was highest in Ontario and New Brunswick, followed by Prince Edward Island. Unfortunately, national coverage only made up 2% of the articles published. Given the high level of trafficking in certain Aboriginal communities, a review of articles directly linking contraband tobacco to Aboriginal communities or individuals from those communities indicated that 1 of 3 articles published on contraband tobacco linked the illegal activity to certain Aboriginal communities, mostly in Ontario and Quebec.

ii. Canadian Smokers

Phoenix SPI was commissioned by Health Canada in 2007 to conduct research on the knowledge, attitudes and behaviours of smokers in key Quebec and Ontario cities²¹ with respect to discount cigarettes, including contraband products. Their study revealed that 92% of survey respondents pointed to price as the main benefit of buying discount cigarettes²², with 82% identifying price as the only reason they buy them. There was a considerable difference of opinion and uncertainty about the legality of buying cigarettes on First Nations reserves. The perception that it is legal for members of the general public to purchase lower-cost, tax-reduced cigarettes on First Nations reserves was perhaps the most widespread misconception among participants²³.

That being said, participants provided reasons that help make such a misconception understandable, including the open advertising of discount cigarettes on highways, the lack of police presence and enforcement, the lack of publicity/information about this being illegal, and the health warnings included on packs of aboriginal cigarettes.

²¹ The survey results are not generalizable to the general population, to Canadian smokers, or to smokers in Quebec and Ontario.

²² For the purposes of the study, discount cigarettes were defined as cigarettes available through regular retail channels at reduced price, cigarettes manufactured, purchased or otherwise originating in a First Nations community, and contraband cigarettes or cigarettes which may have been smuggled

²³ Phoenix Strategic Perspectives Inc., Discount Smokers in Ontario and Quebec - Exploratory Analysis (April 2007), Health Canada POR Number: 06-75



iii. **Aboriginal People**

Tobacco is viewed differently within Aboriginal communities. While the origin of tobacco is South America, First Nations people were already using tobacco when Europeans first arrived in the western hemisphere²⁴. Some used the leaf for spiritual purposes while other communities used it on a regular social basis. One explanation for the importance of tobacco in some Aboriginal Nations can be found in the teaching that tobacco was originally a gift from the Creator²⁵, but that since tobacco could not be grown in the spirit world, it was necessary to offer tobacco to the spirits in exchange for their protection and continued harmony between the natural and the spirit world²⁶. The historical use and social climate relating to tobacco might explain why smoking has been and continues to be high among some First Nations communities (the national average among First Nations smokers 18 years and older is 58.8%)²⁷. However tobacco use is viewed very differently depending on the Aboriginal community.

In fact, some Aboriginal communities have implemented smoke-free efforts similar to some provincial initiatives, as well as strict limitations on establishing manufacturing operations or smoke shops/shacks. The acceptance of tobacco

24 Towards Effective Tobacco Control in First Nations and Inuit Communities, Physicians for a Smoke-Free Canada, March 2007

25 Aboriginal Cancer Care Unit, Aboriginal Tobacco Strategy, Newsletter Volume 2, Number 1, 2005

26 Towards Effective Tobacco Control in First Nations and Inuit Communities, Physicians for a Smoke-Free Canada, March 2007

27 First Nations Regional Longitudinal Health Survey (2002/03)

activity within a community is largely driven by the views of the community leaders and Elders.

While there are a wide range of views on tobacco within First Nations communities, there are certain activists, albeit not supported by all, who openly encourage non-compliance with Canadian legislation and regulations:

*"I know that the government of Canada takes a very particular position - and a very specific position - on the legality of the creation of tobacco products and their distribution certainly within the Canadian state. There is a framework of applications, processes and approvals that govern when and how a manufacturing company can exist, so I don't disagree that the government assessment of what we do as being not legal. But that is not the same position that we've taken."*²⁸

From a different perspective, there are those that see the growth of illegal tobacco activities as negatively impacting their communities and ability to carry-out legitimate business;

"Communities need to look at the type of people they are attracting to their communities when they become involved in illegal tobacco activity. It is organized crime that is benefiting, not the communities. They are wolves in sheep's clothing - a beast that can't be control. There are

28 Shawn Brant, Tyendingaga, CBC News interview - <http://www.cbc.ca/sunday/brant.html>



*solutions to the problem, solutions that put the safety of our community first. That requires the federal government and Native leaders should provide a level playing field for all manufacture retailer and consumers guidelines to protect underage people and total traceability of the product is an international responsibility.*²⁹

Some First Nations communities are making efforts to formalize tobacco activities as economic sources. In the Mohawk Territory of Kahnawake, the Kahnawake Tobacco Association (KTA) is designed to bring together all individuals who trade in tobacco products within the Territory. KTA states that it is a non-profit organization and legislative body within the Territory that makes policy, enforces and controls all aspects of trade and commerce of tobacco products on the Mohawk Territory of Kahnawake for the benefit of Mohawk Peoples and to protect Mohawk sovereignty. The Association website outlines that they (KTA) are exercising their rights and jurisdictions to operate tobacco trade and commerce on Mohawk Territory, without interference (i.e. by the Canadian government, its regulators or enforcement). The establishment of associations such as the KTA are viewed by some as avenues to developing self-sufficiency and autonomy in Aboriginal communities.³⁰

From a broader law enforcement perspective, several communities have formalized working relationships with the RCMP and other partners through initiatives such as the Aboriginal Combined Forces Special Enforcement Unit in Quebec and the Akwesasne Mohawk Police Joint Investigative Team. The focus of these groups is to combat organized crime in and around their communities. These cooperative measures have been in place for several years and partners see such arrangements as beneficial. The key component in the success of such partnerships is the unique approach taken in operations, depending on the community where they are being carried out.

Efforts are being made to engage in ongoing consultations with leaders (i.e. councils) and local police in key communities where the RCMP feel there is the highest level of interest in discussing the issue of tobacco, and with the Assembly of First Nations to better understand and develop a constructive way forward.

²⁹ Jerry Montour, Grand Rivers Enterprises, Six Nations

³⁰ Kahnawake Tobacco Association Web site, September 2007



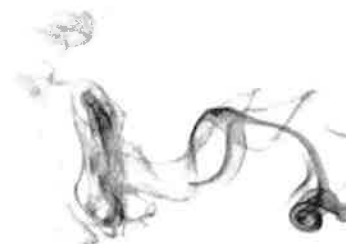
iv. National Consultation Participants

During the summer of 2007, over 70 individuals with diverse backgrounds and experts in tobacco activities took part in the national consultation process in an effort to gather and analyse the perspectives of RCMP partners and stakeholders. Each had the opportunity to share their views on the current environment, partnerships and shortcomings and to suggest recommendations. Most were supportive of the RCMP moving forward on identifying collaborative and effective solutions. Sixty-one recommendations were suggested, several were mentioned repetitively throughout the process. There were three categories of recommendations: RCMP (internal), Collaborative Efforts, and Non-mandated RCMP recommendations. It should be mentioned that of the Canadian government officials, industry and NGO participants, over 64% suggested measures to address contraband tobacco that are not within the RCMP's mandate. The consultations were also seen as an opportunity to open lines of communication for longer-term discussions and cooperative efforts that currently do not exist.

Informed government and police partners consultations among RCMP officers, Canadian government officials and police partners who play a direct role in tobacco monitoring, regulating and enforcing, gave insight into their perspective on the current environment, partnerships, shortcomings and suggested ways forward. The consultations revealed that all informed individuals are aware of the source of the contraband tobacco and do not think that it is solely the job of the RCMP to address the problem. Almost 100% linked the source of the illicit trade to central Canada and illicit manufacturing and distribution networks originating in specific Aboriginal communities. The level of partnership and integration of efforts within a province is clearly dependent on the magnitude of the contraband tobacco problem and the government's priorities.

A vast majority also spoke of the need for the RCMP to maintain stability and continuity among its C&E resources. In recent times, relations with C&E officers have been difficult to build because there is regular staff turnover. Additionally, given that the RCMP is aware of the source of the illicit tobacco products, enhanced resources should be positioned in central Canada for the long term.

ENFORCEMENT

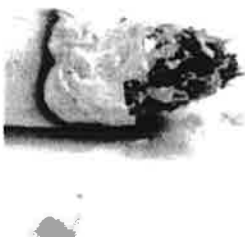


Industry

When the law is broken, there is always a victim. In the case of contraband tobacco, some of the most visible victims are legitimate manufacturing operators and retailers. Since the solutions to the issue are, for the most part, outside of the private sector's purview, there is a feeling of helplessness. Of the industry representatives consulted, all had implemented awareness campaigns to educate management, employees and/or the public, including independent surveys and research. Recently, the Canadian Convenience Stores Association and the Canadian Tobacco Manufacturers' Council commissioned third-party research to better understand the latest national trends. Such efforts are undertaken because the financial loss to manufactures and retailers is significant. For example, revenue loss to convenience stores is reported to be approximately 30%. This deficit can send family-run operations into bankruptcy. The need to enhance restrictions on growing, manufacturing and distributing raw materials and related equipment should be a priority for the government departments and agencies which are responsible.

Non-Governmental Organizations (NGOs)

NGOs with an interest in tobacco-related issues include the Canadian Cancer Society, Physicians for a Smoke-free Canada and the Non-Smokers' Right Association. NGOs spoke primarily to a variety of gaps that could be addressed, for the most part through regulatory measures such as increased bans on advertising and enhanced ability to monitor and enforce activities related to the raw materials and the equipment. While there is definitely a responsibility for the RCMP to lead the discussion on contraband tobacco, it was clear that NGOs felt that the solution did not lay solely with RCMP enforcement activities. A national strategy with participation from all impacted federal and provincial departments and agencies would be essential in making a comprehensive long-term impact.



GLOBAL FIGHT

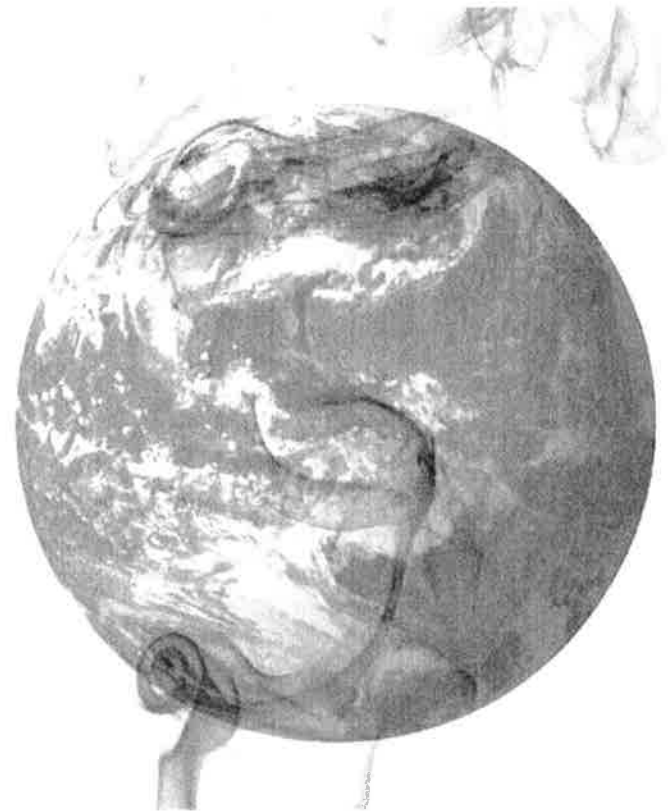
X. INTERNATIONAL EFFORTS

Contraband tobacco is not just a domestic phenomenon. It is a dilemma that is plaguing countries worldwide. The Framework Convention Alliance, a coalition of NGOs, estimates that the illicit trade results in worldwide losses of \$40-50 billion USD. In 2005, the Framework Convention on Tobacco Control (FCTC) came into force recognizing that a component in the fight to decrease tobacco use is the need to tackle the illicit tobacco market. At the time of publication, one hundred and fifty countries have signed the treaty; Canada was the 38th country to ratify the FCTC on November 26, 2004. Article 15 specifically speaks to signing states' responsibility to address the illicit tobacco market:

The Parties recognize that the elimination of all forms of illicit trade in tobacco products, including smuggling, illicit manufacturing and counterfeiting, and the development and implementation of related national law, in addition to sub-regional, regional and global agreements, are essential components of tobacco control.

Taking into account the need to further develop the obligations set out in Article 15 in an internationally binding legal instrument, Parties to the FCTC recognized that international collaboration for the control of illicit trade is an important area of tobacco control, and decided to convene an expert group to prepare a template for a protocol on illicit trade.

The template, with measures relating to controls on production and distribution of tobacco products, law enforcement enhancements and international cooperation, will be the basis for initiating negotiations by an intergovernmental negotiating body. The first meeting will be held in Geneva in early 2008.





The world-wide illicit tobacco market is also combated through other multi-national organizations including the European Anti-Fraud Office, Europol and the World Customs Organization (WCO). According to the WCO, in 2006, global seizure levels reached their highest level since 2001. Over half of the cigarette seizures reported to the WCO were intercepted at seaports, with more than one third of occurrences at nine seaports. More specifically, China and the United Arab Emirates were the main departure countries for smuggling routes on which seizures occurred. China's State Tobacco Monopoly Administration continues to battle the counterfeit problem. In 2006, the Administration seized 9.07 billion counterfeit cigarettes³¹.

Many countries are also developing domestic strategies to support their international commitments and address the growing illicit tobacco market domestically. As an example, the United Kingdom implemented a multi-mission (enforcement, education and awareness) tobacco smuggling strategy in March 2000 to combat the rapidly growing contraband tobacco market. With one in three cigarettes being smuggled, contraband was creating serious law and order problems as well as losses to government of over £3 billion annually³².

Since its implementation, which included significant resource and technology increases, UK authorities have broken up over 320 criminal

gangs involved in the large-scale smuggling and supply of illicit cigarettes, and they have seized over 11 billion cigarettes at UK seaports, airports and inland as well as en-route to the UK. As of 2003-04, these efforts have resulted in a decrease in revenue losses of £800 million³³.

Similarly, efforts are under way in Brazil aimed at curbing the tremendous influx of contraband tobacco products. In 2006, Brazil's illicit cigarette trade represented 35% of the market, 20% smuggling and 15% illicit manufacturing. Specifically, 21 billion cigarettes were smuggled into Brazil, representing an approximate loss of \$340 million USD in government revenue. In addition to the smuggling problem, only the two major cigarette companies were paying the taxes on cigarettes. Fourteen smaller Brazilian cigarette companies, which produce 16 billion cigarettes annually, were not paying the cigarette tax on industrial products. This represents 70% of the total federal revenue from the sector, and an additional revenue loss of \$280 million USD³⁴.

Many countries require their own unique combination of efforts to address their situation. Canada's current situation is significantly linked to battling the illicit manufacturing and sales occurring in Aboriginal communities, which is unique within the global context only to Canada and the U.S.

³¹ World Customs Organization - Customs and Tobacco Report 2006

³² HM Revenue and Customs and HM Treasury - New Responses to New Challenges: Reinforcing the Tackling Tobacco Smuggling Strategy, 2006

³³ Ibid

³⁴ Brazilian Ministry of Finance - The Illegal Cigarette Market in Brazil, 2006



XI. MEETING THE CHALLENGE

There are a variety of challenges facing the RCMP in its effort to reduce availability and decrease the demand for contraband tobacco across Canada. Based on research, analysis and national consultations, the RCMP has identified the following priorities for the next three years. Every effort will be made to work with appropriate partners to achieve positive outcomes.

i. Disrupt Organized Crime and the Supply Chain

As noted previously, the illicit trade in tobacco products, which has grown exponentially since 2001, is dominated by criminal organizations. These criminal syndicates are motivated by the lure of huge profits and relatively low risks. Enforcement actions must be directed at significantly increasing the risks for organized crime by dismantling illegal manufacturing facilities, disrupting the distribution supply lines, apprehending key figures and seizing the proceeds of their criminal activity, which will support successful prosecutions. In particular, the RCMP will:

- work with domestic and international law enforcement partners to identify and target criminal organizations as well as seize the proceeds of their crimes;
- develop, support and employ innovative law enforcement models, such as Project ACCES, Akwesasne Mohawk Police Joint Investigative Team and SHIPRIDER, to target and disrupt smuggling and distribution networks;

- conduct coordinated surge enforcement operations in high-risk locations to disrupt the contraband tobacco supply chain. Resources will be temporarily deployed from other regions of Canada to support these short-term operations; and
- enhance coordination and awareness with Public Prosecutions and the Courts to ensure the appropriate application of federal law controlling contraband tobacco and organized crime-related offences.

ii. Coordination, Collaboration and Partnership Development

A wide range of public, private-sector and non-governmental entities have an interest in the illicit tobacco trade. In Canada, tobacco products are heavily regulated, and several federal and provincial departments (e.g. health, revenue, finance, customs) are involved in implementing tobacco control policies. Given this complex environment, there is a need for strategic and tactical coordination of activities. No single department, agency or entity has the expertise, mandate or resources to single-handedly combat the illicit tobacco trade. Moreover, advances in tobacco control enforcement are most noticeable where efforts have been integrated. In short, organized government and law enforcement efforts are required to effectively combat organized crime. To this end, the RCMP will;

OUTREACH



- pursue the establishment of a national committee comprised of senior representatives from relevant federal, provincial and territorial departments and agencies to increase strategic-level coordination of efforts and cooperation to reduce the impacts of the illicit tobacco trade on public safety, public health and fiscal policies;
 - establish regional operational coordination committees comprised of federal and provincial law enforcement partners to enhance information sharing, improve target identification and selection, and coordinate operational responses;
 - appoint, in each RCMP Division, a coordinator to oversee the implementation of this tobacco strategy. The Director, Customs and Excise Branch, will chair a quarterly meeting of coordinators to strengthen national and inter-divisional implementation, identify challenges, and share best practices and lessons learned;
 - collaborate with law enforcement partners to co-locate intelligence resources in order to develop a complete picture of the illicit tobacco trade and identify the highest priority threats; and
 - pursue the development of information sharing protocols with key partners, such as the Canada Revenue Agency.
- The benefits of information sharing cannot be overstated;
- finalize the guidelines which clarify the division of roles and responsibilities between the RCMP and CBSA in relation to the enforcement of the Customs Act; and
 - in partnership with the CBSA, the Canada Revenue Agency, the US Alcohol and Tobacco Tax and Trade Bureau and the US Bureau of Alcohol, Tobacco, Firearms and Explosives, hold an annual workshop on the illicit tobacco trade to increase cross-border collaboration and information sharing, and support the development of bi-national initiatives to tackle tobacco diversion.

iii. Outreach

Currently, the contraband tobacco market is dominated by tobacco products originating from Aboriginal communities in central Canada. Progress in addressing the illicit tobacco trade will be limited unless we develop an understanding of the underlying issues associated with the tobacco industry in Aboriginal communities (e.g. ancestral rights). In addition, the tobacco industry possesses detailed knowledge of tobacco markets and suppliers. Such information needs to be shared both internally and with external partners and stakeholders. The RCMP will:

AWARENESS

- use current mechanisms (i.e.: National Aboriginal Policing Services; the RCMP and Assembly of First Nations Public Safety Protocol) as well as develop new lines of communication to increase dialogue with Aboriginal governments on issues associated with the contraband tobacco trade and seek opportunities to develop joint strategies to reduce associated harms inside and outside of their communities; and
- educate private sector entities (e.g. suppliers of cigarette machinery, paper and packaging, and hydro companies) and financial institutions (e.g. credit card and Interact companies) about the nature and scope of the illicit trade in tobacco products and seek their support in reporting suspicious activity and, where appropriate, terminating business relationships with illicit operations.

iv. **Effective Use and Allocation of Resources**

The illicit tobacco trade is concentrated in Ontario and Quebec, and contraband tobacco products from these provinces are surfacing nation-wide. In addition, over 60% of Canada's smoking population is located in these provinces. Given the availability of finite resources, there is a need to ensure resources are deployed in support of operational priorities and client demands. With this in mind, the Customs and Excise Branch will:

- monitor resource allocation and use according to the Federal and International Operations (FIO) Accountability Framework to ensure program focus is maintained; and
- develop, in partnership with Internal Audit, Evaluation and Review, a Customs and Excise Program Evaluation Framework to assess program effectiveness and make improvements, where appropriate.
- work in close partnership with Aboriginal Policing Coordinators and their initiatives aimed at reducing Aboriginal criminal involvement and victimization.





v. Impact Crime through Education and Awareness

Public opinion research indicates that there is uncertainty about what constitutes contraband tobacco. Raising awareness of the tobacco black market and the consequences of purchasing and possessing contraband tobacco is essential to reducing the demand. Furthermore, the results of our consultations suggest the need to increase awareness of the nature and extent of the illicit tobacco trade among key government and enforcement decision makers. In an effort to reduce demand for contraband and increase awareness of the impacts of this criminal activity, the RCMP will, in partnership with other government agencies and non-governmental organizations:

- heighten awareness about the public safety and health consequences of the illicit tobacco trade;
- develop and communicate targeted messages for the general public, smokers, and Aboriginal communities.
- produce and publish declassified versions of our strategic intelligence assessments on the illicit trade in tobacco products;
- seek hearings with key decision-making bodies, such as the National Coordinating Committee on Organized Crime, the Canadian Association of Chiefs of Police the Canada-US Cross-Border Crime Forum and Aboriginal organizations to raise awareness about the significant growth of this criminal market; and

- maximize the use of the RCMP Internet and Intranet sites to communicate the latest information.

vi. Contribute to the Development of Legislative and Regulatory Tools

Experience has demonstrated that strengthening tobacco controls (e.g. export tobacco tax measures) can significantly reduce the profitability of the illicit tobacco trade. The RCMP is uniquely positioned to identify shortcomings and vulnerabilities in our legislative and regulatory framework which are being exploited by organized crime. With this in mind, the RCMP will work with the interdepartmental community to:

- identify current legislative and regulatory control mechanisms that will further deter organized crime's involvement in the illicit tobacco trade;
- assess the viability of additional amendments to enhance the government's ability to reduce the impact of the illicit trade and reduce its profitability, including innovative arrangements with Aboriginal communities; and
- contribute to the development of an illicit trade protocol under the auspices of the World Health Organization Framework Convention on Tobacco Control.



vii. Conducting Research

Estimating the size of Canada's contraband tobacco market has been a challenge for the law enforcement community in the past. Non-governmental organizations have communicated their dismay over the lack of government or independent estimates. Moreover, there is limited research on the demographics of contraband users and effective anti-contraband measures. In an effort to address these deficiencies, the RCMP will:

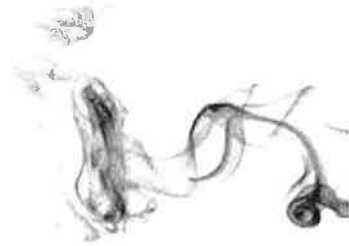
- collaborate with the interdepartmental community, academia and non-governmental organizations on research projects, such as the knowledge synthesis study of anti-contraband tobacco measures being undertaken by the Ontario Tobacco Research Unit, in order to increase knowledge of the illicit tobacco trade; and
- develop metrics that will enable the RCMP and its partners to better gauge our success in decreasing the contraband market and the availability of tobacco to smokers. Such additional information would assist in assessing the impact of enforcement, regulatory and policy actions.

viii. Employee Selection and Development

Conducting organized crime investigations in a complex legal environment requires highly skilled investigators who have experience in the preparation of judicial authorizations, the development and handling of human sources, and the employment of major case management techniques. In addition, given the interconnectedness between Aboriginal communities and the contraband tobacco market, members deployed within or in close proximity to Aboriginal communities must possess an increased awareness of Aboriginal issues, such as culture, traditions and governance. When asked if they had the training and support needed to provide service delivery to Aboriginal communities, 72% of Aboriginal members agreed. By comparison, only 52% of all respondents felt adequately prepared. With a view to improving service delivery, the RCMP will:

- review the competency profile for C&E investigators;
- work with Learning & Development to enhance the skills and abilities of C&E personnel so that they may effectively perform their duties; and
- identify, with the assistance of National Aboriginal Policing Services, resources that could be engaged to assist in increasing the cultural competency of C&E members.

