

CANADA
PROVINCE OF QUEBEC
DISTRICT OF QUEBEC
Division N° : 01 - Longueuil
Court N° : 505-11-014522-176
Estate N° : 41-2225245

SUPERIOR COURT
(Commercial Division)

IN THE MATTER OF THE PROPOSAL OF:

DENSI CORPORATION, body politic and corporate, duly incorporated according to Law, and having its head office and principal place of business at 1100 Parent Street, in the city of Saint-Bruno-de-Montarville, province of Quebec, J3V 6L8.

Debtor Company

- AND -

KPMG INC., 600 de Maisonneuve Blvd. West, Suite 1500, Montreal, Quebec, H3A 0A3..

Licensed Insolvency Trustee

NOTICE OF PROPOSAL TO CREDITORS
(Section 51 of the Act)

Take notice that **DENSI CORPORATION** of Saint-Bruno-de-Montarville in the Province of Quebec has lodged with me on the 26th day of May 2017, a proposal and on 2nd day of June 2017, an amended proposal under the *Bankruptcy and Insolvency Act*.

A copy of the amended proposal, a condensed statement of the debtor's assets, and liabilities, a list of the