COLLABORATION



XII. EFFECTIVE ACCOUNTABILITY AND REPORTING

Given the responsiveness of the illegal market, challenges and priorities linked to outcome measures are expected to shift over the coming years, depending on how effective the RCMP and its partners are at making an impact on the current situation. In order to gauge the RCMP's efforts, performance measures will be developed and monitored over the coming years. These measures will provide the RCMP, its partners and the public with information that will better define the illicit market, align time frames to Program outcomes and guide finite resources focused on combating the contraband tobacco market. A full performance measures outcome matrix will be completed, based on the Program's Logic Model (Appendix 3).

Updates on the RCMP's progress will be published in an annual Strategy update and the RCMP's Departmental Performance Report, along with any strategic adjustments that may be required. Additionally, every three years a comprehensive review of the Strategy will be undertaken in order to ensure that priorities reflect the current contraband tobacco environment.



XIII. SUMMARY

The sale of contraband tobacco products does not represent any medium or long-term benefit for anyone except the individuals making profits. There are negative health consequences (disease and death), economic consequences (loss of revenue and jobs for legitimate businesses) and public safety consequences (a variety of criminal activities linked to organized crime) for Aboriginal and non-Aboriginal communities.

Realistically, elimination of the contraband tobacco market is not foreseeable in the near future. That being said, current levels are unacceptable to the RCMP. Success in minimizing the current market is heavily dependent on effective partnerships and common priorities across impacted partners and stakeholders. To this end, the RCMP is committed to working internally as well as with its partners and stakeholders to ensure that every effort is made to enhance public safety and economic integrity across Canada.





APPENDIX 1

ROLES AND RESPONSIBILITIES OF PARTNERS AND STAKEHOLDERS INVOLVED IN TOBACCO

Tobacco control involves a variety of health, enforcement and tax authorities spread among several departments and agencies at different levels of government, as well as external stakeholders:

Canada Revenue Agency is a tax agency focused on compliance rather than enforcement. The CRA oversees federal taxation of tobacco, and regulates activities involving the manufacture, possession and sale of tobacco in Canada. Additionally, the CRA issues tobacco licences and audits the activities of licensees.

Canada Border Services Agency is responsible for controlling imports through ports of entry (land, marine, air), as well as targeting and investigating contraband shipments, including illicit tobacco products. The Agency also monitors the impact of tax changes on the illegal international movement of tobacco.

Provincial enforcement is based on each province's tobacco tax legislation. Each province has the authority to apply its own tobacco-related laws, including enforcement and penalties. Normally the provincial effort is focused on the point in the tobacco cycle where the collection of tax occurs, primarily the retail level.

Health Canada leads the initiative to reduce or prevent the use of tobacco and highlight the negative health impacts associated with smoking. HC is responsible for regulating the manufacture, sale, labeling and promotion of tobacco products.

Finance Canada is responsible for federal tobacco taxation policies and the legislative framework for the federal tobacco taxation structure. This includes ensuring that the structure supports federal enforcement and compliance programs.

Public Prosecution Services of Canada prosecutes smuggling offences, as well as offences concerning the unlawful manufacture, distribution and possession of contraband tobacco products.

Public Safety Canada provides policy advice and support on smuggling issues and works with stakeholders to develop strategies to address contraband tobacco.

Indian and Northern Affairs Canada and the **Department of Foreign Affairs** and **International Trade** do not directly have responsibilities linked to tobacco, but given their broader responsibilities within the Government of Canada, respectively Aboriginal communities and Canada-U.S. relations, their participation should be encouraged in addressing the current contraband tobacco market.



Non-Government Organizations interested in tobacco-related issues are focused on raising and advancing efforts to further decrease smoking among Canadians. They promote their positions and research by meeting with politicians, all levels of government, the private sector and influential public policy groups.

The legitimate industry (manufacturers and retailers) is found throughout Canada and is looking to play an active role in developing solutions that see all tobacco manufacturers and retailers compete fairly, under the laws and regulations established by the Government of Canada.

Aboriginal leaders and communities - Tobacco issues varies from community to community. Both leaders and the community have a role to play in ensuring public safety, establishing health objectives and seeing to legitimate economic viability as it relates to tobacco activities.

US law enforcement partners such as Customs & Border Protection, the Bureau of Alcohol, Tobacco, Firearms and Explosives, Immigration and Customs Enforcement, the Department of Justice and the Alcohol and Tobacco Tax and Trade Bureau all have a role to play in eliminating the contraband tobacco market that is using our border as a tool to conduct illegal activities.

Academia provides unbiased analysis and research related to contraband tobacco and other related issues (e.g. links between Aboriginal communities and organized crime).



APPENDIX 2

RELATED ACTS

In partnership with clients, partners, and the community, the RCMP enforces laws, within Canada and along the uncontrolled border, that govern:

- the international movement of goods;
- the illicit manufacture, distribution or possession of contraband products (including tobacco and spirits);
- the illicit trafficking of critical high technology and strategic goods; and
- regulations that impose non-tariff (permit) controls on the international movement of commodities.

There are three federal Acts that are the main enforcement tools in countering the different aspects of the illicit tobacco trade. Other Acts, not specifically related to tobacco but directly involved in some aspect of the contraband tobacco market, are also identified:

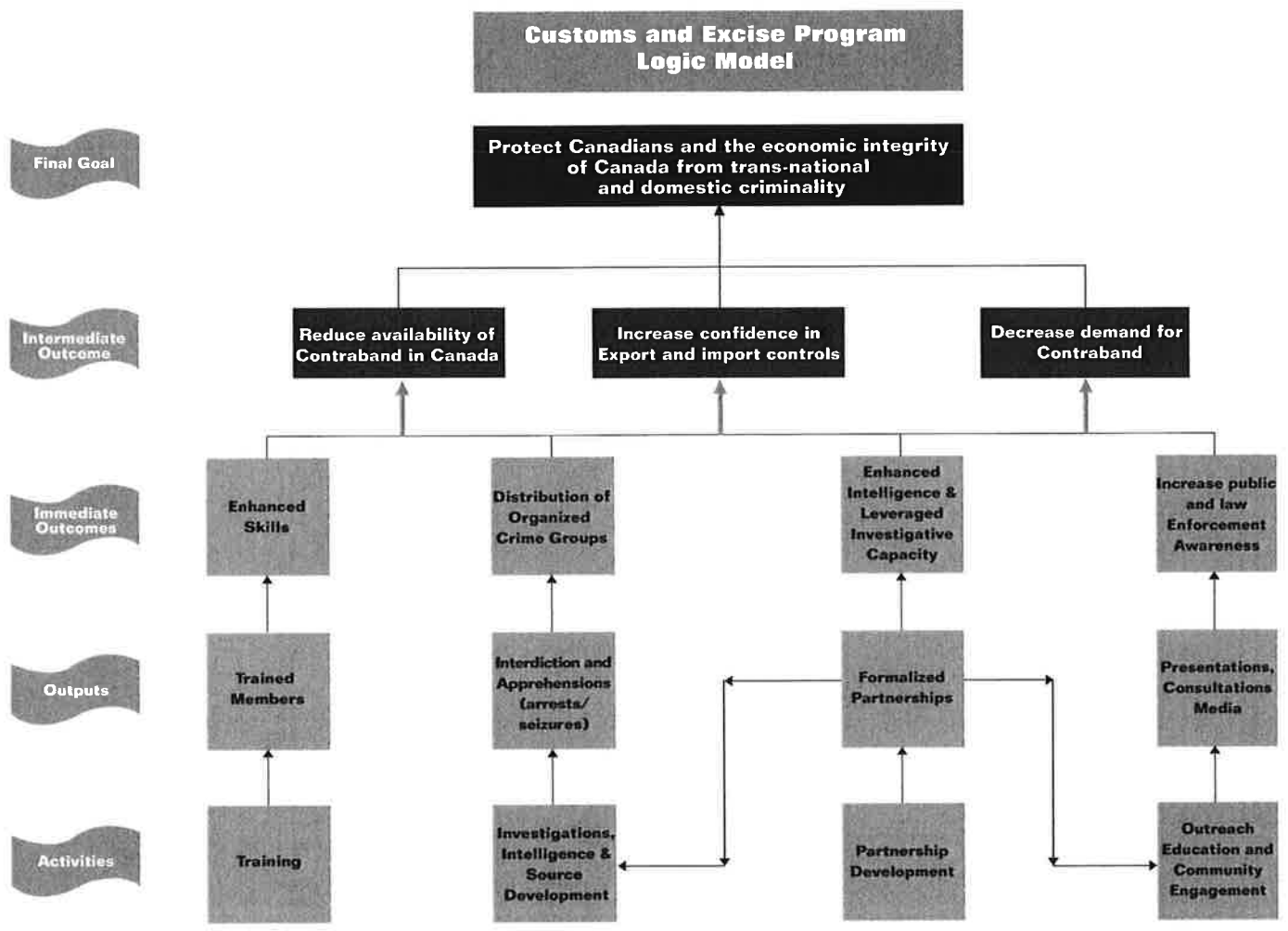
I. Customs Act

This Act deals primarily with the importation of any product into Canada, and the subsequent possession of any product that has not been properly reported. The most common charges relate to possession of smuggled goods and the non-reporting of persons and goods upon entering Canada.

The Customs Act is enforced by both the Canada Border Services Agency (at designated ports of entry) and the RCMP (between ports, and inland). Members of the RCMP are designated as Customs Officers under the Customs Act. More specifically, the RCMP:

- conducts criminal investigations requiring the employment of specialized police techniques (electronic surveillance, mobile surveillance, undercover operations and protection and relocation of informants) and involving threats to the safety of individuals.
- investigates smuggling and is responsible for enforcing the *Customs Act* along unmanned borders between CBSA ports of entry.
- has the delegated responsibility for customs enforcement on all Aboriginal reserves (excluding CBSA ports of entry located on reserves)
- at the request of CBSA, will provide assistance and police operational techniques for cases that fall under the CBSA mandate, as well as any criminal investigations requiring the use of police operational techniques.

APPENDIX 3





APPENDIX 4

GLOSSARY

Canadian brands - Brands which are produced for Canadian consumers and the Canadian market.

International brands - Brands which are destined for a non-Canadian market and not traditionally consumed by Canadian smokers

Aboriginal cigarettes - includes cigarettes that are legally manufactured and sold to non-aboriginal or aboriginal consumers, and cigarettes that are manufactured and sold illegally.

Aboriginal people - is a collective name for the original peoples of North America and their descendants. The Canadian Constitution (the Constitution Act, 1982) recognizes three groups of Aboriginal people - Indians, Métis and Inuit. These are three separate peoples with unique heritages, languages, cultural practices and spiritual beliefs.

First Nation(s) - A term that came into common usage in the 1970s to replace the word "Indian," which some people found offensive. Although the term First Nation is widely used, no legal definition of it exists. Among its uses, the term "First Nations people" refers to the Indian peoples in Canada, both Status and Non-Status. Some Indian peoples have also adopted the term "First Nation" to replace the word "band" in the name of their community.

Community/reserve - As per the Indian Act or through treaties, an aboriginal community/reserve is a tract of land, the legal title to which is held by the Crown, set apart for the use and benefit of an Indian band. Some bands have more than one reserve.

Tax exempt - The Excise Tax Act is based on the concept of taxable supplies (i.e. goods and services) and exempt supplies. Taxable supplies are subject to 6% General Sales Tax, 14% Harmonized Sales Taxes (i.e. combined federal and provincial tax) or are zero-rated (taxable at 0%).

Tax relieved - GST/HST relieved is relevant to the supplier of the goods and/or services, as it effects their obligations and responsibilities under the Excise Tax Act.

Rollies - Cigarettes (200) available in clear resealable plastic bags.

**This is Exhibit "O" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.**


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Crank, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

trucking company?

A. I myself have not.

704. Q. Has somebody at True Blend confirmed that?

A. I believe so.

705. Q. So what I would ask for is for you to provide me with the records from the trucking company to confirm that the tobacco was received, any documents from the Import Trading Company which would confirm that the tobacco was received or that it wasn't received in full?

MR. TOUESNARD: So we will give you all records which confirm the tobacco was received by Import Trading Company. UND

BY MR. NGUYEN:

706. Q. The tobacco that is destined for Albany, do you know what route the trucking company takes to deliver it?

A. I believe they went up through Quebec and then through Champlain I believe and across.

707. Q. They wouldn't have gone through Aquasasne?

A. No, no.

708. Q. You are familiar with Aquasasne?

- A. No, I am not.
709. Q. You don't know it?
- A. I know it's a reservation in Cornwall.
That's all I know.
710. Q. That's all you know about Aquasasne?
- A. Yeah, I have never been there. I have
been to Cornwall passing through but never Aquasasne.
711. Q. You did tell Michael Sioen and Mr. Toth,
I forget his first name right now, they were at your
house and you told them that Grant Saunders had
shipped tobacco to Aquasasne?
- A. No, I did not. That is totally, totally
false. To Aquasasne, no.
712. Q. You have no -- no information at all that
Grant Saunders shipped any tobacco to Aquasasne?
- A. No, none whatsoever.
713. Q. Grant never told you that?
- A. No, he never did.
714. Q. Do you know if Grant had any control over
where the tobacco was being shipped?
- A. In reference to?
715. Q. True Blend.
- A. True Blend. Did he have control?
716. Q. Yes.
- A. He -- he would not have control in terms

MR. TOUESNARD: His last name and his current contact information. We will ask that of Grant Saunders for you. That's much more efficient than you asking yourself.

BY MR. NGUYEN:

750. Q. Alright. So you could see from paragraph 42 that Michael's given evidence about a conversation, and I take it from you today that you deny all of that?

A. Yeah, because I know Aquasasne is -- everyone knows it's a cigarette smuggling haven.

751. Q. You do know that?

A. Well, yeah, all the farmers would know that, too. If you are in the tobacco industry, you know that's a haven. It's no secret. We try -- we try purposely to stay clear of those situations because I didn't want to jeopardize the licence, plain and simple, you know.

Because of the scrutiny that we were receiving, and Ken and Mike can attest to the scrutiny that I myself and Brian have received over the period of time that we have been in business, has been unsurmountable.

752. Q. You have no information or belief about

This is **Exhibit "P"** referred to in the
affidavit of **Michael Sioen**, sworn before me
this 10th day of May, 2011.


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

True Blend Tobacco Company Inc.

STATEMENT

P.O. Box 32
500 Hwy # 3
Tillsonburg, Ontario N4G 4H4
Canada

Statement Date
03/25/2011

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

Statement Date
03/25/2011

Import Trading company Inc.

Import Trading company Inc.
11 Bancker Street
Albany, New York 12208-2111

IF PAYING BY INVOICE, CHECK INDIVIDUAL INVOICES PAID

AMOUNT REMITTED _____

Page. 1

Transaction Date	Transaction No.	Transaction Type	Amount	Balance	Invoice No.	Amount Due	✓
01/26/2011	TB-79	Invoice	101,640.00				
02/17/2011	104	Payment	-40,000.00				
02/17/2011	106	Payment	-10,000.00				
02/18/2011	102	Payment	-7,532.00				
				44,108.00	TB-79	44,108.00	
01/26/2011	TB-80	Invoice		101,640.00	TB-80	101,640.00	
02/15/2011	TB-81	Invoice		101,640.00	TB-81	101,640.00	
02/16/2011	TB-82	Invoice		101,640.00	TB-82	101,640.00	
02/18/2011	TB-83	Invoice		101,640.00	TB-83	101,640.00	
02/18/2011	TB-84	Invoice		101,640.00	TB-84	101,640.00	
03/17/2011	TB-85	Invoice		101,640.00	TB-85	101,640.00	
03/18/2011	TB-86	Invoice		101,640.00	TB-86	101,640.00	
03/18/2011	TB-87	Invoice		101,640.00	TB-87	101,640.00	
03/18/2011	TB-88	Invoice		101,640.00	TB-88	101,640.00	
03/18/2011	TB-89	Invoice		101,640.00	TB-89	101,640.00	
03/18/2011	TB-90	Invoice		101,640.00	TB-90	101,640.00	
03/18/2011	TB-91	Invoice		101,640.00	TB-91	101,640.00	
		2% interest on balance over 30 days		11,046.16	Interest	11,046.16	
Age	Current	31-60	Over 60	Total	Balance Due	Total	
Amount	722,526.16	552,308.00	0.00	1,274,834.16	< >	1,274,834.16	

22

This is **Exhibit "Q"** referred to in the
affidavit of **Michael Sioen**, sworn before me
this 10th day of May, 2011.


A COMMISSIONER FOR TAKING AFFIDAVITS

Google maps
Canada

Address **1 Bancker Street**

Address is approximate



This is Exhibit "R" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

D&B Company Profile

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Import Trading Company, Inc.

105 Point Breeze Rd
Saratoga Springs NY 12866

D&B D-U-N-S Number: 847219131

Phone: 5185847919

County: SARATOGA

Metropolitan Statistical Area: Albany-Schenectady-Troy, NY

Year Started: 0

Annual Sales: \$ 110000 (Last Revision)

Base Sales: \$ 130000

Trend Sales: \$ 0

Sales Growth: 0

Net Worth: \$ 0

Number of Employees here: 2

Number of Employees total: 2

Square Footage: 0

Business: WHOLESALE TRADE - NONDURABLE GOODS

Primary SIC:

5199, NONDURABLE GOODS, NEC

This Company is a:

Small Business

Officers and Executives:

Principal : Melvin Ikler, Principal

=====
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Import Trading Company, Inc

11 Bancker Street
Albany, NY 12208-2114 map

Website: Information not found

Phone: (518) 489-1071

Invention Help in China We can help manufacture your product idea/invention in China

www.snoopit.com/

The ads are not affiliated with Import Trading Company, Inc

About Import Trading Company, Inc

Is this your company? Claim This Profile

Import Trading Company, Inc in Albany, NY is a private company categorized under Nondurable Goods, Nec. Current estimates show this company has an annual revenue of 130,000 and employs a staff of approximately 2.

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Company Contacts

Is this your company? Claim This Profile

Melvin Ikler
Principal

Search for more contacts

Import Trading Company, Inc Business Information

Location Type	Single Location
Annual Sales (Estimated)	130,000
Employees (Estimated)	2
SIC Code	5199, Miscellaneous Nondurable Goods
NAICS Code	424990, Other Miscellaneous Nondurable Goods Merchant Wholesalers
Products, Services and Brands	Information not found
State of Incorporation	Information not found

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Karen Estrada

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Labber Imports Nondurable Goods, Nec in Albany, NY

Tribl Trading Nondurable Goods, Nec in Schenectady, NY

Shell Trading Nondurable Goods, Nec in Albany, NY

Jobs in Albany, NY

Years in Business Information not found

Click on the reports tab at the top of the page to research company background, detailed company profile, credit and financial reports for Import Trading Company, Inc. Reports often include a complete predictive and historical analysis with payment and financial information; information on the identity, operations, profitability and stability of Import Trading Company, Inc; Details on the company's history, the business background of its management, special events and recent company news. Download Import Trading Company, Inc financial and company reports.

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This is Exhibit "S" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

trucking company?

A. I myself have not.

704. Q. Has somebody at True Blend confirmed that?

A. I believe so.

705. Q. So what I would ask for is for you to provide me with the records from the trucking company to confirm that the tobacco was received, any documents from the Import Trading Company which would confirm that the tobacco was received or that it wasn't received in full?

MR. TOUESNARD: So we will give you all records which confirm the tobacco was received by Import Trading Company. UND

BY MR. NGUYEN:

706. Q. The tobacco that is destined for Albany, do you know what route the trucking company takes to deliver it?

A. I believe they went up through Quebec and then through Champlain I believe and across.

707. Q. They wouldn't have gone through Aquasasne?

A. No, no.

708. Q. You are familiar with Aquasasne?

**This is Exhibit "T" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.**


A COMMISSIONER FOR TAKING AFFIDAVITS

Lorette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

This is Exhibit "U" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homaniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

US Flue-cured

Victor Osztrovics

From: "Dennis Makepeace" <dennis@knex-ww.com> 919 601 3632 - DAN
 To: "Victor Osztrovics" <voherb@execulink.com> 980 722 1994
 Cc: "Grant Sanders" <gsanders@execulink.com>
 Sent: Wednesday, February 23, 2011 10:04 PM
 Subject: USFCTG Processing Proposal for True Blend's 3-to 4 Million Lbs

Hello Victor,

I heard late this afternoon that you and Brian decided against shipping the leaf in your receiving station to USFCTG for their processing into strip, storage and fumigation when needed. Do you really understand the importance of doing this? They made the financial gesture to do this so it will be ready for all clients that need the Canadian FCV in strip form. *What financial gesture.*

China's CTIEC and CNTC group have fully approved the 3 blends that were presented to them in late 2010. They were waiting until after the Chinese New Year before placing orders and this would allow immediate shipments to them upon their establishment of their LC's. USFCTG suggested this pricing gesture based on this and are financing this activity.

Besides these sales to CNTC, we have the following people who have approved samples and are awaiting permit issuance in their countries to establish orders and LC's. These include the following and are estimated at least 4 million lbs for these people:

Hunan province China
 Hai Phuong Tobacco Corp-
 Vietnam

~~Various Independents in Vietnam~~
 US Buying Group for CTIEC

Without this processing, CNTC would not be as likely to proceed and to have the continuity of supply from Canada for the coming years (2011-2015) which they ranked as more important than having much in 2010. They want the Canadian leaf back into their brand profiles. I hope you see the long term implications of not processing and stabilizing the product for them in strip form.

Since I assume the leaf that is in True Blend's building is ^{partially} paid for, does it not make sense to do the USFCTG processing of it? If the Bulgains LC which we discussed last Wednesday comes through next week, can't these funds be used to take the leaf that is in farmer's barns to eliminate this concern for you? That LC or order is for whole leaf. Isn't this the better overall solution scenario for all the volumes you contracted for in 2010?

We have had to arrange a fleet of trucks to move the many loads down for the 8 days of processing and the timing is critical. Barry Whitlow and I spoke tonight as we were both very confused on the action we heard. His schedule is he finished running some oriental leaf today and cleans up and runs one more day of his USA Flue Cured into strip. Then he would do a thorough cleaning next week to get ready for Canadian on March 7.

Based on what I heard late today, I told Barry I would check with you to understand your position and then call him at 8 AM tomorrow. If you decline to proceed, they will tear the plant down for repairs and will not have it back up until August of this year. This leaves no processing available to handle the volumes you have in the farmer's barns etc.

This is Exhibit "V" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Saveren & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

This page represents **Exhibit "V"** referred to in the
Affidavit of **Michael Sioen**, sworn May __, 2011
which will be provided to the court at the hearing
of this application on May 10, 2011.

This is Exhibit "W" referred to in the
affidavit of Michael Sloan, sworn before me
this 10th day of May, 2011.



A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeoluk LLP,
Barristers and Solicitors
Expires June 17, 2011.

and

1787811 ONTARIO INC. et al
Plaintiffs/Moving Parties

BRIAN KEVIN POREBA et al
Defendants/Responding Parties

8/04/11.
Adj to AP. 14/11 for 1/2 hr hearing.
On consent. 12:30 PM.
Consent to remain in place until further
Mtg. 14/11.

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Woodstock

MOTION RECORD

(Ex Parte Motion for a Mareva Injunction)

VOLUME 1 OF 2

BRAUTI THORNING ZIBARRAS LLP
151 Yonge Street East, Suite 1800
Toronto, ON M5C 2W7

P. James Zibarras
LSUC No. 48856F

Trung S. Nguyen
LSUC No. 49386C

Tel: 416.362.4567
Fax: 416.362.8410

Lawyers for the Plaintiffs/Moving Parties

This is Exhibit "X" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

1787811 ONTARIO INC. et al
Plaintiffs/Moving Parties

and

BRIAN KEVIN POREBA et al
Defendants/Responding Parties

8/04/11.
Adj To AP. 14/11 for 1 1/2 hours.
On consent 12:30 PM.
Counsel is over to remain in place until further
inquiry.

April 14, 2011

Zibarras, Nguyen for plaintiffs
Poreba and for defendants

I am not satisfied that there is
sufficient proper evidence before me
to make an order excepting
certain sales purchases and payments
from the scope of the existing order.

The writin is adjourned for a
specified appointment (at least 1 day)
within 3 weeks date to be
fixed by the trial court
leave is granted to conduct Rule 39
examinations after the cross-examination
of the defendant OSZTROVES. *Atteny in case 8*

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Woodstock

MOTION RECORD

(Ex Parte Motion for a Mareva Injunction)

VOLUME 1 OF 2

BRAUTI THORNING ZIBARRAS LLP
151 Yonge Street East, Suite 1800
Toronto, ON M5C 2W7

P. James Zibarras
LSUC No. 48856F

Trung S. Nguyen
LSUC No. 49386C

Tel: 416.362.4567
Fax: 416.362.8410

Lawyers for the Plaintiffs/Moving Parties

**This is Exhibit "Y" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.**


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

This page represents **Exhibit "Y"** referred to in the Affidavit of **Michael Sioen**, sworn May __, 2011, which will be provided to the court at the hearing of this application on May 10, 2011.

This is Exhibit "Z" referred to in the
affidavit of Michael Sloan, sworn before me
this 10th day of May, 2011.


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homenluk LLP,
Barristers and Solicitors
Expires June 17, 2011.

This is Exhibit "AA" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

1787811 ONTARIO INC., 1815612 ONTARIO INC., 2134265 ONTARIO INC.,
2294293 ONTARIO INC., 2204051 ONTARIO LTD., 2226700 ONTARIO INC.,
2229987 ONTARIO INC., 2230916 ONTARIO LTD., 2231288 ONTARIO INV.,
2232139 ONT. LTD., 2232466 ONTARIO INC., 2232471 ONTARIO INC.,
AARON PHILLIPS, ALLAN MUDGE, AUTUMN CREEK FIELD INC.,
BIRDIEBUFF HOLDINGS LTD., BMW FARMS INC., BRANDON
VANHAECKE, BRIAN SIOEN, BRIAN VANDERHAEGHE, C & B
VANKERREBROECK FARMS INC., COLIN YARMIE, D & M CSERCISICS
FARMS INC., DAVID TOTH, DIERICK FARMS LTD., DK SIOEN FARMS
INC., EDWARD POLJANOWSKI, G.D. BYERS FARMS, GARY DEMEYERE,
GARY ISENER, JACOB D & ELISABETH KNELSEN, MENDONCA
HOLDINGS INC., JEFF NEVILLE, JORDAN JAMES FARMS, JOSEPHINE
DECAROLIS, KEITH BOKLA, KYLIE DEMEULENAERE FARMS LTD.,
MATTHEW SOBCZYK, MICHAEL DEW, MYTY FARM, PETER WALL, R
& R FARMING LIMITED, RHINELAND FARMS LTD., RICHARD &
BARBARA DEMAREST, RYAN DEMEULENAERE FARM LTD., SCOTT
BRINKER, TRUDY REDEKOPP, STEVEN KNILL and SPRIET VENTURES
LTD.

Plaintiffs

and

BRIAN KEVIN POREBA, VICTOR OSZTROVICS, together operating as
TRUE BLEND, TRUE BLEND TOBACCO COMPANY INC., JOHN DOE and
JANE DOE

Defendants

SUPPLEMENTARY AFFIDAVIT OF VICTOR OSZTROVICS

I, Victor Osztrovics, of the Town of Burford in the County of Brant, MAKE OATH AND
SAY:

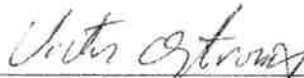
1. I am an Officer and Director of True Blend Tobacco Company Inc., (the "Corporation") a partner in True Blend, and a Defendant in this action. Accordingly have personal knowledge of the matters hereinafter deposed to. Where I do not have personal knowledge, I have stated the source of my information verily believe same to be true.
2. Further to my affidavit sworn April 7, 2011, I have met with the Defendant's bookkeeper and office manager, Tammy Lama, and asked that she determine precisely the deposits received by the Defendants, the amounts paid to our farmer suppliers, the amount paid to overhead expenses and the amount paid towards payroll since August 2010.
3. The date of August 2010 is significant because it is one month before the Defendants started experiencing the serious cash-flow shortage that has prevented us from paying our suppliers, including the Plaintiffs in at timely fashion.
4. Attached as Exhibit "A" is a list of all amounts received as deposits by the Defendants, all amounts paid to farmers, all amounts paid to overhead expenses, all amounts paid towards payroll and a reconciliation of each of these reports. Pursuant to these documents, the Defendants have from August 1, 2010 to present:
 - a) received \$4,913,568.46 in deposits;
 - b) paid \$3,594,738.10 to farmers;
 - c) paid \$239,978.10 towards payroll, which excludes the pay for the period of March 21, 2011 to April 1, 2011 and April 4, 2011 to April 15, 2011 which cannot be made on account of the *mareva* injunction;
 - d) paid \$1,070,684.95 towards its overhead expenses, including rent; and,
 - e) a balance of \$8,167.31 remaining.

5. The Defendants, therefore, have not participated in any dissipation or disposition of their assets outside their ordinary course of business.
6. I have also reviewed the email from Dennis Makepeace of U.S. Flue Cured Tobacco to myself attached as Exhibit "H" to the Affidavit of Michael Sioen.
7. This email was confidential and there is no legitimate or legal way that Sioen should be in possession of this document.
8. The proposed sale described in the email was from the Defendants to China CITC and CNTC (China National Tobacco Corporation). The sale did not go through because CNTC was not willing to any sum to the Defendants prior to the tobacco leaving our facility.
9. 100,000 pounds of tobacco was released to be inspected by CNC and that tobacco is still being held by U.S. Flue Curred Tobacco, as per the email.
10. I make this Affidavit for no improper purpose.

SWORN BEFORE ME at the City of
Brantford, in the County of Brant on the 12th
day of April, 2011



Commissioner for Taking Affidavits
(or as may be)



VICTOR OSZTROVICS

This is Exhibit "A" referred to in the
affidavit of Victor Osztrouics
sworn before me, this 12th
day of April 2011
D E T D
A COMMISSIONER, ETC.

Deposits

Transactions by Account Report 08/01/2010 to 04/11/2011

<u>Date</u>	<u>Comment</u>	<u>Source #</u>	<u>Trans. No.</u>	<u>Debits</u>
12/30/2010	60, Tobicoe. Moreen	Cash	J1626	4,000.00
11/03/2010	band rec adjustment for the month of december 2010	bank rec adjustment	J2198	0.01
11/19/2010	Cash withdrawl visa-0087	Cash withdrawl visa	J1931	700.00
02/28/2011	corporate tax rebate	Rebate	J2322	271,493.45
12/20/2010	Dynasty Tobacco Inc,	90	J2024	1,060.50
02/08/2011	Dynasty Tobacco Inc,	100	J2193	19,990.00
02/14/2011	envelope refund	envelope refund	J2480	78.16
11/03/2010	EXCHANGE FROM USTO CAN	EXCHANGE RATE	J2000	400.00
03/24/2011	For the period Dec 1-31, 2010	GST Refund	J2554	8,723.41
03/24/2011	For the period Jan 1-31, 2011	GST Refund	J2551	7,448.39
10/13/2010	From US Acct to Cdn	transfer	J1051	96,144.00
10/15/2010	From US Acct to Cdn	transfer	J1057	100,217.70
10/15/2010	From US Acct to Cdn	transfer	J1047	124,372.00
10/18/2010	From US Acct to Cdn	transfer	J1134	71,951.40
11/03/2010	From US Acct to Cdn	transfer	J1769	664.19
11/05/2010	From US Acct to Cdn	transfer	J1349	159,984.00
12/10/2010	From US Acct to Cdn	transfer	J1774	57,500.00
08/09/2010	Grant	Deposit	J331	10,000.00
08/11/2010	Grant	Deposit	J1113	10,000.00
08/13/2010	Grant	Deposit	J1114	13,000.00
08/27/2010	Grant	Deposit	J449	9,000.00
08/27/2010	Grant	Deposit	J448	11,000.00
08/27/2010	Grant	Deposit	J450	20,000.00
08/27/2010	Grant	Deposit	J452	60,000.00
08/31/2010	Grant	Deposit	J1115	100,000.00
09/01/2010	Grant	Deposit	J1178	119,000.00
09/02/2010	Grant	Deposit	J1179	53,500.00
09/07/2010	Grant	Deposit	J1180	32,800.00
09/07/2010	Grant	Deposit	J1182	53,000.00
09/07/2010	Grant	Deposit	J1181	55,000.00
09/08/2010	Grant	Deposit	J1183	72,000.00
09/09/2010	Grant	Deposit	J1184	70,000.00
09/10/2010	Grant	Deposit	J1185	50,000.00
09/13/2010	Grant	Deposit	J1189	80,000.00
09/14/2010	Grant	Deposit	J1192	36,000.00
09/14/2010	Grant	Deposit	J1190	50,000.00
09/14/2010	Grant	Deposit	J1191	147,200.00
09/16/2010	Grant	Deposit	J1194	15,000.00
09/16/2010	Grant	Deposit	J1195	87,500.00
09/17/2010	Grant	Deposit	J1196	23,684.00
09/17/2010	Grant	Deposit	J1198	72,900.00
09/20/2010	Grant	Deposit	J1197	6,000.00
09/21/2010	Grant	Deposit	J1201	90,000.00
09/27/2010	Grant	Deposit	J1205	112,000.00

09/28/2010	Grant	Deposit	J1206	68,500.00
09/30/2010	Grant	Deposit	J1207	94,000.00
10/01/2010	Grant	Deposit	J1532	38,500.00
10/04/2010	Grant	Deposit	J1533	11,000.00
10/04/2010	Grant	Deposit	J1534	107,000.00
10/05/2010	Grant	Deposit	J1537	15,000.00
10/05/2010	Grant	Deposit	J1535	52,000.00
10/05/2010	Grant	Deposit	J1536	54,750.00
10/06/2010	Grant	Deposit	J1538	50,000.00
10/06/2010	Grant	Deposit	J1539	89,000.00
10/08/2010	Grant	Deposit	J1541	46,000.00
10/08/2010	Grant	Deposit	J1540	91,000.00
10/15/2010	Grant	Deposit	J1542	100,000.00
10/15/2010	Grant	Deposit	J1543	106,000.00
10/22/2010	Grant	Deposit	J1549	10,000.00
11/25/2010	Grant	Deposit	J1500	140,000.00
11/25/2010	Grant	Deposit	J1587	6,000.00
12/02/2010	Grant	Deposit	J2021	8,000.00
12/31/2010	Grant	Deposit	J1926	4,300.00
01/05/2011	Grant	Deposit	J2462	5,700.00
02/03/2011	Import Trading company Inc.	95	J2176	58,000.00
02/03/2011	Import Trading company Inc.	96	J2177	92,000.00
02/04/2011	Import Trading company Inc.	98	J2187	110,680.00
02/17/2011	Import Trading company Inc.	103	J2295	40,000.00
02/18/2011	Import Trading company Inc.	101	J2291	379,972.00
01/07/2011	Import Trading company Inc.: Deposit on Purchase order for Cut Rag	92	J2457	180,000.00
08/03/2010	Krill, Steven	67	J310	741.56
02/24/2011	Loan for payroll from Steve Orrett	Loan Steve	J2485	15,000.00
12/06/2010	M-One MFG.	85	J1615	792.00
12/10/2010	M-One MFG.	89	J2022	7,920.00
01/27/2011	M-One MFG.	93	J2077	7,920.00
03/09/2011	M-One MFG.	109	J2423	7,920.00
08/03/2010	MyTy Farms c/o Amanda & Scott DeCloet	65	J308	487.31
10/29/2010	Refund of bank charges	Refund of bank charg	J1552	15.00
10/26/2010	short term loan tammy	Short Term Loan	J2638	15,000.00
09/23/2010	Short Term Loan/Brian	Short term loan	J934	500,000.00
08/03/2010	Spruet Ventures Ltd.	66	J309	1,059.38
12/03/2010	Tobicoe, Moreen	84	J1611	4,000.00
02/01/2011	Tobicoe, Moreen	94	J2106	4,000.00

4,913,568.46

farmers Paid

09/22/2010	Yarmie, Collin	745	J749	37,263.80
09/15/2010	Yarmie, Collin	708	J573	37,066.65
10/15/2010	Wall, Peter	53581334	J1048	30,864.70
09/22/2010	Waelz, Justin	744	J748	73,426.09
09/20/2010	VanHaecke, Brandon	709	J693	26,773.20
10/07/2010	Vanderhaeghe, Brian	53581273	J954	24,765.49
02/15/2011	VanBerlo, Mike	1170	J2243	49,301.02
02/15/2011	VanBerlo, Amanda & Matthew	1169	J2242	41,211.04
09/07/2010	Toth, David	665	J495	32,195.58
02/15/2011	Szalkai, Rebecca	1175	J2249	12,098.38
12/10/2010	Szalkai, Rebecca	972	J1718	10,000.00
12/10/2010	Szalkai, Rebecca	979	J1749	10,000.00
02/15/2011	Squires Family Farms Ltd. c/o Greg & Lisa Squires	1177	J2251	35,042.13
10/07/2010	Squires Family Farms Ltd. c/o Greg & Lisa Squires	775	J949	35,000.00
09/07/2010	Sobczyk, Matthew	667	J501	75,310.66
09/22/2010	Sioen, Brian Edward	742	J740	77,924.08
09/03/2010	Sioen, Brian Edward	681	J488	67,189.65
09/21/2010	Ryan Demeulenaere Farms Ltd.	736	J707	68,413.15
10/18/2010	Rhineland Farms Ltd. c/o Curtis VanLaecke	5358167	J1131	69,327.04
02/15/2011	Redekopp, Trudy	1166	J2239	64,692.68
12/13/2010	Redekopp, Trudy	975	J1754	10,000.00
09/08/2010	R & R Farming c/o Luke Sioen	683	J529	60,208.42
02/28/2011	Poreba, Brian	1216	J2328	10,006.71
11/02/2010	Poreba, Brian	869	J1293	4,000.00
10/08/2010	Poreba, Brian	792	J961	10,000.00
02/15/2011	Poljanowski, Ed	1172	J2245	34,386.17
09/20/2010	Phillips, Aaron	710	J690	47,261.09
09/03/2010	Phillips, Aaron	664	J486	13,026.85
02/28/2011	Osztrovics, Elysia	1217	J2329	10,000.00
09/07/2010	Neville, Jeff	666	J497	34,524.87
09/09/2010	Myty Farms c/o Amanda & Scott DeCloet	687	J544	36,417.60
09/22/2010	Mudge, Allan	741	J745	33,373.95
09/22/2010	Mendonca Holdings Inc c/o Jamie Mendonca	743	J747	36,408.18
09/21/2010	Manary, J. Brent	737	J708	66,528.75
02/15/2011	Kylie Demeulenaere Farms Ltd.	1178	J2254	82,408.80
12/10/2010	Koslowski, Claude	971	J1717	10,000.00
10/15/2010	Koslowski, Claude	53581346	J1055	73,214.72
10/05/2010	Koslowski, Claude	857	J1249	135,586.38
09/20/2010	Koslowski, Claude	711	J683	55,910.77
09/10/2010	Koslowski, Claude	694	J558	51,191.14
09/08/2010	Koslowski, Claude	684	J531	63,084.72
09/10/2010	Knelsen, Jacob & Elisabeth	691	J552	32,078.15
09/17/2010	Jordan James Farms Ltd c/o Jordon Demeulenaere	707	J571	77,177.79
10/06/2010	Hugye, Elizabeth	53581260	J992	20,000.00
09/10/2010	Hugye, Elizabeth	690	J550	61,712.15
09/21/2010	Hiebert, Jacob	739	J710	29,207.65
09/21/2010	Hiebert, David	738	J709	30,266.15

09/08/2010	G.D. Byers Farms Inc. c/o Grant Byers	672	J517	34,762.04
10/05/2010	Dierick Farms Ltd. c/o Frank Dierick	776	J887	61,540.48
09/30/2010	Dierick Farms Ltd. c/o Frank Dierick	773	J844	70,000.00
09/09/2010	Dierick Farms Ltd. c/o Frank Dierick	686	J541	58,854.46
10/18/2010	Dew, Michael	53581366	J1132	57,627.13
02/15/2011	Demeyere, Gary	1173	J2246	36,518.41
09/08/2010	Demarest, Richard & Barbara	673	J519	35,156.05
09/07/2010	D&M Csercsis Farms Inc. c/o Rose Csercsics	670	J512	35,683.37
09/10/2010	D K Sioen Farms Inc.	693	J556	76,901.06
10/12/2010	C&B Vankerbroeck Farms Inc. c/o Diane Vankerbroeck	795	J965	70,672.79
02/15/2011	Brinker, Scott	1174	J2247	87,232.40
09/17/2010	BMW Fams Inc. c/o Magda Watts	697	J646	35,200.10
02/15/2011	Birdiebuff Holdings Ltd. c/o Heather & Brett Cairns	1171	J2244	65,181.19
10/15/2010	Birdiebuff Holdings Ltd. c/o Heather & Brett Cairns	818	J1053	10,000.00
09/10/2010	Autumn Creek Field Inc. c/o Andrew Vranckx	692	J554	30,576.55
10/18/2010	2232471 Ontario Inc. c/o David Cain	53581365	J1133	69,763.46
02/15/2011	2232466 Ontario Inc. c/o Anita Wilson	1168	J2241	72,747.12
09/22/2010	2232139 Ontario Limited c/o Peter Vilaca	746	J750	71,900.03
10/07/2010	2231288 Ontario Inc. c/o Chris Vanacker	53581274	J952	45,002.20
09/07/2010	2230916 Ontario Ltd. c/o Ryan D'Hulster	669	J508	33,205.25
10/06/2010	2229987 Ontario Inc. c/o Nancy Thompson	53581257	J990	67,464.93
10/08/2010	2229625 Ontario Ltd. c/o Amanda Claes	53581281	J960	55,374.47
10/15/2010	2226700 Ontario Inc. c/o Carol Groenveld	53581345	J1056	70,615.95
10/15/2010	2206388 Ontario Ltd. c/o Josephine DeCarolis	53581335	J1049	67,853.55
09/09/2010	2204293 Ontario Inc. c/o John D. Lipsik	685	J539	91,062.53
09/03/2010	2204293 Ontario Inc. c/o John D. Lipsik	663	J482	75,092.85
09/03/2010	2134265 Ontario Ltd. c/o Dennis Vanhooren	680	J484	39,696.55
10/12/2010	1815612 Ontario Inc. c/o Crystal Gineille Verspeenten	53581309	J1008	80,690.08
09/17/2010	1787811 Ontario Inc. c/o Peter Watts	696	J648	<u>34,780.55</u>
				3,594,738.10

Payroll

08/03/2010	Bridgwater, George	622	J312	950.00
08/11/2010	Bridgwater, George	635	J343	950.00
08/19/2010	Bridgwater, George	644	J400	950.00
08/25/2010	Bridgwater, George	658	J418	950.00
09/01/2010	Bridgwater, George	664	J477	950.00
09/09/2010	Bridgwater, George	703	J534	950.00
09/16/2010	Bridgwater, George	724	J660	950.00
09/22/2010	Bridgwater, George	756	J763	950.00
09/30/2010	Bridgwater, George	732	J826	950.00
10/07/2010	Bridgwater, George	786	J937	950.00
10/14/2010	Bridgwater, George	819	J1058	1,160.23
10/28/2010	Bridgwater, George	855	J1234	950.00
11/04/2010	Bridgwater, George	872	J1297	950.00
11/11/2010	Bridgwater, George	898	J1361	950.00
11/18/2010	Bridgwater, George	910	J1443	950.00
11/25/2010	Bridgwater, George	920	J1571	950.00
12/02/2010	Bridgwater, George	935	J1591	950.00
12/08/2010	Bridgwater, George	944	J1672	950.00
12/16/2010	Bridgwater, George	981	J1824	950.00
12/23/2010	Bridgwater, George	995	J1858	950.00
12/29/2010	Bridgwater, George	1001	J1868	950.00
12/31/2010	Bridgwater, George	1019	J1911	950.00
01/12/2011	Bridgwater, George	1050	J1970	952.02
01/20/2011	Bridgwater, George	1066	J2029	952.02
01/26/2011	Bridgwater, George	1085	J2062	952.02
02/03/2011	Bridgwater, George	1128	J2152	1,152.93
02/09/2011	Bridgwater, George	1147	J2202	952.02
02/17/2011	Bridgwater, George	1179	J2271	952.02
02/24/2011	Bridgwater, George	1198	J2305	952.02
03/03/2011	Bridgwater, George	1223	J2362	952.02
03/10/2011	Bridgwater, George	1245	J2430	952.02
03/17/2011	Bridgwater, George	1263	J2490	952.02
03/24/2011	Bridgwater, George	1283	J2527	952.02
08/03/2010	Czeranko, John	626	J316	1,020.00
08/11/2010	Czeranko, John	637	J345	904.00
08/19/2010	Czeranko, John	645	J401	1,017.00
08/25/2010	Czeranko, John	655	J415	1,138.47
09/01/2010	Czeranko, John	661	J474	960.50
09/09/2010	Czeranko, John	707	J548	600.79
09/16/2010	Czeranko, John	716	J652	628.15
09/22/2010	Czeranko, John	757	J764	634.51
09/30/2010	Czeranko, John	728	J822	797.41
10/07/2010	Czeranko, John	789	J940	862.69
10/14/2010	Czeranko, John	801	J1027	666.15
10/21/2010	Czeranko, John	828	J1150	825.38
10/28/2010	Czeranko, John	851	J1230	736.80
11/04/2010	Czeranko, John	875	J1300	769.44

01/12/2011	Demeester, Dan	1052	J1972	893.05
01/20/2011	Demeester, Dan	1068	J2031	893.05
01/26/2011	Demeester, Dan	1087	J2064	893.05
02/03/2011	Demeester, Dan	1116	J2140	893.05
02/09/2011	Demeester, Dan	1149	J2204	893.05
02/17/2011	Demeester, Dan	1181	J2273	893.05
02/24/2011	Demeester, Dan	1200	J2307	893.05
03/03/2011	Demeester, Dan	1225	J2364	893.05
03/10/2011	Demeester, Dan	1247	J2432	893.05
03/17/2011	Demeester, Dan	1266	J2493	893.05
03/24/2011	Demeester, Dan	1286	J2530	893.05
09/16/2010	Detelder, Jason	723	J659	628.15
09/22/2010	Detelder, Jason	751	J758	750.78
09/30/2010	Detelder, Jason	734	J828	750.78
10/07/2010	Detelder, Jason	793	J944	628.15
10/14/2010	Detelder, Jason	808	J1034	750.78
10/21/2010	Detelder, Jason	827	J1149	750.78
10/28/2010	Detelder, Jason	856	J1235	750.78
11/11/2010	Detelder, Jason	893	J1935	750.78
11/18/2010	Detelder, Jason	913	J1446	750.78
11/25/2010	Detelder, Jason	923	J1574	797.41
12/02/2010	Detelder, Jason	938	J1594	789.64
12/16/2010	Detelder, Jason	984	J1827	750.78
12/23/2010	Detelder, Jason	997	J1860	750.78
12/29/2010	Detelder, Jason	1004	J1871	750.78
12/31/2010	Detelder, Jason	1022	J1914	750.78
01/12/2011	Detelder, Jason	1053	J1973	752.57
01/20/2011	Detelder, Jason	1069	J2032	752.57
01/27/2011	Detelder, Jason	1110	J2107	752.57
02/03/2011	Detelder, Jason	1117	J2141	752.57
02/09/2011	Detelder, Jason	1150	J2205	752.57
02/17/2011	Detelder, Jason	1182	J2274	915.64
02/24/2011	Detelder, Jason	1201	J2308	752.57
03/03/2011	Detelder, Jason	1226	J2365	752.57
03/10/2011	Detelder, Jason	1248	J2433	752.57
03/17/2011	Detelder, Jason	1267	J2494	752.57
03/24/2011	Detelder, Jason	1281	J2525	752.57
09/16/2010	Detelder, Jeff	722	J658	381.30
09/22/2010	Detelder, Jeff	749	J756	483.42
09/30/2010	Detelder, Jeff	731	J825	435.85
10/07/2010	Detelder, Jeff	790	J941	480.62
10/14/2010	Detelder, Jeff	804	J1030	486.21
10/21/2010	Detelder, Jeff	830	J1152	419.07
10/28/2010	Detelder, Jeff	849	J1227	539.37
11/05/2010	Detelder, Jeff	885	J1315	463.84
11/11/2010	Detelder, Jeff	1033	J1933	486.21
11/18/2010	Detelder, Jeff	914	J1447	472.22

11/25/2010	Detelder, Jeff	924	J1575	500.21
12/02/2010	Detelder, Jeff	939	J1595	410.67
12/16/2010	Detelder, Jeff	985	J1828	199.31
12/29/2010	Detelder, Jeff	1005	J1872	475.02
12/31/2010	Detelder, Jeff	1023	J1915	491.81
01/12/2011	Detelder, Jeff	1054	J1974	185.21
01/20/2011	Detelder, Jeff	1070	J2033	492.19
01/26/2011	Detelder, Jeff	1088	J2065	411.08
02/03/2011	Detelder, Jeff	1118	J2142	520.14
02/09/2011	Detelder, Jeff	1151	J2206	458.63
02/17/2011	Detelder, Jeff	1183	J2275	575.70
02/24/2011	Detelder, Jeff	1202	J2309	413.89
03/03/2011	Detelder, Jeff	1227	J2366	281.75
03/17/2011	Detelder, Jeff	1268	J2495	492.19
03/24/2011	Detelder, Jeff	1282	J2526	423.00
03/17/2011	Lama, Anthony	1262	J2506	331.50
08/03/2010	Lama, Tammy	624	J314	628.15
08/04/2010	Lama, Tammy	631	J325	395.00
08/11/2010	Lama, Tammy	633	J341	628.15
08/19/2010	Lama, Tammy	640	J397	628.15
08/25/2010	Lama, Tammy	657	J417	628.15
09/01/2010	Lama, Tammy	662	J475	628.15
09/09/2010	Lama, Tammy	702	J533	628.15
09/16/2010	Lama, Tammy	718	J654	628.15
09/18/2010	Lama, Tammy	700	J668	395.00
09/22/2010	Lama, Tammy	754	J761	628.15
09/30/2010	Lama, Tammy	760	J831	628.15
10/07/2010	Lama, Tammy	785	J936	628.15
10/14/2010	Lama, Tammy	807	J1033	628.15
10/28/2010	Lama, Tammy	886	J1317	628.15
11/04/2010	Lama, Tammy	874	J1299	628.15
11/11/2010	Lama, Tammy	896	J1359	628.15
11/18/2010	Lama, Tammy	915	J1448	628.15
11/25/2010	Lama, Tammy	925	J1576	628.15
12/02/2010	Lama, Tammy	940	J1596	628.15
12/08/2010	Lama, Tammy	947	J1678	628.15
12/16/2010	Lama, Tammy	986	J1829	628.15
12/23/2010	Lama, Tammy	998	J1861	628.15
12/29/2010	Lama, Tammy	1006	J1873	628.15
12/31/2010	Lama, Tammy	1024	J1916	628.15
01/12/2011	Lama, Tammy	1055	J1975	629.75
01/20/2011	Lama, Tammy	1071	J2034	708.34
01/26/2011	Lama, Tammy	1089	J2066	708.34
02/03/2011	Lama, Tammy	1119	J2143	708.34
02/09/2011	Lama, Tammy	1152	J2207	708.34
02/17/2011	Lama, Tammy	1164	J2276	708.34
02/24/2011	Lama, Tammy	1203	J2310	708.34

03/03/2011	Lama, Tammy	1228	J2367	708.34
03/10/2011	Lama, Tammy	1249	J2434	708.34
03/17/2011	Lama, Tammy	1269	J2496	708.34
03/24/2011	Lama, Tammy	1287	J2531	708.34
12/08/2010	Mayo, Adam	948	J1680	497.41
12/16/2010	Mayo, Adam	987	J1830	386.44
12/29/2010	Mayo, Adam	1007	J1874	475.02
12/31/2010	Mayo, Adam	1025	J1917	220.23
01/12/2011	Mayo, Adam	1056	J1976	489.39
01/20/2011	Mayo, Adam	1072	J2035	528.54
01/26/2011	Mayo, Adam	1090	J2067	517.35
02/03/2011	Mayo, Adam	1120	J2144	508.97
02/09/2011	Mayo, Adam	1153	J2208	461.42
02/17/2011	Mayo, Adam	1185	J2277	606.49
02/24/2011	Mayo, Adam	1204	J2311	525.74
03/03/2011	Mayo, Adam	1229	J2368	444.65
03/10/2011	Mayo, Adam	1250	J2435	486.59
03/17/2011	Mayo, Adam	1270	J2497	447.44
03/24/2011	Mayo, Adam	1288	J2532	478.20
01/20/2011	Mayo, Kyle	1073	J2036	463.29
01/26/2011	Mayo, Kyle	1091	J2068	453.59
02/03/2011	Mayo, Kyle	1121	J2145	446.32
02/09/2011	Mayo, Kyle	1154	J2209	405.12
02/17/2011	Mayo, Kyle	1186	J2278	531.78
02/24/2011	Mayo, Kyle	1205	J2312	460.86
03/03/2011	Mayo, Kyle	1230	J2369	391.15
03/10/2011	Mayo, Kyle	1251	J2436	100.33
03/17/2011	Mayo, Kyle	1271	J2498	293.28
03/24/2011	Mayo, Kyle	1289	J2533	419.66
12/30/2010	McCutchen, Adam	1012	J1879	334.98
12/31/2010	McCutchen, Adam	1026	J1918	173.17
01/12/2011	McCutchen, Adam	1057	J1977	436.63
01/20/2011	McCutchen, Adam	1074	J2037	463.29
01/26/2011	McCutchen, Adam	1092	J2069	448.74
02/03/2011	McCutchen, Adam	1122	J2146	446.32
02/09/2011	McCutchen, Adam	1155	J2210	405.12
02/17/2011	McCutchen, Adam	1187	J2279	520.25
02/24/2011	McCutchen, Adam	1206	J2313	460.86
03/03/2011	McCutchen, Adam	1231	J2370	391.15
03/10/2011	McCutchen, Adam	1252	J2437	97.30
03/17/2011	McCutchen, Adam	1272	J2499	293.28
03/24/2011	McCutchen, Adam	1290	J2534	355.50
09/09/2010	Millen, Cindy	705	J536	101.31
09/16/2010	Millen, Cindy	714	J650	389.01
09/22/2010	Millen, Cindy	752	J759	483.42
09/30/2010	Millen, Cindy	730	J824	505.80
10/07/2010	Millen, Cindy	791	J942	582.29

10/14/2010	Millen, Cindy	803	J1029	494.61
10/21/2010	Millen, Cindy	831	J1153	424.67
10/28/2010	Millen, Cindy	847	J1223	582.29
11/04/2010	Millen, Cindy	879	J1306	441.45
11/11/2010	Millen, Cindy	901	J1364	489.02
11/18/2010	Millen, Cindy	916	J1449	475.02
11/25/2010	Millen, Cindy	926	J1577	508.60
12/02/2010	Millen, Cindy	941	J1597	500.21
12/08/2010	Millen, Cindy	949	J1682	494.61
12/16/2010	Millen, Cindy	988	J1831	220.23
12/29/2010	Millen, Cindy	1008	J1875	475.02
12/31/2010	Millen, Cindy	1027	J1919	480.62
01/12/2011	Millen, Cindy	1058	J1978	497.77
01/20/2011	Millen, Cindy	1075	J2038	494.98
01/26/2011	Millen, Cindy	1093	J2070	472.61
02/03/2011	Millen, Cindy	1123	J2147	517.35
02/09/2011	Millen, Cindy	1156	J2211	458.63
02/17/2011	Millen, Cindy	1188	J2280	583.14
02/24/2011	Millen, Cindy	1212	J2320	521.99
03/03/2011	Millen, Cindy	1232	J2371	425.08
03/10/2011	Millen, Cindy	1253	J2438	115.25
03/17/2011	Millen, Cindy	1273	J2500	330.17
03/24/2011	Millen, Cindy	1291	J2535	386.86
03/03/2011	Osztrovics, Victor	1241	J2403	767.33
03/10/2011	Osztrovics, Victor	1254	J2439	767.33
03/17/2011	Osztrovics, Victor	1274	J2501	767.33
03/24/2011	Osztrovics, Victor	1292	J2536	767.33
03/24/2011	Patenaude, Dan	1306	J2550	142.77
11/08/2010	Poreba, Brian	890	J1334	7,585.03
03/03/2011	Poreba, Brian	1242	J2404	767.33
03/10/2011	Poreba, Brian	1255	J2440	767.33
03/17/2011	Poreba, Brian	1275	J2502	767.33
03/24/2011	Poreba, Brian	1293	J2537	767.33
09/09/2010	Sys, Kathy	704	J535	199.31
09/16/2010	Sys, Kathy	715	J651	370.15
09/22/2010	Sys, Kathy	753	J760	486.21
09/30/2010	Sys, Kathy	733	J827	475.02
10/07/2010	Sys, Kathy	788	J939	480.62
10/14/2010	Sys, Kathy	802	J1028	480.62
10/28/2010	Sys, Kathy	844	J1220	371.00
11/04/2010	Sys, Kathy	877	J1302	365.85
11/11/2010	Sys, Kathy	900	J1363	441.45
11/18/2010	Sys, Kathy	917	J1450	329.71
11/25/2010	Sys, Kathy	927	J1578	452.64
12/03/2010	Sys, Kathy	951	J2411	363.28
12/08/2010	Sys, Kathy	950	J1002	298.67
12/16/2010	Sys, Kathy	993	J1837	291.43

12/29/2010	Sys, Kathy	1013	J1880	396.73
12/31/2010	Sys, Kathy	1031	J1923	312.92
01/12/2011	Sys, Kathy	1062	J1982	425.08
01/20/2011	Sys, Kathy	1076	J2039	350.87
01/26/2011	Sys, Kathy	1094	J2071	255.56
02/03/2011	Sys, Kathy	1124	J2148	392.01
02/09/2011	Sys, Kathy	1157	J2212	276.51
02/17/2011	Sys, Kathy	1189	J2281	350.87
03/03/2011	Sys, Kathy	1233	J2372	381.73
03/04/2011	Sys, Kathy	1244	J2409	360.23
03/24/2011	Sys, Kathy	1294	J2538	244.38
10/14/2010	Vantygghem, Jim	815	J1042	1,152.41
10/28/2010	Vantygghem, Jim	854	J1233	1,000.00
11/04/2010	Vantygghem, Jim	873	J1298	1,000.00
11/11/2010	Vantygghem, Jim	899	J1362	1,000.00
11/18/2010	Vantygghem, Jim	918	J1451	1,000.00
11/25/2010	Vantygghem, Jim	928	J1579	1,000.00
12/02/2010	Vantygghem, Jim	942	J1598	1,000.00
12/08/2010	Vantygghem, Jim	952	J1666	1,000.00
12/16/2010	Vantygghem, Jim	989	J1832	1,000.00
12/23/2010	Vantygghem, Jim	999	J1862	1,000.00
12/29/2010	Vantygghem, Jim	1009	J1876	1,000.00
12/31/2010	Vantygghem, Jim	1028	J1920	1,000.00
01/12/2011	Vantygghem, Jim	1059	J1979	1,002.02
01/20/2011	Vantygghem, Jim	1077	J2040	1,002.02
01/26/2011	Vantygghem, Jim	1095	J2072	1,002.02
02/03/2011	Vantygghem, Jim	1129	J2153	1,202.93
02/03/2011	Vantygghem, Jim	1127	J2149	1,002.02
02/09/2011	Vantygghem, Jim	1158	J2213	1,002.02
02/17/2011	Vantygghem, Jim	1190	J2282	1,002.02
02/24/2011	Vantygghem, Jim	1208	J2315	1,002.02
03/03/2011	Vantygghem, Jim	1234	J2373	1,002.02
03/10/2011	Vantygghem, Jim	1256	J2441	1,002.02
03/17/2011	Vantygghem, Jim	1276	J2503	1,002.02
03/24/2011	Vantygghem, Jim	1295	J2539	1,002.02
08/03/2010	Vinnai, Derrick	625	J315	558.65
08/11/2010	Vinnai, Derrick	636	J344	376.15
08/19/2010	Vinnai, Derrick	642	J399	458.24
08/27/2010	Vinnai, Derrick	660	J446	458.24
09/01/2010	Vinnai, Derrick	665	J478	491.81
09/09/2010	Vinnai, Derrick	706	J537	486.21
09/16/2010	Vinnai, Derrick	717	J653	469.43
09/22/2010	Vinnai, Derrick	750	J757	491.81
09/30/2010	Vinnai, Derrick	729	J823	475.02
10/07/2010	Vinnai, Derrick	792	J943	649.98
10/14/2010	Vinnai, Derrick	805	J1031	480.62
10/21/2010	Vinnai, Derrick	829	J1151	657.08

10/28/2010	Vinnai, Derrick	850	J1229	539.37
11/04/2010	Vinnai, Derrick	880	J1308	497.41
11/11/2010	Vinnai, Derrick	903	J1366	463.84
11/18/2010	Vinnai, Derrick	919	J1452	708.81
11/25/2010	Vinnai, Derrick	929	J1580	497.41
12/02/2010	Vinnai, Derrick	943	J1599	486.21
12/08/2010	Vinnai, Derrick	953	J1668	391.59
12/16/2010	Vinnai, Derrick	990	J1833	216.80
12/29/2010	Vinnai, Derrick	1010	J1877	469.43
12/31/2010	Vinnai, Derrick	1029	J1921	480.62
01/12/2011	Vinnai, Derrick	1060	J1980	500.57
01/20/2011	Vinnai, Derrick	1078	J2041	522.94
01/26/2011	Vinnai, Derrick	1096	J2073	511.76
02/03/2011	Vinnai, Derrick	1125	J2150	511.76
02/09/2011	Vinnai, Derrick	1159	J2214	461.42
02/17/2011	Vinnai, Derrick	1191	J2203	590.63
02/24/2011	Vinnai, Derrick	1209	J2316	525.74
03/03/2011	Vinnai, Derrick	1235	J2374	534.14
03/04/2011	Vinnai, Derrick	1260	J2449	308.94
03/10/2011	Vinnai, Derrick	1257	J2442	486.59
12/08/2010	Wall, Anna	954	J1670	497.41
12/16/2010	Wall, Anna	991	J1834	386.44
12/29/2010	Wall, Anna	1011	J1878	475.02
12/31/2010	Wall, Anna	1030	J1922	220.23
01/12/2011	Wall, Anna	1061	J1981	489.39
01/20/2011	Wall, Anna	1079	J2042	528.54
01/26/2011	Wall, Anna	1097	J2074	511.76
02/03/2011	Wall, Anna	1126	J2151	508.97
02/09/2011	Wall, Anna	1160	J2215	461.42
02/17/2011	Wall, Anna	1192	J2284	606.49
02/24/2011	Wall, Anna	1210	J2317	525.74
03/03/2011	Wall, Anna	1236	J2375	444.65
03/10/2011	Wall, Anna	1258	J2443	115.25
03/10/2011	Wall, Anna	1258	J2443	115.25
03/17/2011	Wall, Anna	1277	J2504	244.38
03/24/2011	Wall, Anna	1296	J2540	478.20

239,978.10

Expenses

True Blend Tobacco Company Inc.
Transactions by Account Report 08/01/2010 to 04/11/2011
Sorted by: Date

Date	Comment	Source #	Trans. No	Debits	Credits
01/07/2011	1, Soapopular Inc.	Bank Draft	J2453	0.00	25,007.50
01/07/2011	11, Sanders, Grant	bank draft	J2454	0.00	5,007.50
01/07/2011	12, Osztrovics, Victor	bank transfer	J2455	0.00	5,000.00
12/09/2010	A.D.L. Tobacco	961	J1706	0.00	105.00
02/28/2011	A D.L. Tobacco	1214	J2326	0.00	3,360.17
11/02/2010	Ampro Electric Ltd.	870	J1294	0.00	6,319.39
01/11/2011	Ampro Electric Ltd	1034	J1938	0.00	847.10
02/01/2011	Ampro Electric Ltd	1109	J2105	0.00	1,958.99
02/04/2011	Ampro Electric Ltd	1131	J2161	0.00	4,445.99
03/25/2011	Ampro Electric Ltd	1307	J2578	0.00	1,215.13
02/04/2011	Andre J Belanger Avocate	1142	J2182	0.00	9,594.38
12/09/2010	Automotion Towing Inc.	964	J1709	0.00	141.25
03/24/2011	Automotion Towing Inc.	1301	J2545	0.00	141.25
01/31/2011	Bank Charges for 7 months	st	J2477	0.00	1,200.00
08/09/2010	Bell Canada - Telephone	Q6L9W5	J328	0.00	415.49
09/15/2010	Bell Canada - Telephone	L7Q2L9	J1016	0.00	226.64
10/13/2010	Bell Canada - Telephone	A9Z3U3	J1019	0.00	230.87
11/12/2010	Bell Canada - Telephone	Y4Y7A4	J1371	0.00	225.71
12/09/2010	Bell Canada - Telephone	R7J5Q5	J1695	0.00	225.34
01/11/2011	Bell Canada - Telephone	K6Y8U8	J1954	0.00	226.88
01/31/2011	Bell Canada - Telephone	X7L3R5	J2090	0.00	225.17
02/28/2011	Bell Canada - Telephone	R2Q2K4	J2397	0.00	225.16
08/09/2010	Bell Canada-Toll Free	Q6L9W6	J327	0.00	70.83
09/15/2010	Bell Canada-Toll Free	L7Q2Q2	J1018	0.00	69.41
10/13/2010	Bell Canada-Toll Free	A9Z3U4	J1020	0.00	76.30
12/09/2010	Bell Canada-Toll Free	R7J5Q6	J1703	0.00	183.80
01/11/2011	Bell Canada-Toll Free	K6Y8U7	J1956	0.00	50.76
01/31/2011	Bell Canada-Toll Free	X7L3R6	J2091	0.00	63.48
02/28/2011	Bell Canada-Toll Free	R2Q2R5	J2398	0.00	65.64
11/02/2010	Best Weigh Scale	862	J1284	0.00	3,955.00
08/17/2010	BFI Canada	548	J404	0.00	220.26
11/02/2010	BFI Canada	858	J1277	0.00	221.32
12/09/2010	BFI Canada	962	J1707	0.00	113.83
12/31/2010	BFI Canada	1017	J1906	0.00	114.72
02/01/2011	BFI Canada	1105	J2101	0.00	120.45
03/24/2011	BFI Canada	1304	J2548	0.00	348.45
10/15/2010	Blake's Fam Equipment	823	J1098	0.00	4,410.00
02/04/2011	Blake's Fam Equipment	1134	J2164	0.00	5,175.40
01/11/2011	Bluestreak Equipment	1035	J1939	0.00	847.50
09/30/2010	Canada Post	771	J841	0.00	146.90
08/30/2010	Arrears & interest for Corporate Tax	Corp. Tax Payment	J451	0.00	5,000.00
08/30/2010	Arrears, Canada Revenue Agency	Cash	J459	0.00	361.93

08/11/2010	Canada Revenue Agency	610745	J340	0.00	4,119.31
09/15/2010	Canada Revenue Agency	709	J590	0.00	5,438.18
09/27/2010	Corporate Tax Payment	Corporate Tax	J1369	0.00	5,000.00
10/15/2010	Canada Revenue Agency	510125	J1046	0.00	9,995.43
11/02/2010	Canada Revenue Agency	868	J1292	0.00	65,000.00
12/09/2010	Canada Revenue Agency	957	J1690	0.00	12,815.31
12/09/2010	Canada Revenue Agency	958	J1692	0.00	65,000.00
12/15/2010	Canada Revenue Agency	978	J1796	0.00	11,191.63
01/11/2011	Canada Revenue Agency	1033	J1937	0.00	65,000.00
03/03/2011	Canada Revenue Agency	1243	J2405	0.00	10,217.13
02/04/2011	Canada Revenue Agency: REMITTANCE FOR DECEMI	1130	J2158	0.00	15,857.69
01/04/2011	late fee. Canada Revenue Agency	online payment	J2467	0.00	1,231.53
03/24/2011	Receiver General of Canada	1297	J2541	0.00	500.00
12/20/2010	Canada Steel - London	994	J1839	0.00	1,851.84
01/11/2011	Canada Steel - London	1036	J1940	0.00	400.02
02/22/2011	cheque order	cheque order	J2404	0.00	231.79
08/31/2010	Cheques	st	J1118	0.00	221.14
02/04/2011	Cline. Backus, Nightingale & McArthur LLP	1141	J2172	0.00	6,799.89
12/09/2010	Cooper Mill Ltd.	963	J1708	0.00	162.74
09/15/2010	Dan Lawrie Insurance Brokers Ltd.	698	J568	0.00	30,000.00
08/17/2010	Dodsley Propane	652	J408	0.00	161.16
10/08/2010	Dodsley Propane	790	J955	0.00	467.55
10/29/2010	Dodsley Propane	857	J1253	0.00	1,456.57
12/03/2010	Dodsley Propane	909	J1608	0.00	1,876.60
01/11/2011	Dodsley Propane	1037	J1941	0.00	392.51
02/01/2011	Dodsley Propane	1102	J2098	0.00	336.52
03/17/2011	Dodsley Propane	1278	J2507	0.00	840.54
02/17/2011	Deheer, Tyler	1194	J2286	0.00	303.00
08/11/2010	Domain Registry of Canada	639	J348	0.00	45.20
10/15/2010	Dowler-Karn Fuels	822	J1097	0.00	687.58
01/12/2011	Dowler-Karn Fuels	1049	J1969	0.00	44.03
03/24/2011	Dowler-Karn Fuels	1305	J2549	0.00	78.65
12/10/2010	Dynamic Fluid Products Inc.	969	J1715	0.00	647.60
01/11/2011	Dynamic Fluid Products Inc.	1038	J1942	0.00	838.80
02/01/2011	Dynamic Fluid Products Inc.	1103	J2099	0.00	294.88
02/02/2011	Dynamic Fluid Products Inc.	1112	J2134	0.00	166.29
02/10/2011	Dynamic Fluid Products Inc.	1164	J2220	0.00	166.29
08/09/2010	Execulink Telecom	Q6L9W/	J329	0.00	68.57
09/16/2010	Execulink Telecom	9150221	J988	0.00	70.98
10/13/2010	Execulink Telecom	A9Z3U5	J1021	0.00	71.03
11/12/2010	Execulink Telecom	Y4Y7A5	J1372	0.00	71.06
12/09/2010	Execulink Telecom	R7J5Q7	J1704	0.00	142.14
01/11/2011	Execulink Telecom	K6Y8U9	J1955	0.00	71.08
02/28/2011	Execulink Telecom	R2Q2K6	J2396	0.00	70.00
08/17/2010	Fastenal Canada	647	J403	0.00	797.18
10/15/2010	Fastenal Canada	850	J1279	0.00	495.64
12/13/2010	Fastenal Canada	976	J1760	0.00	336.31

01/11/2011	Fastenal Canada	1039	J1943	0.00	551.84
02/04/2011	Fastenal Canada	1136	J2166	0.00	<u>636.63</u>
09/30/2010	Fleetway Transport Inc.	727	J820	0.00	<u>3,400.00</u>
09/30/2010	Gilbert-McEachern Electric Ltd.	767	J837	0.00	<u>1,367.38</u>
11/02/2010	H.S. Electric (488840 Ontario Limited)	861	J1283	0.00	13,237.66
01/28/2011	H.S. Electric (488840 Ontario Limited)	1101	J2096	0.00	23,477.50
09/30/2010	Harry's Electric Inc.	762	J833	0.00	15,000.00
01/11/2011	Harry's Electric Inc.	1046	J1950	0.00	10,000.00
02/04/2011	Harry's Electric Inc.	1140	J2171	0.00	10,000.00
02/28/2011	Harry's Electric Inc.	1215	J2327	0.00	<u>11,044.21</u>
10/15/2010	Ironross Inc.	821	J1096	0.00	2,289.00
09/30/2010	ISW Systems	768	J838	0.00	435.05
12/09/2010	ISW Systems	965	J1710	0.00	584.21
02/04/2011	ISW Systems	1135	J2165	0.00	<u>2,846.47</u>
11/02/2010	J & J Precast Ltd.	863	J1285	0.00	<u>1,463.01</u>
08/17/2010	J/E Bearing & Machine Ltd.	653	J411	0.00	2,769.28
09/30/2010	J/E Bearing & Machine Ltd.	735	J821	0.00	1,406.05
01/11/2011	J/E Bearing & Machine Ltd.	1040	J1944	0.00	1,659.24
02/01/2011	J/E Bearing & Machine Ltd.	1107	J2103	0.00	353.46
02/28/2011	J/E Bearing & Machine Ltd.	1221	J2333	0.00	241.66
03/24/2011	J/E Bearing & Machine Ltd.	1300	J2544	0.00	<u>2,043.99</u>
02/04/2011	Keystone Packaging Inc.	1133	J2163	0.00	10,308.31
03/04/2011	Keystone Packaging Inc.	1240	J2402	0.00	204.53
12/31/2010	Keystone Packaging Inc.: 20% Deposit on plastic bag or	1014	J1889	0.00	<u>2,577.08</u>
02/08/2011	Kukielka Produce	1146	J2197	0.00	<u>10,000.00</u>
11/02/2010	Lama, Tammy	887	J1319	0.00	15,000.00
02/04/2011	Leach, Archie	1144	J2166	0.00	<u>100,000.00</u>
10/07/2010	Manulife Financial	774	J948	0.00	4,785.58
02/10/2011	Manulife Financial	1165	J2221	0.00	<u>5,185.16</u>
08/11/2010	MCI Michael Czeranko Industrial	638	J346	0.00	8,135.04
10/21/2010	MCI Michael Czeranko Industrial	840	J1167	0.00	7,979.68
09/30/2010	MCI Michael Czeranko Industrial	766	J836	0.00	6,935.35
01/12/2011	MCI Michael Czeranko Industrial	1063	J1986	0.00	5,096.30
01/20/2011	MCI Michael Czeranko Industrial	1080	J2043	0.00	5,096.30
10/07/2010	MCI Michael Czeranko Industrial	794	J945	0.00	5,034.15
02/03/2011	MCI Michael Czeranko Industrial	1130	J2155	0.00	4,857.60
08/19/2010	MCI Michael Czeranko Industrial	646	J402	0.00	4,070.36
11/11/2010	MCI Michael Czeranko Industrial	895	J1358	0.00	3,666.85
12/08/2010	MCI Michael Czeranko Industrial	955	J1684	0.00	3,607.50
02/09/2011	MCI Michael Czeranko Industrial	1161	J2217	0.00	3,542.55
01/26/2011	MCI Michael Czeranko Industrial	1098	J2061	0.00	3,117.35
08/25/2010	MCI Michael Czeranko Industrial	656	J416	0.00	3,073.60
11/04/2010	MCI Michael Czeranko Industrial	879	J1304	0.00	3,056.33
09/22/2010	MCI Michael Czeranko Industrial	758	J765	0.00	2,779.80
02/17/2011	MCI Michael Czeranko Industrial	1193	J2285	0.00	2,734.60
02/24/2011	MCI Michael Czeranko Industrial	1211	J2310	0.00	2,610.30
11/18/2010	MCI Michael Czeranko Industrial	904	J1453	0.00	2,175.25

11/25/2010	MCI Michael Czeranko Industrial	930	J1581	0.00	2,113.10
12/16/2010	MCI Michael Czeranko Industrial	992	J1835	0.00	2,050.95
09/16/2010	MCI Michael Czeranko Industrial	720	J656	0.00	1,765.60
12/31/2010	MCI Michael Czeranko Industrial	1018	J1924	0.00	<u>870.10</u>
12/09/2010	MCQ Handling Inc.	960	J1705	0.00	11.30
12/31/2010	MCQ Handling Inc.	1016	J1905	0.00	46.20
02/01/2011	MCQ Handling Inc.	1104	J2100	0.00	57.50
03/24/2011	MCQ Handling Inc.	1303	J2547	0.00	149.03
10/10/2010	Morin, Claude	794	J964	0.00	5,990.00
02/08/2011	NNZ Inc.	1145	J2194	0.00	783.09
03/01/2011	NNZ Inc	1222	J2344	0.00	575.17
03/22/2011	NNZ Inc.	1279	J2518	0.00	<u>340.13</u>
09/29/2010	Office furniture purchased @ auction	Purchase	J1370	0.00	1,652.37
01/11/2011	On Time Precision Components Inc.	1041	J1945	0.00	67.80
03/25/2011	On Time Precision Components Inc.	1308	J2579	0.00	169.50
08/17/2010	Ontario Laser Cutting Inc.	651	J407	0.00	558.47
09/30/2010	Ontario Laser Cutting Inc.	772	J842	0.00	805.69
01/20/2011	Ontario Laser Cutting Inc.	1081	J2044	0.00	<u>367.25</u>
02/04/2011	Ontor Limited-Kitchener	1137	J2168	0.00	1,637.04
09/13/2010	Parkview Customs Brokerage Ltd.	699	J572	0.00	2,145.62
09/30/2010	Parkview Customs Brokerage Ltd.	769	J839	0.00	3,147.45
12/10/2010	Parkview Customs Brokerage Ltd.	970	J1716	0.00	4,473.04
01/11/2011	Parkview Customs Brokerage Ltd.	1047	J1951	0.00	8,971.68
02/04/2011	Parkview Customs Brokerage Ltd.	1139	J2170	0.00	4,452.47
02/28/2011	Parkview Customs Brokerage Ltd.	1213	J2325	0.00	4,505.81
03/24/2011	Parkview Customs Brokerage Ltd.	1298	J2542	0.00	<u>1,419.97</u>
08/27/2010	Perras Mechanical Services Ltd.	610	J447	0.00	25,000.00
09/03/2010	Perras Mechanical Services Ltd.	682	J489	0.00	10,006.63
09/10/2010	Perras Mechanical Services Ltd.	695	J559	0.00	10,000.00
09/16/2010	Perras Mechanical Services Ltd.	721	J657	0.00	10,000.00
09/28/2010	Perras Mechanical Services Ltd.	726	J778	0.00	10,000.00
09/30/2010	Perras Mechanical Services Ltd.	765	J834	0.00	10,000.00
10/08/2010	Perras Mechanical Services Ltd.	791	J959	0.00	10,000.00
10/14/2010	Perras Mechanical Services Ltd.	810	J1037	0.00	12,132.31
10/22/2010	Perras Mechanical Services Ltd.	842	J1168	0.00	10,000.00
10/27/2010	Perras Mechanical Services Ltd.	843	J1215	0.00	10,000.00
11/10/2010	Perras Mechanical Services Ltd.	892	J1341	0.00	10,000.00
12/13/2010	Perras Mechanical Services Ltd.	974	J1753	0.00	<u>10,000.00</u>
02/09/2011	Pettinelli, Mastroluisi LLP	1163	J2218	0.00	<u>8,612.97</u>
11/08/2010	Poreba, Brian/paid for a conveyor system	890	J1334	0.00	7,585.03
01/11/2011	Sampla Belting Canada Ltd	1042	J1946	0.00	979.68
02/02/2011	Sampla Belting Canada Ltd.	1114	J2136	0.00	1,684.53
11/05/2010	Sanders, Grant	888	J1321	0.00	<u>5,700.00</u>
10/08/2010	Soapopular Inc	796	J1006	0.00	9,495.14
12/13/2010	Soapopular Inc.	980	J1752	0.00	<u>5,595.27</u>
12/09/2010	Specialized Boiler Services	968	J1713	0.00	2,666.36
03/25/2011	Specialized Boiler Services	1309	J2581	0.00	<u>2,236.14</u>

02/02/2011	The Canvas Guy	1113	J2135	0.00	135.60
02/04/2011	The Michael Bossy Group	1132	J2162	0.00	5,092.50
10/07/2010	Tim Hortons	778	J947	0.00	98.73
02/18/2011	Transfer of money to Victor	Transfer to Victor	J2486	0.00	1,000.00
08/17/2010	TSC Stores L.P	650	J406	0.00	216.22
11/02/2010	TSC Stores L.P	860	J1281	0.00	369.10
11/08/2010	TSC Stores L.P	889	J1325	0.00	222.42
12/15/2010	TSC Stores L.P	980	J1804	0.00	785.57
02/04/2011	TSC Stores L.P	1138	J2169	0.00	482.88
03/04/2011	TSC Stores L.P	1237	J2393	0.00	1,272.86
02/28/2011	ULINE	1220	J2332	0.00	986.32
03/24/2011	ULINE	1299	J2543	0.00	1,191.01
09/15/2010	Union Gas	L7Q2Q6	J1017	0.00	77.52
10/13/2010	Union Gas	A9Z3U6	J1022	0.00	80.28
11/12/2010	Union Gas	Y4Y7A6	J1373	0.00	134.62
12/09/2010	Union Gas	R7J5Q8	J1696	0.00	359.17
01/11/2011	Union Gas	K6Y8W2	J1953	0.00	1,348.36
01/31/2011	Union Gas	X7Z3R9	J2092	0.00	4,573.06
02/28/2011	Union Gas	r2q 2k7	J2395	0.00	4,532.39
08/17/2010	UPS Canada	649	J405	0.00	307.13
09/30/2010	UPS Canada	770	J840	0.00	370.23
12/31/2010	UPS Canada	1015	J1904	0.00	520.65
01/11/2011	UPS Canada	1043	J1947	0.00	2,057.09
02/01/2011	UPS Canada	1108	J2104	0.00	228.13
02/28/2011	UPS Canada	1219	J2331	0.00	780.26
03/04/2011	UPS Canada	1238	J2394	0.00	253.88
03/24/2011	UPS Canada	1302	J2546	0.00	584.90
12/09/2010	Van Houtte Coffee Services Inc.	967	J1712	0.00	21.55
01/11/2011	Van Houtte Coffee Services Inc.	1045	J1949	0.00	45.56
02/01/2011	Van Houtte Coffee Services Inc.	1106	J2102	0.00	28.22
03/22/2011	Van Houtte Coffee Services Inc.	1280	J2520	0.00	45.94
12/09/2010	Vanos Insulations Ltd.	966	J1711	0.00	16,272.00
09/15/2010	Visa-0046	L7Q2Q4	J591	0.00	100.00
09/24/2010	Visa-0046	U6Z4Q3	J978	0.00	1,000.00
09/29/2010	Visa-0046	X2L4K5	J977	0.00	2,000.00
11/08/2010	Visa-0046	W9L7Q8	J1327	0.00	1,500.00
12/09/2010	Visa-0046	959	J1693	0.00	3,000.00
12/17/2010	Visa-0046	x3k/r8	J1838	0.00	2,000.00
12/22/2010	Visa-0046	Y6W6H6	J1857	0.00	2,000.00
01/04/2011	Visa-0046	Cash	J1995	0.00	2,000.00
01/31/2011	Visa-0046	X7Z3R7	J2093	0.00	100.00
02/04/2011	Visa-0046	1132	J2157	0.00	4,077.72
09/15/2010	Visa-0087	L7Q2Q3	J592	0.00	100.00
09/24/2010	Visa-0087	U6Z4Q2	J979	0.00	500.00
11/08/2010	Visa-0087	W9L7Q7	J1328	0.00	500.00
11/25/2010	Visa-0087	908	J1503	0.00	1,000.00
12/09/2010	Visa-0087	960	J1694	0.00	2,000.00

01/31/2011	Visa-0087	X7Z3R8	J2094	0.00	100.00
02/04/2011	Visa-0087	1131	J2156	0.00	<u>4,396.83</u>
03/15/2011	Waterous Holden Amey Hitchon	1261	J2463	0.00	<u>2,000.00</u>
01/03/2011	Westburne Ruddy Electric	online	J2483	0.00	394.39
02/28/2011	Westburne Ruddy Electric	1262	J2482	0.00	301.00
03/04/2011	Westburne Ruddy Electric	1239	J2401	0.00	301.00
01/11/2011	Westburne Ruddy Electric. Westburne Ruddyn Electric	1044	J1948	0.00	<u>159.54</u>
11/02/2010	WSIB	867	J1290	0.00	906.99
01/31/2011	WSIB: Oct 01 - Dec 31, 2010	1100	J2095	0.00	<u>1,929.43</u>
01/21/2011	RDA				<u>22,575.00</u>
					1,070,684.95
					1,112,297.00

<u>Assets</u>	<u>Repair/Main/Util</u>	<u>Subcontractors</u>	<u>Office</u>	<u>Operating Ex</u>	<u>Government</u>
17,070.38	110,977.48	320,538.97	15,505.11	70,595.40	279,564.56

3,465.17

14,786.60

282.5

3,781.48

3,955.00

1,139.03

10,432.90

146.90

2,817.60
3,400.00
1,367.38

82,759.37
2,289.00

3,865.73
1,463.01

8,473.68

13,089.92
10,000.00

9,970.74

84,368.66

264.03
5,990.00

1,698.39
1,652.37

237.3

1,731.41
1,637.04

29,116.04

137,138.94

10,249.24

15,090.41

4,922.52

276,728.14

2,251.86

452.93

162.74

5,531.45

348.20

810.26

2,113.86

564.86

135.60

98.73

3,349.05

2,177.33

11,105.40

5,102.27

141.27
16,272.00

26,374.55

1,155.93

2,836.42
22,575.00

41,612.05

<u>Customs/shipping</u>	<u>Accountant/Lawyer/Loan</u>
37,618.31	#REF!

Farmers paid	3,594,738.10	
Payroll	239,978.10	
Expenses	<u>1,070,684.95</u>	
Deposits		4,913,568.46
Balance		8,167.31

1787811 ONTARIO INC. et al.
Plaintiffs

-and-

BRIAN KEVIN POREBA et al.
Defendants

Court File No. 54/11

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
WOODSTOCK

**SUPPLEMENTARY AFFIDAVIT OF
VICTOR OSZTROVICS**

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Tel: (519) 759-6220
Fax: (519) 759-8360

Lawyers for the defendants.
Brian Kevin Poreba, Victor Osztrovics, together operating as
True Blend, True Blend Tobacco Company Inc.
RCP-E 4C (July 1, 2007)

**This is Exhibit "BB" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.**


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homenluk LLP,
Barristers and Solicitors
Expires June 17, 2011.

This is Exhibit "CC" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.



WATEROUS HOLDEN AMEY HITCHON LLP
LAWYERS

May 3, 2011

By Email tnguyen@btzlaw.ca

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Brauti Thorning Zibarras LLP
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Dennis Touesnard
direct. (519) 751-6412

Dear Mr. Nguyen:

Re: 1787811 Ontario Inc. et. al. and Brian Kevin Poreba, Victor Osztrovics and True Blend Tobacco Company Inc.; Court File No. 54/11; Our File No. 93980

Please find enclosed the Responding Record of True Blend Tobacco Company, Victor Osztrovics and Brian Poreba which is served upon you pursuant to the *Rules of Civil Procedure*.

Yours truly,

Dennis Touesnard
DMT/cs

Encl.

\\Prolaw01\ProLaw\Documents\True Blend Tobacco Company Inc\512607-93980\Correspondence - Current\403615 doc

Estate No.: 35-1489580

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
and
IN THE MATTER OF THE BANKRUPTCY OF TRUE
BLEND TOBACCO COMPANY INC., a corporation
Incorporated pursuant to the *Business Corporations Act*
(Ontario) with its principal place of business in the City of
Tillsonburg, in the Province of Ontario

RESPONDING RECORD
OF TRUE BLEND TOBACCO COMPANY INC.,
VICTOR OSZTROVICS AND BRIAN POREBA

May 3, 2011

WATEROUS HOLDEN AMEY HITCHON LLP
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Lawyers for the Responding Parties,
Brian Kevin Poreba, Victor Osztrovics, together
operating as True Blend, True Blend Tobacco
Company Inc.

TO: **BRAUTI THORNING ZIBARRAS LLP**
151 Yonge Street
Suite 1800
Toronto, ON M5C 2W7

Trung S. Nguyen (LSUC# 49386C)
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Fax: (416) 362-8410

Lawyers for the Moving Parties

Index

Estate No.: 35-1489580

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
and
IN THE MATTER OF THE BANKRUPTCY OF TRUE
BLEND TOBACCO COMPANY INC., a corporation
Incorporated pursuant to the *Business Corporations Act*
(Ontario) with its principal place of business in the City of
Tillsonburg, in the Province of Ontario

RESPONDING RECORD
OF TRUE BLEND TOBACCO COMPANY INC.,
VICTOR OSZTROVICS AND BRIAN POREBA

INDEX

Tab

1. Affidavit of Victor Osztrovics
 - Exhibit "A" – Notice of Intention to Make a Proposal of True Blend Tobacco Company
 - Exhibit "B" – Notice of Intention to Make a Proposal of Victor Osztrovics
 - Exhibit "C" – Notice of Intention to Make a Proposal of Brian Poreba
2. Affidavit of Alan Page

Tab 1

Estate No.: 35-1489580

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

and

**IN THE MATTER OF THE BANKRUPTCY OF TRUE
BLEND TOBACCO COMPANY INC., a corporation
Incorporated pursuant to the *Business Corporations Act*
(Ontario) with its principal place of business in the City of
Tillsonburg, in the Province of Ontario**

AFFIDAVIT OF VICTOR OSZTROVICS

AFFIDAVIT

I, Victor Osztrovics, of the Town of Burford in the County of Brant, MAKE OATH AND
SAY:

1. I am the President of True Blend Tobacco Company Inc., and am a personal Defendant in Court File No. 54/11 and accordingly have personal knowledge of the matters hereinafter deposed to. Where I do not have personal knowledge, I have set out the source of my information and belief and verily believe that source to be true.
2. True Blend Tobacco Company Inc. ("True Blend Tobacco Company") is an Ontario corporation that was incorporated by myself and my partner, Brian Poreba, who is also a Defendant in Court File No. 54/11, for the purpose operating our tobacco business. The general model of the business is that it purchases both local and international tobacco which are then processed and blended at our facility in Tillsonburg, Ontario for the purpose of resale.
3. True Blend Tobacco Company is also in the business of re-selling non-processed tobacco purchased domestically to international buyers.
4. Only entities which are licensed by the Federal Government of Canada can purchase or sell tobacco. Brian and I hold the license to purchase and sell tobacco in our personal capacity.
5. Only entities that are licensed by the Federal Government of Ontario can purchase and own the machinery necessary to manufacture, process and blend tobacco products. Accordingly, the equipment that is used by True Blend Tobacco Company for processing and blending tobacco is owned by Brian and I personally.
6. Attached and marked as Exhibit "A" is a copy of the Notice of Intention to Make a Proposal by True Blend Tobacco Company.
7. The vast majority of True Blend Tobacco Company's creditors are the local farmers who supplied tobacco to True Blend.

8. On account of the Federal licensing regulations, each of the contracts for the purchase of tobacco by True Blend were made by Brian and I personally as we are the only persons on behalf of True Blend Tobacco Company with the license to enter in to sale agreements of either processed or unprocessed tobacco.
9. Accordingly, on May 2, 2011, Brian and I served and filed Notices of Intention to Make Proposals in our personal capacity. Attached and marked as Exhibit "B" is the Notice of Intention to Make Proposals served and filed on behalf of myself, and attached and marked as Exhibit "C" is the Notice of Intention to Make Proposals served and filed on behalf of Brian Poreba.
10. Pursuant to the Notices of Intention to Make Proposals, attached as Exhibits "A", "B" and "C", the vast majority of the creditors of myself, Brian and True Blend Tobacco Company are local farmers, including the 49 Plaintiffs in Court File number 54/11, the Moving Parties in this Motion.

MAREVA INJUNCTION WILL IMPAIR THE ABILITY OF THE RESPONDING PARTY'S TO PUT FORTH A PROPOSAL

11. Since the granting of the Mareva Injunction on a without notice basis by Justice McDermid on April 1, 2011, True Blend Tobacco Company has not been able to pay its rent or pay any of its employees, nor has it been able to sell any of the existing inventory, nor have employees participated in the processing of existing inventory for the purpose of future sales, which, in any event, are barred by the Mareva Injunction.
12. As a further result of the Mareva Injunction, I cannot personally access any of my bank accounts including any monies I derive from my family-run business, Osztrovics Family Farms Ltd., and am advised by Brian Poreba that he cannot access any funds, including any monies generated by his personal farm.

13. As a result, the business is at a complete and utter stand-still. On account of not being able to access any funds, True Blend Tobacco Company has not made payroll since mid-March 2011 and accordingly, none of its employees are currently working. Next, as a further result of the Mareva Injunction, True Blend Tobacco Company has not been able to pay its rent so that on or about April 15, 2011 our landlord, E. & E. McLaughlin locked True Blend Tobacco Company out of its facility.
14. The purpose of our retaining Schwartz Levitsky Feldman Inc. to file a Notice of Intention on behalf of True Blend Tobacco Company, and on behalf of Brian and myself, was to afford us all the breathing space required to make a proposal and to permit us to carry on business so that we can generate revenue to support the proposal we intend to make. To be specific, what I mean by generate business, is that True Blend Tobacco Company needs to be able to sell existing tobacco to interested purchasers and it needs to be able to blend existing tobacco for the purpose of sale to other purchasers.
15. In order to carry on business, True Blend Tobacco Company first needs to be able to be allowed to sell existing stock tobacco and to be able to use some of those proceeds of sale towards the costs of operating the business, including
 - a) paying our landlord for rent so that the doors can be opened;
 - b) paying our employees to handle, process, and assist in the shipping of the tobacco;
 - c) hire sub-contractors to ship the tobacco to customers; and,
 - d) in some cases, potentially use some of that revenue to purchase other international tobacco so that it can be blended with our existing local inventories and sold to international purchasers.

16. In addition, I verily believe that there is an ability to make a profit over the long term if the business is allowed to operate. In support of that position, I point to the fact that the current market prices for processed tobacco is \$3.50 per pound, whereas it costs True Blend Tobacco \$.75 per pound to process and ship and sell the tobacco, including \$2.10 per pound payment to the suppliers of local tobacco.
17. If the Mareva Injunction remains in place, then the business cannot operate and that it cannot sell any inventory; it cannot pay its landlord any rent, meaning it cannot access its facility; it cannot pay its employees, meaning that it will have no persons to carry out the work in processing and shipping tobacco; it cannot pay contractors to do the shipping of the tobacco so that it can be sent to customers; and further to use proceeds from the profits of the sale of the processed tobacco to be disbursed to the farmers who are owed on the accounts payable. In effect, if the Mareva Injunction is allowed to continue, then the cash-flow prepared in support of the proposal we intend to make, will be meaningless as it is based upon True Blend Tobacco Company being able to operate its business.
18. True Blend has other creditors besides the Moving Parties. Specifically:
- | | |
|------------------------|--------------|
| 1537702 Ontario Inc. | \$ 71,233.40 |
| 2204293 Ontario Inc. | \$157,208.41 |
| 2232471 Ontario Inc. | \$168,276.92 |
| Ability & Drive | \$ 485.00 |
| Bell Canada | \$ 225.16 |
| Bell Canada | \$ 53.62 |
| Best Weigh Scale | \$ 1,582.00 |
| Blake's Farm Equipment | \$ 16,272.00 |

Canada Revenue Agency	\$ 35,108.66
Canada Steel	\$ 2,097.28
Cline, Backus Nightingale	\$ 7,150.07
Cooper Mill Ltd.	\$ 296.29
DHL Express Canada Ltd.	\$ 96.62
Dodsley Propane	\$ 1,288.57
E & E McLaughlin Ltd.	\$ 243,644.51
Equipment Sales & Service Inc.	\$ 95,550.00
Execulink Telecom	\$ 141.05
Farmer's Blend Inc.	\$ 11,602.66
Fastenal Canada	\$ 398.41
Gracious Living	\$ 110.00.00
Hauni Richmond Inc.	\$ 1,612.60
Hugye, Elizabeth	\$136,061.76
ICR Canada Corporation	\$ 898.35
J/E Bearing & Machine Ltd.	\$ 2,053.69
Jones, Johnathon & Danielle	\$ 74,266.63
Jordan James Farms Ltd.	\$ 71,881.02
Kanters, Paul	\$ 66,486.43
Keith Bolka	\$ 63,942.31
Keystone Packaging Inc.	\$ 3,241.12
Klenzoid	\$ 2,742.31
Knill, Steven	\$ 71,030.30

Koslowski, Claude	\$1,110,550.80
Kukielka Produce	\$ 23,222.00
Kylie Demeulenaere Farms ltd.	\$ 1,651.74
Labstat International ULC	\$ 819.48
Leach, Archie	\$ 401,000.00
Manary, J. Brent	\$ 143,965.23
Manulife Financial	\$ 5,185.16
Michael Dew	\$ 59,494.45
Myty Farms	\$ 68,050.66
Ontor Limited	\$ 222.58
Osztrovics, Elysia	\$ 34,162.20
Parkview Customs Brokerage Ltd.	\$ 1,522.39
Perras Michanical Services Ltd.	\$ 46,832.40
Poreba, Brian	\$ 121,790.24
RDA Container Corporation	\$ 8,277.50
Sampla Belting Canada Ltd.	\$ 947.68
Seawest Logistics	\$ 134,803.76
Szalkai, Rebecca	\$ 80,834.59
Toth, David	\$ 244,087.57
TSC Stores L.P.	\$ 424.64
Uline	\$ 988.54
Union Gas	\$ 8,103.23
UPS Canada	\$ 275.78

VanHoutte Coffee Services Inc.	\$ 45.94
Vanberlo, Amanda & Matthew	\$ 786.75
Vanberlo, Mike	\$ 751.63
Vanhaecke, Brandon	\$ 74,458.04
Waelz, Justin	\$ 90,882.57
Westburne Ruddy Electric	\$ 170.36
Woodside Greens Gold Club	\$ 5,850.00

19. I have other creditors besides the Moving Parties. Specifically:

1537702 Ontario Inc.	\$ 71,233.40
2204293 Ontario Inc.	\$157,208.41
Ability & Drive	\$ 485.00
Best Weigh Scale	\$ 1,582.00
Blake's Farm Equipment	\$ 16,272.00
Canada Revenue Agency	\$ 1,634.00
Canada Revenue Agency	\$ 14,000.00
Canada Steel	\$ 2,097.28
Cline, Backus, Nightingale	\$ 7,150.07
Cooper Mill Ltd.	\$ 296.29
Dodsley Propane	\$ 1,288.57
E & E McLaughlin Ltd.	\$243,644.51
Equipment Sales & Service Inc.	\$ 95,550.00
Farmer's Blend Inc.	\$ 11,602.66
Fastenal Canada	\$ 398.41

Gracious Living	\$ 110,000.00
Hauni Richmond Inc.	\$ 1,612.60
Hugye, Elizabeth	\$ 136,061.76
ICR Canada Corporation	\$ 898.35
J/E Bearing & Machine Ltd.	\$ 2,053.69
Jones, Johnathon & Danielle	\$ 74,266.63
Kanters, Paul	\$ 66,485.43
Keystone Packaging Inc.	\$ 3,241.12
Koslowski, Claude	\$1,110,550.80
Kukielka Produce	\$ 23,222.00
Labstat International ULC	\$ 819.48
Leach, Archie	\$401,000.00
Manary, J. Brent	\$143,965.23
Manulife Financial	\$ 5,185.16
Michael Dew	\$59,494.45
Mudge, Allan	\$76,248.11
Ostrovics, Elysia	\$34,162.20
Parkview Customs Brokerage Ltd.	\$ 1,522.39
Perras Mechanical Services Ltd.	\$ 46,832.40
Poreba, Brian	\$121,790.24
R & R Farming	\$152,329.24
RDA Container Corporation	\$ 8,277.50
Sampla Belting Canada Ltd.	\$ 947.68

Seawest Logistics	\$134,803.76
Sobczyk, Matthew	\$ 79,935.53
Szalkai, Rebecca	\$ 80,834.59
The Toronto Dominion Bank	\$ 8,500.00
TSC Stores L.P.	\$ 424.64
Uline	\$ 988.54
Union Gas	\$ 8,103.23
UPS Canada	\$ 275.78
Vanberlo, Amanda & Matthew	\$ 786.75
Vanberlo, Mike	\$ 751.63
Vanhaecke, Brandon	\$74,458.04
Violet Osztrovics	\$278,000.00
Waelz, Justin	\$ 90,882.57
Woodside Greens Golf Club	\$ 5,850.00
Yarmie, Colin	\$168,883.93

20. Brian Poreba has other creditors besides the Moving Parties. Specifically:

1537702 Ontario Inc.	\$ 71,233.40
2204293 Ontario Inc.	\$157,208.41
Ability & Drive	\$ 485.00
Blake's Farm Equipment	\$ 16,272.00
CIBC Bankruptcy & Operations Dept	\$257,000.00
Canada Revenue Agency	\$ 3,000.00

Canada Steel	\$ 2,097.28
Cline, Backus, Nightingale	\$ 7,150.07
Cooper Mill Ltd.	\$ 296.29
Doodsley Propane	\$ 1,288.57
E & E McLaughlin Ltd.	\$243,644.51
Equipment Sales & Service Inc.	\$ 95,550.00
Farmer's Blend Inc.	\$ 11,602.66
Fastenal Canada	\$ 398.41
Gracious Living	\$110,000.00
Hauni Richmond Inc.	\$ 1,612.60
Hugye, Elizabeth	\$136,061.76
ICR Canada Corporation	\$ 898.35
J/E Bearing & Machine Ltd.	\$ 2,053.69
Jones, Johnathon & Danielle	\$ 74,266.63
Kanters, Paul	\$ 66,486.43
Keystone Packaging Inc.	\$ 3,241.12
Klenzoid	\$ 2,742.31
Koslowski, Claude	\$1,110,550.80
Kukielka Produce	\$ 23,222.00
Labstat International ULC	\$ 819.48
Leach, Archie	\$ 401,000.00
Manary, J Brent	\$143,965.23
Manulife Financial	\$ 5,185.16

Michael Dew	\$ 59,494.45
Mudge, Alan	\$ 76,428.11
Osztrovics, Elysia	\$ 34,162.20
Parkview Customs Brokerage Ltd.	\$ 1,522.39
Perras Mechanical Services Ltd.	\$ 46,832.40
Poreba, Brian	\$121,790.24
R & R Farming	\$152,329.24
RDA Container Corporation	\$ 8,277.50
Sampla Belting Canada Ltd.	\$ 947.68
Seawest Logistics	\$134,803.76
Sobczyk, Matthew	\$ 79,935.53
Szalkai, Rebecca	\$ 80,834.59
TSC Stores L.P.	\$ 424.64
Uline	\$ 988.54
Union Gas	\$ 8,103.23
UPS Canada	\$ 275.78
Vanberlo, Amanda & Matthew	\$ 786.75
Vanberlo, Mike	\$ 751.63
Waelz, Justin	\$ 90,882.57
Woodside Greens Golf Club	\$ 5,850.00
Yarmie, Colin	\$168,886.93

21. Not only will it not be able to make a payment proposal that it can achieve to the Moving Parties, it will also not be able to make an achievable proposal to any of its other creditors.

MATERIAL PREJUDICE

22. As indicated above, the vast majority of our creditors are in the exact same position as the Moving Parties, namely that they are local farmers who have supplied tobacco to True Blend Tobacco Company through contracts with Brian and myself. There is nothing special about these Plaintiffs in that the tobacco that we received from these Plaintiffs has been mingled and stored along side and used in processing. It is not distinguishable from tobacco received from all of our other farmer creditors.
23. The Moving Parties do not claim in Court File No. 54/11, or anywhere else, any kind of priority claim against the tobacco or otherwise, nor do they claim to be secured creditors. The Moving Parties are no different from all of our other unsecured creditors and would simply be entitled to a *pro rata* distribution upon bankruptcy or upon any civil enforcement remedy.
24. I also note that there is no quantitative or qualitative evidence or analysis of the particular prejudice that these Plaintiffs will suffer.
25. I therefore verily believe that the Moving Parties will not be treated differently than any other creditor of True Blend Tobacco Company, myself and Brian on account of making this proposal.
26. I also note that these Plaintiffs represent greater than 51% of the number of our creditors and greater than 66 2/3% of the dollar value of our creditors so that they have the ability to vote to guarantee that the proposal will be either accepted or rejected.

EQUITABLE GROUNDS

27. For the reasons set out above, if the stay on the Mareva Injunction is lifted, then True Blend Tobacco Company, Brian and myself, will be completely put out of business. We will not be able to generate anywhere near the income necessary to put forth a reasonable proposal and any proposal that we ultimately make will either be voted down or will fail forcing us into bankruptcy.
28. In short, if the stay is lifted, we will be deprived of the breathing space that I verily believe the *Bankruptcy and Insolvency Act* intends to afford to debtors intending to make a proposal to their creditors.

HEARSAY EVIDENCE

29. I note, in reviewing the Affidavit material filed by the Moving Parties in support of this motion that it is entirely sworn by a lawyer employed by the law offices retained by the Moving Parties. I believe that this decision was done on a calculated basis so as to insulate any of the Plaintiffs from cross-examination.
30. I make this Affidavit in support of an Order dismissing the Moving Party's motion and for no improper purpose.

SWORN BEFORE ME at the City of Brantford, in the County of Brant on the 3rd day of May, 2011

D. T. L.

Commissioner for Taking Affidavits
(or as may be)

Victor Osztrovics

VICTOR OSZTROVICS

IN THE MATTER OF THE BANKRUPTCY OF TRUE BLEND TOBACCO COMPANY INC., a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Tillsonburg, in the Province of Ontario

Estate No: 35-1489580

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

Proceeding commenced at London

AFFIDAVIT OF VICTOR OSZTROVICS

**Waterous Holden Amey Hitchon LLP
20 Wellington Street
P.O. Box 1510
Branford, ON N3T 5V6**

**Dennis Touesnard
LSUC No. 52155U**

**Tel: 519-759-6220
Fax: 519-759-8360**

Lawyers for the Responding Parties

Tab A

District of: Ontario
Division No. 05 - London
Court No.
Estate No.

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

In the matter of the proposal of
TRUE BLEND TOBACCO COMPANY INC.
A company duly incorporated pursuant to the laws of the
Province of Ontario with a head office in the Town of Tillsonburg
County of Oxford Province of Ontario

Take notice that:

1. I, TRUE BLEND TOBACCO COMPANY INC., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Schwartz Levitsky Feldman Inc. of 1167 Caledonia Road, Toronto, ON, M6A 2X1, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 20th day of April 2011.



TRUE BLEND TOBACCO COMPANY INC.
Insolvent Person

To be completed by Official Receiver:

Filing Date _____

Official Receiver

- Proposal Consent -


In the matter of the proposal of
TRUE BLEND TOBACCO COMPANY INC.
A company duly incorporated pursuant to the laws of the
Province of Ontario with a head office in the Town of Tillsonburg
County of Oxford Province of Ontario

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of TRUE BLEND TOBACCO COMPANY INC..

Dated at the City of Toronto in the Province of Ontario, this 20th day of April 2011.

Schwartz Levitsky Feldman Inc. - Trustee



1167 Caledonia Road
Toronto ON M6A 2X1
Phone: (416) 785-5353 Fax: (416) 784-3025

Court No.

File No.

In the matter of the proposal of
TRUE BLEND TOBACCO COMPANY INC.
A company duly incorporated pursuant to the laws of
the
Province of Ontario with a head office in the Town of
Tillsonburg
County of Oxford Province of Ontario

Form 33
Notice of intention to make a proposal

Schwartz Levitsky Feldman Inc. - Trustee

1167 Caledonia Road
Toronto ON M6A 2X1
Phone: (416) 785-5353 Fax: (416) 784-3025

- Creditor Mailing List -

In the matter of the proposal of
TRUE BLEND TOBACCO COMPANY INC.
 A company duly incorporated pursuant to the laws of the
 Province of Ontario with a head office in the Town of Tillsonburg
 County of Oxford Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Secured	TRISURA GUARANTEE INSURANCE CO		BOX 22 1610-333 BAY STREET Toronto ON M5H 2R2	
Unsecured	1537702 ONTARIO INC.		R R 1 Walsingham ON N0E 1X0	71,233.40
	1787811 ONTARIO INC.		1310 2ND CONCESSION RD DelHI ON N4B 2W6	76,552.81
	1815612 ONTARIO INC.		17 ELEANOR COURT Tillsonburg ON N4G 2H3	65,328.35
	2134265 ONTARIO LTD.		595 CONCESSION 3 DelHI ON N4B 2W4	38,343.50
	2204293 ONTARIO INC.		P O BOX 25064 Brantford ON N3T 6K5	157,208.41
	2226700 ONTARIO INC.		80 BRIDGE ST E UNIT 507 Tillsonburg ON N4G 1T2	91,743.76
	2229987 ONTARIO INC.		R R 1 CourtLAND ON N0J 1E0	86,185.05
	2232466 ONTARIO INC.		31 KING'S HILL LANE Brantford ON N3T 6A3	98,245.83
	2232471 ONTARIO INC.		812950 BASELINE ROAD Norwich ON N0G 1P0	169,176.92
	ABILITY & DRIVE		100-C FORGE WAY Rockway NJ 07866 USA	485.00
	AUTUMN CREEK FIELD		R R 3 1329 CONCESSION 8 Langton ON N0E 1G0	81,016.81
	BELL CANADA		GROUPE INSOLVABILITE - AFFAIRE 1 ALEXANDRE GRAHAM BELL AILE E3 VERDUN PQ H3E 3B3	225.16
	BELL CANADA		GROUPE INSOLVABILITE - AFFAIRE 1 ALEXANDRE GRAHAM BELL AILE E3 VERDUN PQ H3E 3B3	53.62
	BEST WEIGH SCALE		R R 2 Scotland ON N0E 1R0	1,582.00
	BIRDIEBUFF HOLDINGS LTD.		R R 1 79 BELL MILL SIDE ROAD CourtLAND ON N0J 1E0	80,826.53
	BLAKE'S FARM EQUIPMENT		R R 2 SIMCOE ON N3Y 4K1	16,272.00
	BMW FARMS INC.		R R 3 1310 2ND CONCESSION DelHI ON N4B 2W6	75,861.98
	C & B VANKERREBROECK		R R 1 812425 BASELINE ROAD LaSalette ON N0E 1H0	94,627.98
	CANADA REVENUE AGENCY		LONDON TAX SERVICES OFFICE 451 TALBOT STREET, PO BOX 5548 London ON N6A 4R3 Fax: (519) 645-5397	35,108.66

- Creditor Mailing List -

In the matter of the proposal of
TRUE BLEND TOBACCO COMPANY INC.
 A company duly incorporated pursuant to the laws of the
 Province of Ontario with a head office in the Town of Tillsonburg
 County of Oxford Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	CANADA STEEL		25 CUDDY BLVD London ON N5V 3Y3	2,097.28
	CLINE, BACKUS, NIGHTINGALE		P O BOX 528 39 COLBORNE STREET SIMCOE ON N3Y 4N5	7,150.07
	COOPER MILL LTD.		R R 3 MaDOC ON K0K 2K0	296.29
	D & M CSERCSIS FARMS INC.		514 TALBOT ROAD DelHI ON N4B 2W6	159,742.73
	D K SIOEN FARMS INC.		R R 2 101 10TH CONCESSION Burford ON N0E 1A0	92,368.83
	DHL EXPRESS CANADA LTD.		200 WESTCREEK BLVD Brampton ON L6T 5T7	96.62
	DIERICK FARMS LTD.		2021 BRANTFORD RD 4 Vanessa ON N0E 1V0	245,179.79
	DODSLEY PROPANE		45 BRUCE STREET Tillsonburg ON N4G 5C4	1,288.57
	E & E MCLAUGHLIN LTD.		P O BOX 428 500 HWY #3 Tillsonburg ON N4G 4H8	243,644.51
	EQUIPMENT SALES & SERVICE INC.		P O BOX 3114 Wilson NC 27893 USA	95,550.00
	EXECULINK TELECOM		P O BOX 130 Burgessville ON N0J 1C0	141.05
	FARMER'S BLEND INC.		P O BOX 444 Burford ON N0E 1A0	11,602.66
	FASTENAL CANADA		860 TRILLIUM DRIVE Kitchener ON N2R 1K4	398.41
	G D BYERS FARMS INC.		2 DUFFERIN ST Norwich ON N0J 1P0	75,063.47
	GRACIOUS LIVING		7200 MARTINGROVE RD Woodbridge ON L4L 9J3	110,000.00
	HAUNI RICHMOND INC.		2800 CHARLES CITY RD Richmond VA 23231 USA	1,612.60
	HUGYE, ELIZABETH		R R 2 81190 BASELINE Otterville ON N0J 1R0	136,061.76
	ICR CANADA CORPORATION		7032 WELLINGTON ROAD Guelph ON N1H 6J3	898.35
	J/E BEARING & MACHINE LTD.		68 SPRUCE STREET Tillsonburg ON N4G 5V3	2,053.69
	JONES, JOHNATHON & DANIELLE		R R 1 27 RIDGEWAY AVE SIMCOE ON N3Y 4J9	74,266.63
	JORDAN JAMES FARMS LTD.		219 2ND CONCESSION RD PRINCETON ON N0J 1V0	71,881.02
	KANTERS, PAUL		R R 1 113 CROTON AVENUE DelHI ON N4B 2W4	66,486.43
	KEITH BOKLA		2865 WINDHAM WAY DelHI ON N4B 2W5	63,942.31

- Creditor Mailing List -

In the matter of the proposal of
TRUE BLEND TOBACCO COMPANY INC.
 A company duly incorporated pursuant to the laws of the
 Province of Ontario with a head office in the Town of Tillsonburg
 County of Oxford Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	KEYSTONE PACKAGING INC.		2088 JETSTREAM ROAD London ON N5V 3P6	3,241.12
	KLENZOID		P O BOX 3857 Toronto ON M5L 1K1	2,742.31
	KNELSON, JACOB & ELIZABETH		R R 1 894 EAST QUARTERLINE Walsingham ON N0E 1X0	79,067.29
	KNILL, STEVEN		R R 1 105 HIGHWAY 2 PRINCETON ON N0J 1V0	71,030.30
	KOSLOWSKI, CLAUDE		P O BOX 1195 Port Dover ON N0A 1N0	1,110,550.80
	KUKIELKA PRODUCE		1228 WINDHAM RD, 6 Vanessa ON N0E 1V0	23,222.00
	KYLIE DEMEULENAERE FARMS LTD.		R R 3 224 3RD CONCESSION PRINCETON ON N0J 1V0	1,651.74
	LABSTAT INTERNATIONAL ULC		262 MANITOU DRIVE Kitchener ON N2C 1L3	819.48
	LEACH, ARCHIE		1000 POND MILLS RD, UNIT 6 London ON N6N 1A3	401,000.00
	MANARY, J BRENT		R R 1 57238 LIGHT LINE Vienna ON N0J 1Z0	143,965.23
	MANULIFE FINANCIAL		P O BOX 1627 Waterloo ON N2J 4P4	5,185.16
	MENDONCA HOLDINGS INC.		71 WOODLAND CRES Tillsonburg ON N4G 4G6	146,671.69
	MICHAEL DEW		R R 2 532236 UNION LINE Tillsonburg ON N4G 4G7	39,494.45
	MUDGE, ALLAN		R R 2 712214 MIDDLETOWN LINE Otterville ON N0J 1R0	76,248.11
	MYTY FARMS		R R 2 164855 NEW ROAD Tillsonburg ON N4G 4G7	68,050.66
	NEVILLE, JEFF		R R 2 St WILLIAMS ON N0E 1P0	252,507.86
	ONTOR LIMITED		12 LESWYN ROAD Toronto ON M6A 1K3	222.58
	OSZTROVICS, ELYSIA		R R 3 26 LAWRENCE Burford ON N0E 1A0	34,162.20
	PARKVIEW CUSTOMS BROKERAGE LTD.		P O BOX 39 773451 HIGHWAY 59 Norwich ON N0J 1P0	1,522.39
	PERRAS MECHANICAL SERVICES LTD.		R R 6 585 OAK PARK ROAD Brantford ON N3T 5L8	46,832.40

- Creditor Mailing List -

In the matter of the proposal of
TRUE BLEND TOBACCO COMPANY INC.
 A company duly incorporated pursuant to the laws of the
 Province of Ontario with a head office in the Town of Tillsonburg
 County of Oxford Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	PHILIPS, AARON		R R 4 302 13TH CONCESSION RD Langton ON N0E 1G0	38,030.58
	POREBA, BRIAN		118 COUNTY RD 53 Cathcart ON N0E 1B0	121,790.24
	R & R FARMING		R R 1 158 BURFORD Norwich ON N0J 1P9	152,329.24
	RDA CONTAINER CORPORATION		70 CHERRY ROAD RocHESTER NY 14624 USA	8,277.50
	REDEKOPP, TRUDY		R R 1 200 NORFOLK COUNTY RD Walsingham ON N0E 1X0	82,294.95
	RHINELAND FARMS LTD.		531 BOSTWICK ROAD CourtLAND ON N0J 1E0	85,619.04
	RICHARD & BARBARA DEMAREST		R R 1 1506 CONCESSION 2 DeiHI ON N4B 2W6	175,472.64
	RYAN DEMEULENAERE FARMS LTD.		55 KING STREET Burford ON N0E 2A0	81,992.53
	SAMPLA BELTING CANADA LTD.		430 HARROP DRIVE Milton ON L9T 3H2	947.68
	SCOTT BRINKER		78 MASSECAR LANE SIMCOE ON N3Y 4J9	80,641.78
	SEAWEST LOGISTICS		5000 ARMAND-FRAPIER St HUBERT QC J3Z 1G5	134,803.76
	SOBCZYK, MATTHEW		R R 3 283 5TH CONCESSION RD Burford ON N0E 1A0	79,935.53
	SPRIET VENTURES LTD.		214 MAPLE AVE S Burford ON N0E 1A0	73,156.24
	SZALKAI, REBECCA		R R 5 219 CONCESSION 2 Langton ON N0E 1G0	80,834.59
	TOTH, DAVID		R R 2 432250 ZENDA LINE Tillsonburg ON N4G 4G7	244,087.57
	TSC STORES L.P.		1950 OXFORD ST E London ON N5V 2Z8	424.64
	ULINE		P O BOX 3500 Mississauga ON L5M 0S8	988.54
	UNION GAS		P O BOX 2025 Chatham ON N7M 6C7	8,103.23
	UPS CANADA		STN A P O BOX 4900 Toronto ON M5W 0A7	275.78
	VAN HOUTTE COFFEE SERVICES INC.		8215 17TH AVE Montreal QC H1Z 4J9	45.94
	VANBERLO, AMANDA & MATTHEW		R R 3 110 BURFORD Scotland ON N0E 1R0	786.75

- Creditor Mailing List -

In the matter of the proposal of
TRUE BLEND TOBACCO COMPANY INC.
A company duly incorporated pursuant to the laws of the
Province of Ontario with a head office in the Town of Tillsonburg
County of Oxford Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	VANBERLO, MIKE		R R 3 96 BURFORD Scotland ON N0E 1R0	751.63
	VANDERHAEGHE, BRIAN		R R 1 506 12TH CONCESSION Langton ON N0E 1G0	83,359.31
	VANHAECKE, BRANDON		R R 2 220 8TH CONCESSION Langton ON N0E 1G0	74,458.04
	WAEZL, JUSTIN		R R 2 155 WINDHAM RD DelHI ON N4R 2W5	90,882.57
	WALL, PETER		R R 6 57684 CARSON LINE Tillsonburg ON N4G 4G9	61,556.65
	WESTBURNE RUDDY ELECTRIC		UNITS 3 & 4 26 SPRUCE STREET Tillsonburg ON N4G 4W6	170.26
	WOODSIDE GREENS GOLF CLUB		847 CHARLOTTEVILLE RD SIMCOE ON N3Y 4J9	5,850.00
	YARMIE, COLIN		R R 2 145222 POTTERS ROAD Tillsonburg ON N4G 4G7	168,886.93

Tab B



Office of the Superintendent
of Bankruptcy Canada

An Agency of
Industry Canada

Bureau du surintendant
des faillites Canada

Un organisme
d'Industrie Canada

District of Ontario
Division No. 07 - Hamilton
Court No. 32-1493347
Estate No. 32-1493347

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

VICTOR OSZTROVICS
Insolvent Person
SCHWARTZ LEVITSKY FELDMAN INC.
Trustee

Date of the Notice of Intention: May 02, 2011

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: May 03, 2011, 08:15

Official Receiver

Federal Building, 55 Bay Street North, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

Canada

District of Ontario
Division No. 05 - London
Court No.
Estate No.

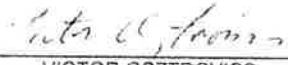
- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
VICTOR OSZTROVICS
of the Town of Burford, in the county of Brant
in the Province of Ontario

Take notice that:

- 1 I, VICTOR OSZTROVICS, an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
- 2 Schwartz Levitsky Feldman Inc. of 1167 Caledonia Road, Toronto, ON, M6A 2X1, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
- 4 Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 2nd day of May 2011.



VICTOR OSZTROVICS
Insolvent Person

To be completed by Official Receiver:

Filing Date _____

Official Receiver

- Proposal Consent -


In the matter of the proposal of
VICTOR OSZTROVICS
of the Town of Burford, in the county of Brant
in the Province of Ontario

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of VICTOR OSZTROVICS.

Dated at the City of Toronto in the Province of Ontario, this 2nd day of May 2011.

Schwartz Levitsky Feldman Inc. - Trustee



1167 Caledonia Road
Toronto ON M6A 2X1
Phone: (416) 785-5353 Fax: (416) 784-3025

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
1537702 ONTARIO INC.	R R 1 Walsingham ON N0E 1X0		71,233.40
1787811 ONTARIO INC.	1310 2ND CONCESSION RD DelHI ON N4B 2W6		76,552.81
1815612 ONTARIO INC.	17 ELEANOR COURT Tillsonburg ON N4G 2H3		65,328.35
2134265 ONTARIO LTD.	595 CONCESSION 3 DelHI ON N4B 2W4		38,343.50
2204293 ONTARIO INC.	P O BOX 25064 Brantford ON N3T 6K5		157,208.41
2226700 ONTARIO INC.	80 BRIDGE ST E UNIT 507 Tillsonburg ON N4G 1T2		91,743.76
2229987 ONTARIO INC.	R R 1 CourtLAND ON N0J 1C0		86,185.05
2232466 ONTARIO INC.	31 KING'S HILL LANE Brantford ON N3T 6A3		98,245.83
2232471 ONTARIO INC.	812950 BASELINE ROAD Norwich ON N0G 1P0		169,176.92
ABILITY & DRIVE	100-C FORGE WAY Rockway NJ 07866 USA		485.00
AUTUMN CREEK FIELD	R R 3 1329 CONCESSION 8 Langton ON N0E 1G0		81,016.81
BEST WEIGH SCALE	R R 2 Scotland ON N0E 1R0		1,582.00
BIRDIEBUFF HOLDINGS LTD.	R R 1 79 BELL MILL SIDE ROAD CourtLAND ON N0J 1F0		80,826.53
BLAKE'S FARM EQUIPMENT	R R 2 SIMCOE ON N3Y 4K1		16,272.00
BMW FARMS INC.	R R 3 1310 2ND CONCESSION DelHI ON N4B 2W6		75,861.98
C & B VANKERREBROECK	R R 1 812425 BASELINE ROAD LaSalette ON N0E 1H0		94,627.98
CANADA REVENUE AGENCY	LONDON TAX SERVICES OFFICE 451 TALBOT STREET, PO BOX 5548 London ON N6A 4R3		1,634.00

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
CANADA REVENUE AGENCY	LONDON TAX SERVICES OFFICE 451 TALBOT STREET, PO BOX 5548 London ON N6A 4R3	890146566RP0001	14,000.00
CANADA STEEL	25 CUDDY BLVD London ON N5V 3Y3		2,097.28
CLINE, BACKUS, NIGHTINGALE	P O BOX 528 39 COLBORNE STREET SIMCOE ON N3Y 4N5		7,150.07
COOPER MILL LTD.	R R 3 MaDOC ON K0K 2K0		296.29
D & M CSERCSIS FARMS INC.	514 TALBOT ROAD DeHI ON N4B 2W6		159,742.73
D K SIOEN FARMS INC.	R R 2 101 10TH CONCESSION Burford ON N0E 1A0		92,368.83
DIERICK FARMS LTD.	2021 BRANTFORD RD 4 Vanessa ON N0E 1V0		245,179.79
DODSLEY PROPANE	45 BRUCE STREET Tillsonburg ON N4G 5C4		1,288.57
E & E MCLAUGHLIN LTD.	P O BOX 428 500 HWY #3 Tillsonburg ON N4G 4H8		243,644.51
EQUIPMENT SALES & SERVICE INC.	P O BOX 3114 Wilson NC 27893 USA		95,550.00
FARMER'S BLEND INC.	P O BOX 444 Burford ON N0E 1A0		11,602.66
FASTENAL CANADA	860 TRILLIUM DRIVE Kitchener ON N2R 1K4		398.41
G D BYERS FARMS INC.	2 DUFFERIN ST Norwich ON N0J 1P0		75,063.47
GRACIOUS LIVING	7200 MARTINGROVE RD Woodbridge ON L4L 9J3		110,000.00
HAUNI RICHMOND INC.	2800 CHARLES CITY RD Richmond VA 23231 USA		1,612.60
HUGYE, ELIZABETH	R R 2 81190 BASELINE Otterville ON N0J 1R0		136,061.76
ICR CANADA CORPORATION	7032 WELLINGTON ROAD Guelph ON N1H 6J3		898.35

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
J/E BEARING & MACHINE LTD.	68 SPRUCE STREET Tillsonburg ON N4G 5V3		2,053.69
JONES, JOHNATHON & DANIELLE	R R 1 27 RIDGEWAY AVE SIMCOE ON N3Y 4J9		74,266.63
JORDAN JAMES FARMS LTD.	219 2ND CONCESSION RD PRINCETON ON N0J 1V0		71,881.02
KANTERS, PAUL	R R 1 113 CROTON AVENUE DelHI ON N4B 2W4		66,486.43
KEITH BOKLA	2865 WINDHAM WAY DelHI ON N4B 2W5		63,942.31
KEYSTONE PACKAGING INC.	2088 JETSTREAM ROAD London ON N5V 3P6		3,241.12
KLENZOID	P O BOX 3857 Toronto ON M5L 1K1		2,742.31
KNELSON, JACOB & ELIZABETH	R R 1 894 EAST QUARTERLINE Walsingham ON N0E 1X0		79,067.29
KNILL, STEVEN	R R 1 105 HIGHWAY 2 PRINCETON ON N0J 1V0		71,030.30
KOSLOWSKI, CLAUDE	P O BOX 1196 Port Dover ON N0A 1N0		1,110,550.80
KUKIELKA PRODUCE	1228 WINDHAM RD, 6 Windsor ON N0E 1V0		23,222.00
KYLIE DEMEULENAERE FARMS LTD.	R R 3 224 3RD CONCESSION PRINCETON ON N0J 1V0		1,651.74
LABSTAT INTERNATIONAL ULC	262 MANITOU DRIVE Kitchener ON N2C 1L3		819.48
LEACH, ARCHIE	1000 POND MILLS RD, UNIT 6 London ON N6N 1A3		401,000.00
MANARY, J BRENT	R R 1 57238 LIGHT LINE Vienna ON N0J 1Z0		143,985.23
MANULIFE FINANCIAL	P O BOX 1627 Waterloo ON N2J 4P4		5,185.16
MENDONCA HOLDINGS INC.	71 WOODLAND CRES Tillsonburg ON N4G 4G6		146,671.69

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
MICHAEL DEW	R R 2 532236 UNION LINE Tillsonburg ON N4G 4G7		59,494.45
MUDGE, ALLAN	R R 2 712214 MIDDLETOWN LINE Otterville ON N0J 1R0		76,248.11
MYTY FARMS	R R 2 164855 NEW ROAD Tillsonburg ON N4G 4G7		68,050.66
NEVILLE, JEFF	R R 2 St WILLIAMS ON N0E 1P0		252,507.86
OSZTROVICS, ELYSIA	R R 3 26 LAWRENCE Burford ON N0E 1A0		34,162.20
PARKVIEW CUSTOMS BROKERAGE LTD.	P O BOX 39 773451 HIGHWAY 59 Norwich ON N0J 1P0		1,522.39
PERRAS MECHANICAL SERVICES LTD.	R R 8 585 OAK PARK ROAD Brantford ON N3T 5L8		46,832.40
PHILIPS, AARON	R R 4 302 13TH CONCESSION RD Langton ON N0E 1G0		38,030.58
POREBA, BRIAN	118 COUNTY RD 53 Cathcart ON N0E 1B0		121,790.24
R & R FARMING	R R 1 158 BURFORD Norwich ON N0J 1P9		152,329.24
RDA CONTAINER CORPORATION	70 CHERRY ROAD RocHESTER NY 14624 USA		8,277.50
REDEKOPP, TRUDY	R R 1 200 NORFOLK COUNTY RD Walsingham ON N0E 1X0		82,294.95
RHINELAND FARMS LTD.	531 BOSTWICK ROAD CourTLAND ON N0J 1E0		85,619.04
RICHARD & BARBARA DEMAREST	R R 1 1506 CONCESSION 2 DelHI ON N4B 2W6		175,472.64
RYAN DEMEULENAERE FARMS LTD.	55 KING STREET Burford ON N0E 2A0		81,992.53

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
SAMPLA BELTING CANADA LTD.	430 HARROP DRIVE Milton ON L9T 3H2		947.68
SCOTT BRINKER	78 MASSECAR LANE SIMCOE ON N3Y 4J9		80,641.78
SEAWEST LOGISTICS	5000 ARMAND-FRAPIER St HUBERT QC J3Z 1G5		134,803.76
SOBCZYK, MATTHEW	R R 3 283 5TH CONCESSION RD Burford ON N0E 1A0		79,935.53
SPRIET VENTURES LTD.	214 MAPLE AVE S Burford ON N0E 1A0		73,156.24
SZALKAI, REBECCA	R R 5 219 CONCESSION 2 Langton ON N0E 1G0		80,834.59
THE TORONTO DOMINION BANK	P O BOX 5567 London ON N6A 6C7		8,500.00
TOTH, DAVID	R R 2 432250 ZENDA LINE Tillsonburg ON N4G 4G7		244,087.57
TSC STORES L.P.	1950 OXFORD ST E London ON N5V 2Z8		424.64
ULINE	P O BOX 3500 Mississauga ON L5M 0S8		988.54
UNION GAS	P O BOX 2025 Chatham ON N7M 6C7		8,103.23
UPS CANADA	STN A P O BOX 4900 Toronto ON M5W 0A7		275.78
VANBERLO, AMANDA & MATTHEW	R R 3 110 BURFORD Scotland ON N0E 1R0		786.75
VANBERLO, MIKE	R R 3 96 BURFORD Scotland ON N0E 1R0		751.63
VANDERHAEGHE, BRIAN	R R 1 506 12TH CONCESSION Langton ON N0E 1G0		83,359.31
VANHAECKE, BRANDON	R R 2 220 8TH CONCESSION Langton ON N0E 1G0		74,458.04

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
VIOLET OSZTROVICS	R R 3 298 6TH CON ROAD Burford ON N0E 1A0		278,000.00
WAEZ, JUSTIN	R R 2 155 WINDHAM RD DeHI ON N4B 2W5		90,882.57
WALL, PETER	R R 6 57684 CARSON LINE Tillsonburg ON N4G 4G9		61,556.65
WOODSIDE GREENS GOLF CLUB	847 CHARLOTTEVILLE RD SIMCOE ON N3Y 4J9		5,850.00
YARMIE, COLIN	R R 2 145222 POTTERS ROAD Tillsonburg ON N4G 4G7		168,886.93
Total			7,432,912.86

Court No.

File No.

In the matter of the proposal of
VICTOR OSZTROVICS
of the Town of Burford, in the county of Brant
in the Province of Ontario

Form 33
Notice of Intention to make a proposal

Schwartz Levitsky Feldman Inc. - Trustee

1167 Caledonia Road
Toronto ON M6A 2X1
Phone: (416) 785-5353 Fax: (416) 784-3025

District of: Ontario
Division No. 05 - London
Court No.
Estate No.

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

In the matter of the proposal of
BRIAN KEVIN POREBA
of the Town of Cathcart, in the county of Brant
in the Province of Ontario

Take notice that:

1. I, BRIAN KEVIN POREBA, an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Schwartz Levitsky Feldman Inc. of 1167 Caledonia Road, Toronto, ON, M6A 2X1, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 2nd day of May 2017.



BRIAN KEVIN POREBA
Insolvent Person

To be completed by Official Receiver:

Filing Date _____

Official Receiver

- Proposal Consent -

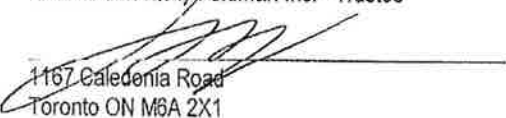
In the matter of the proposal of
BRIAN KEVIN POREBA
of the Town of Cathcart, in the county of Brant
in the Province of Ontario

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of BRIAN KEVIN POREBA.

Dated at the City of Toronto in the Province of Ontario, this 2nd day of May 2011.

Schwartz Levitsky Feldman Inc. - Trustee


1167 Caledonia Road

Toronto ON M6A 2X1

Phone: (416) 785-5353 Fax: (416) 784-3025

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
1537702 ONTARIO INC.	R R 1 Walsingham ON N0E 1X0		71,233.40
1787811 ONTARIO INC.	1310 2ND CONCESSION RD DelHI ON N4B 2W6		76,552.81
1815612 ONTARIO INC.	17 ELEANOR COURT Tillsonburg ON N4G 2H3		65,328.35
2134265 ONTARIO LTD.	595 CONCESSION 3 DelHI ON N4B 2W4		38,343.50
2204293 ONTARIO INC.	P O BOX 25064 Brantford ON N3T 6K5		157,208.41
2226700 ONTARIO INC.	80 BRIDGE ST E UNIT 507 Tillsonburg ON N4G 1T2		91,743.76
2229987 ONTARIO INC.	R R 1 CourtLAND ON N0J 1E0		86,185.05
2232466 ONTARIO INC.	31 KING'S HILL LANE Brantford ON N3T 6A3		98,245.83
2232471 ONTARIO INC.	812950 BASELINE ROAD Norwich ON N0G 1P0		169,176.92
ABILITY & DRIVE	100-C FORGE WAY Rockway NJ 07866 USA		485.00
AUTUMN CREEK FIELD	R R 3 1329 CONCESSION 8 Langton ON N0E 1G0		81,016.81
BEST WEIGH SCALE	R R 2 Scotland ON N0E 1R0		1,582.00
BIRDIEBUFF HOLDINGS LTD.	R R 1 79 BELL MILL SIDE ROAD CourtLAND ON N0J 1E0		80,826.53
BLAKE'S FARM EQUIPMENT	R R 2 SIMCOE ON N3Y 4K1		16,272.00
BMW FARMS INC.	R R 3 1310 2ND CONCESSION DelHI ON N4B 2W6		75,861.98
C & B VANKERREBROECK	R R 1 812425 BASELINE ROAD LaSalette ON N0E 1H0		94,627.98
C.I.B.C. BANKRUPTCY&OPERATION S DEPT	750 LAWRENCE AVE W E-6 Toronto ON M6A 1B8		257,000.00

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
J/E BEARING & MACHINE LTD.	68 SPRUCE STREET Tillsonburg ON N4G 5V3		2,053.69
JONES, JOHNATHON & DANIELLE	R R 1 27 RIDGEWAY AVE SIMCOE ON N3Y 4J9		74,266.63
JORDAN JAMES FARMS LTD.	219 2ND CONCESSION RD PRINCETON ON N0J 1V0		71,881.02
KANTERS, PAUL	R R 1 113 CROTON AVENUE DelHI ON N4B 2W4		66,486.43
KEITH BOKLA	2865 WINDHAM WAY DelHI ON N4B 2W5		63,942.31
KEYSTONE PACKAGING INC.	2088 JETSTREAM ROAD London ON N5V 3P6		3,241.12
KLENZOID	P O BOX 3857 Toronto ON M5L 1K1		2,742.31
KNELSON, JACOB & ELIZABETH	R R 1 894 EAST QUARTERLINE Walsingham ON N0E 1X0		79,067.29
KNILL, STEVEN	R R 1 105 HIGHWAY 2 PRINCETON ON N0J 1V0		71,030.30
KOSLOWSKI, CLAUDE	P O BOX 1195 Port Dover ON N0A 1N0		1,110,550.80
KUKIELKA PRODUCE	1228 WINDHAM RD, 6 Vanessa ON N0E 1V0		23,222.00
KYLIE DEMEULENAERE FARMS LTD.	R R 3 224 3RD CONCESSION PRINCETON ON N0J 1V0		1,651.74
LABSTAT INTERNATIONAL ULC	262 MANITOU DRIVE Kitchener ON N2C 1L3		819.48
LEACH, ARCHIE	1000 POND MILLS RD, UNIT 6 London ON N6N 1A3		401,000.00
MANARY, J BRENT	R R 1 57238 LIGHT LINE Vienna ON N0J 1Z0		143,965.23
MANULIFE FINANCIAL	P O BOX 1627 Waterloo ON N2J 4P4		5,185.16
MENDONCA HOLDINGS INC.	71 WOODLAND CRES Tillsonburg ON N4G 4G6		146,671.69

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
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MUDGE, ALLAN	R R 2 712214 MIDDLETOWN LINE Otterville ON N0J 1R0		76,248.11
MYTY FARMS	R R 2 164855 NEW ROAD Tillsonburg ON N4G 4G7		68,050.66
NEVILLE, JEFF	R R 2 St WILLIAMS ON N0E 1P0		252,507.86
OSZTROVICS, ELYSIA	R R 3 26 LAWRENCE Burford ON N0E 1A0		34,162.20
PARKVIEW CUSTOMS BROKERAGE LTD.	P O BOX 39 773451 HIGHWAY 59 Norwich ON N0J 1P0		1,522.39
PFERRAS MECHANICAL SERVICES LTD.	R R 6 585 OAK PARK ROAD Brantford ON N3T 5L8		46,832.40
PHILIPS, AARON	R R 4 302 13TH CONCESSION RD Langton ON N0E 1G0		38,030.58
POREBA, BRIAN	118 COUNTY RD 53 Cathcart ON N0E 1B0		121,790.24
R & R FARMING	R R 1 158 BURFORD Norwich ON N0J 1P9		152,329.24
RDA CONTAINER CORPORATION	70 CHERRY ROAD ROCHESTER NY 14024 USA		8,277.50
REDEKOPP, TRUDY	R R 1 200 NORFOLK COUNTY RD Walsingham ON N0E 1X0		82,294.95
RHINELAND FARMS LTD.	531 BOSTWICK ROAD CourtLAND ON N0J 1E0		85,619.04
RICHARD & BARBARA DEMAREST	R R 1 1506 CONCESSION 2 DelHI ON N4B 2W6		175,472.64
RYAN DEMEULENAERE FARMS LTD.	55 KING STREET Burford ON N0E 2A0		81,992.53

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
SAMPLA BELTING CANADA LTD.	430 HARROP DRIVE Milton ON L9T 3H2		947.68
SCOTT BRINKER	78 MASSECAR LANE SIMCOE ON N3Y 4J9		80,641.78
SEAWEST LOGISTICS	5000 ARMAND-FRAPIER St HUBERT QC J3Z 1G5		134,803.76
SOBCZYK, MATTHEW	R R 3 283 5TH CONCESSION RD Burford ON N0E 1A0		79,935.53
SPRIET VENTURES LTD.	214 MAPLE AVE S Burford ON N0E 1A0		73,156.24
SZALKAI, REBECCA	R R 5 219 CONCESSION 2 Langton ON N0E 1G0		80,834.59
TOTH, DAVID	R R 2 432250 ZENDA LINE Tillsonburg ON N4G 4G7		244,087.57
TSC STORES L.P.	1950 OXFORD ST E London ON N5V 2Z8		424.64
ULINE	P O BOX 3500 Mississauga ON L5M 0S8		988.54
UNION GAS	P O BOX 2025 Chatham ON N7M 6C7		8,103.23
UPS CANADA	STN A P O BOX 4900 Toronto ON M5W 0A7		275.78
VANBERLO, AMANDA & MATTHEW	R R 3 110 BURFORD Scotland ON N0E 1R0		786.75
VANBERLO, MIKE	R R 3 96 BURFORD Scotland ON N0E 1R0		751.63
VANDERHAEGHE, BRIAN	R R 1 506 12TH CONCESSION Langton ON N0E 1G0		83,359.31
VANHAECKE, BRANDON	R R 2 220 8TH CONCESSION Langton ON N0E 1G0		74,458.04
WAEZL, JUSTIN	R R 2 155 WINDHAM RD DelHI ON N4B 2W5		90,882.57

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
WALL, PETER	R R 6 57684 CARSON LINE Tillsonburg ON N4G 4G9		61,556.65
WOODSIDE GREENS GOLF CLUB	847 CHARLOTTEVILLE RD SIMCOE ON N3Y 4J9		5,850.00
YARMIE, COLIN	R R 2 145222 POTTERS ROAD Tillsonburg ON N4G 4G7		168,886.93
Total			7,390,778.86

Tab 2

IN THE MATTER OF THE BANKRUPTCY OF TRUE BLEND TOBACCO COMPANY INC., a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Tillsonburg, in the Province of Ontario

Estate No: 35-1489580

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

Proceeding commenced at London

AFFIDAVIT OF ALAN PAGE

**Waterous Holden Amey Hitchon LLP
20 Wellington Street
P.O. Box 1510
Brantford, ON N3T 5V6**

**Dennis Touesnard
LSUC No. 52155U**

**Tel: 519-759-6220
Fax: 519-759-8360**

Lawyers for the Responding Parties

IN THE MATTER OF THE BANKRUPTCY OF TRUE BLEND TOBACCO COMPANY INC., a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Tillsonburg, in the Province of Ontario

Estate No: 35-1489580

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

Proceeding commenced at London

**RESPONDING RECORD
OF TRUE BLEND TOBACCO COMPANY.,
VICTOR OSZTROVICS AND BRIAN POREBA**

**Waterous Holden Amey Hitchon LLP
20 Wellington Street
P.O. Box 1510
Brantford, ON N3T 5V6**

**Dennis Touesnard
LSUC No. 52155U**

**Tel: 519-759-6220
Fax: 519-759-8360**

Lawyers for the Responding Parties

This is Exhibit "DD" referred to in the
affidavit of Michael Sloan, sworn before me
this 10th day of May, 2011.


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.

Sean Clarke

From: Crystal Singbeil [csingbeil@waterousholden.com]
Sent: Tuesday, May 03, 2011 6:29 PM
To: Trung Nguyen
Cc: Dennis Touesnard
Subject: RE: Estate No.: 35-1489580

No we won't be.

Crystal

From: Trung Nguyen [mailto:tnghuyen@btzlaw.ca]
Sent: Tuesday, May 03, 2011 6:03 PM
To: Dennis Touesnard
Cc: Crystal Singbeil
Subject: RE: Estate No.: 35-1489580

Will you be filing a factum and/or brief of authorities? If so, please send this to me immediately.

Trung Nguyen
Brauti Thorning Zibarras LLP
151 Yonge Street, Suite 1800
Toronto, Ontario
M5C 2W7
Direct: 416.306.2957
Fax: 416.362.8410
Email: tnghuyen@btzlaw.ca
Web: www.btzlaw.ca

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From: Crystal Singbeil [mailto:csingbeil@waterousholden.com] **On Behalf Of** Dennis Touesnard
Sent: Tuesday, May 03, 2011 5:54 PM
To: Trung Nguyen
Cc: Crystal Singbeil
Subject: Estate No.: 35-1489580

On behalf of True Blend Tobacco Company, Victor Ostrovics and Brian Poreba, please find attached our Responding Record which is served upon you pursuant to the Rules of Civil Procedure.



WATEROUS HOLDEN AMEY HITCHON
LAWYERS

Crystal Singbeil
Waterous, Holden, Amey, Hitchon LLP
20 Wellington Street,
Brantford, ON N3T 5V6

t. (519) 759-6220 x 362
f. (519) 759-8360
csingbeil@waterousholden.com

This e-mail and any files transmitted with it are confidential and are intended

This e-mail and any files transmitted with it are confidential and are intended

Sean Clarke

From: Trung Nguyen
Sent: Wednesday, May 04, 2011 8:37 AM
To: 'dtouesnard@waterousholden.com'
Cc: 'csingbell@waterousholden.com'
Subject: Re: Estate No.: 35-1489580

This is litigation by ambush.

I may now be late because I have had to search for these cases. Please bring copies. I only found the golden griddle case. If I am not there at 10, please provide this correspondence to the court.

Trung

From: Trung Nguyen
Sent: Wednesday, May 04, 2011 08:19 AM
To: 'dtouesnard@waterousholden.com' <dtouesnard@waterousholden.com>
Cc: 'csingbell@waterousholden.com' <csingbell@waterousholden.com>
Subject: Re: Estate No.: 35-1489580

Why didn't you tell me this when I asked yesterday?

From: Dennis Touesnard [mailto:dtouesnard@waterousholden.com]
Sent: Wednesday, May 04, 2011 07:35 AM
To: Trung Nguyen
Cc: Crystal Singbell <csingbell@waterousholden.com>
Subject: RE: Estate No.: 35-1489580

Trung,

I will be relying on Golden Griddle Corp v. Fort Erie Truck & Travel Plaza Inc. 2005 CarswellOnt 9935, 29 CBR (5th) 62 and Re Barry-Kays, 2010 CarswellOnt 4360, 69 CBR (5th) 243.

Regards,

Dennis Touesnard

-----Original Message-----

From: Trung Nguyen [mailto:tnghuyen@btzlaw.ca]
Sent: May 3, 2011 6:03 PM
To: Dennis Touesnard
Cc: Crystal Singbell
Subject: RE: Estate No.: 35-1489580

Will you be filing a factum and/or brief of authorities? If so, please send this to me immediately.

Trung Nguyen
Brauti Thoming Zibarras LLP
151 Yonge Street, Suite 1800
Toronto, Ontario
M5C 2W7
Direct: 416.306.2957
Fax: 416.362.8410
Email: tnghuyen@btzlaw.ca
Web: www.btzlaw.ca

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From: Crystal Singbell [mailto:csingbell@waterousholden.com] **On Behalf Of** Dennis Touesnard
Sent: Tuesday, May 03, 2011 5:54 PM
To: Trung Nguyen
Cc: Crystal Singbell
Subject: Estate No.: 35-1489580

On behalf of True Blend Tobacco Company, Victor Osztrovics and Brian Poreba, please find attached our Responding Record which is served upon you pursuant to the Rules of Civil Procedure.



WATEROUS HOLDEN AMEY HITCHON
LAWYERS

Crystal Singbell
Waterous, Holden, Amey, Hitchon LLP
20 Wellington Street,
Brantford, ON N3T 5V6

t. (519) 759-6220 x 362
f. (519) 759-8360
csingbell@waterousholden.com

5/7/2011

This e-mail and any files transmitted with it are confidential and are intended solely for the use of the individual or entity to whom
This e-mail and any files transmitted with it are confidential and are intended solely for the use of the individual or entity to whom they

This is Exhibit "EE" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Expires June 17, 2011.





**This is Exhibit "FF" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.**


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.,
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homenluk LLP,
Barristers and Solicitors
Expires June 17, 2011.

Sean Clarke

From: Trung Nguyen
Sent: Saturday, May 07, 2011 4:44 PM
To: Sean Clarke
Subject: FW: Mareva Injunction

Trung Nguyen
Brauti Thorning Zibarras LLP
151 Yonge Street, Suite 1800
Toronto, Ontario
M5C 2W7
Direct: 416.306.2957
Fax: 416.362.8410
Email: tnguyen@btzlaw.ca
Web: www.btzlaw.ca

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From: Alan Page [<mailto:alan.page@slf.ca>]
Sent: Wednesday, May 04, 2011 1:38 PM
To: Trung Nguyen
Subject: RE: Mareva Injunction

We are aware that the company is trying to remove inventory but they have not been given access by the landlord and are waiting for their solicitors opinion on the adjournment

-----Original Message-----

From: Trung Nguyen [<mailto:tnguyen@btzlaw.ca>]
Sent: May-04-11 1:28 PM
To: Alan Page; dtouesnard@waterousholden.com
Cc: Sean Clarke; James Zibarras
Subject: Mareva Injunction

Mr. Page and Mr. Touesnard,

The motion to lift the stay has been adjourned for two weeks until May 18. In the interim, we wish to put you both on notice that the tobacco that is currently held by True Blend belongs to our clients. It is not to be moved, transferred, conveyed, sold or otherwise dealt with.

We are also of the view that the Mareva injunction continues to apply. Even if it does not apply, the motion to lift the stay and the ownership of the tobacco remains a live issue before the Court. Any attempt to remove or dissipate assets, including the tobacco, is fraudulent.

Mr. Page, I will forward you the motion materials from the Mareva injunction when I return to the office.

Please advise immediately what, if any steps are being taken to move or sell the tobacco?

I look forward to hearing from you.

Yours very truly,

Trung Nguyen

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**This is Exhibit "GG" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.**


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc., 7
Province of Ontario, for
Brimage, Tyrrell, Van Severen & Homeniuk LLP,
Barristers and Solicitors
Eglington Square 17, 2011.

PAGE, MARTIN LLP

Barristers & Solicitors

Murray B. Page, Q.C. (1926-2010)

Jane Martin

Kenneth H. Page

150 York Street, Suite 800

Toronto, Ontario, M5H 3S5

Tel: (416) 595-9935 x 340

Fax: (416) 595-1731

E-mail: kenpage@pagemartin.com

VIA FACSIMILE - 1-519-660-7791

May 5, 2011

SISKINDS
680 Waterloo Street
London, Ontario
N6A 3V8

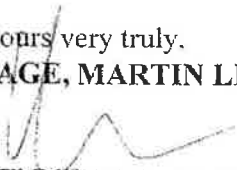
Attention: Fausto Boniferro

RE: TRUE BLEND TOBACCO COMPANY INC.

The undersigned is the solicitor for Schwartz Levitsky Feldman Inc., Trustee under the Proposal of the above noted corporation. We confirm that a Notice of Intention to file a Proposal under the *Bankruptcy and Insolvency Act* has been filed by the corporation and that your client has been served with a copy. By virtue of Section 69 of the *Bankruptcy and Insolvency Act* a stay of proceedings is now in place. This would include a stay of the April 1, 2011 Order of Mr. Justice McDermid. I understand that the landlord is refusing to allow entry or removal of assets by the debtor. As indicated, there is a stay of proceedings in place. Accordingly, the company is allowed to operate in the normal course under the supervision of its Proposal Trustee who is also an officer of the Court. Should the Proposal Trustee find any improper conduct occurring the Trustee will immediately report it to the Court which will issue appropriate sanction which may include bankruptcy. The intention from the debtor is to sell certain tobacco in order to generate revenue, part of which is earmarked for payment of rent. Based on the foregoing we would ask that you confirm that my clients can have access to the premises for the purpose of continued operations. Should your client continue to disregard the Court sanctioned stay of proceedings they leave themselves liable for damages.

Yours very truly,

PAGE, MARTIN LLP


KENNETH H. PAGE

/jk

This is Exhibit "HH" referred to in the
affidavit of Michael Sioen, sworn before me
this 10th day of May, 2011.


A COMMISSIONER FOR TAKING AFFIDAVITS

Linette Colleen Cronk, a Commissioner, etc.
Province of Ontario, for
Brimage, The Hon. Sean Sevensen & Homeniuk LLP,
Barristers
Etc.

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**1787811 ONTARIO INC. C/O PETER WATTS, 1815612 ONTARIO INC., 2134265
ONTARIO LTD., 2204293 ONTARIO INC., 2204051 ONTARIO LTD. C/O
ELIZABETH HUYGE, 2226700 ONTARIO INC., 2229987 ONTARIO INC.,
2230916 ONTARIO LTD., 2231288 ONTARIO INC., 2232139 ONTARIO LTD.
C/O PETER VILACA, 2232466 ONTARIO INC., 2232471 ONTARIO INC.,
AARON PHILLIPS, ALLAN MUDGE, AUTUMN CREEK FIELD INC.,
BIRDIEBUFF HOLDINGS LTD., BMW FARMS INC., BRANDON
VANHAECKE, BRIAN SIOEN, BRIAN VANDERHAEGHE, C & B
VANKERREBROECK FARMS INC., COLLIN YARMIE, D & M CSERCSICS
FARMS INC., DAVID TOTH, DIERICK FARMS LTD., D K SIOEN FARMS
INC., EDWARD POLJANOWSKI, G.D. BYERS FARMS, GARY DEMEYERE,
GARY ISENER, JACOB D & ELISABETH KNELSEN, MENDONCA
HOLDINGS INC., JEFF NEVILLE, JORDAN JAMES FARMS, KEITH BOKLA,
KYLIE DEMEULENAERE FARMS LTD., MATTHEW SOBCZYK, MICHAEL
DEW, MYTY FARM, PETER WALL, R & R FARMING LIMITED,
RHINELAND FARMS LTD., RICHARD & BARBARA DEMAREST, RYAN
DEMEULENAERE FARM LTD., SCOTT BRINKER, TRUDY REDEKOPP,
STEVEN KNILL AND SPRIET VENTURES LTD.**

-and-

**BRIAN KEVIN POREBA, VICTOR OSZTROVICS AND
TRUE BLEND TOBACCO COMPANY INC.**

CONSENT

Pursuant to Section 47.1(1)(b) of the *Bankruptcy and Insolvency act*, R.S.C. 1985, c. B-3, as amended and Section 101 of the Courts of Justice Act, R.S.O. 1990, c. C-43, as amended, PricewaterhouseCoopers Inc. ("PwC") hereby consents to acting as interim receiver, of all the assets, undertakings and properties of every nature and kind whatsoever and wherever situate, including all proceeds thereof, of True Blend Tobacco Inc., in accordance with an order substantially in the form of the order enclosed with the

Application Record, returnable on May 10, 2011 or as soon after that time as the motion can be heard, as such order may be amended in a manner satisfactory to PwC .

DATED this 10th day of May, 2011.

PricewaterhouseCoopers Inc.

Per: 

Name: Gregory Prince

Title: Senior Vice President

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**1787811 ONTARIO INC. C/O PETER WATTS, 1815612 ONTARIO INC., 2134265
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VANHAECKE, BRIAN SIOEN, BRIAN VANDERHAEGHE, C & B
VANKERREBROECK FARMS INC., COLLIN YARMIE, D & M CSERCSICS
FARMS INC., DAVID TOTH, DIERICK FARMS LTD., D K SIOEN FARMS
INC., EDWARD POLJANOWSKI, G.D. BYERS FARMS, GARY DEMEYERE,
GARY ISENER, JACOB D & ELISABETH KNELSEN, MENDONCA
HOLDINGS INC., JEFF NEVILLE, JORDAN JAMES FARMS, KEITH BOKLA,
KYLIE DEMEULENAERE FARMS LTD., MATTHEW SOBczyk, MICHAEL
DEW, MYTY FARM, PETER WALL, R & R FARMING LIMITED,
RHINELAND FARMS LTD., RICHARD & BARBARA DEMAREST, RYAN
DEMEULENAERE FARM LTD., SCOTT BRINKER, TRUDY REDEKOPP,
STEVEN KNILL AND SPRIET VENTURES LTD.**

-and-

**BRIAN KEVIN POREBA, VICTOR OSZTROVICS AND
TRUE BLEND TOBACCO COMPANY INC.**

CONSENT

Pursuant to Section 47.1(1)(b) of the *Bankruptcy and Insolvency act*, R.S.C. 1985, c. B-3, as amended and Section 101 of the Courts of Justice Act, R.S.O. 1990, c. C-43, as amended, PricewaterhouseCoopers Inc. ("PwC") hereby consents to acting as interim receiver, of all the assets, undertakings and properties of every nature and kind whatsoever and wherever situate, including all proceeds thereof, of True Blend Tobacco Inc., in accordance with an order substantially in the form of the order enclosed with the

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DATED this 10th day of May, 2011.

PricewaterhouseCoopers Inc.

Per:



Name:

Gregory Prince

Title:

Senior Vice President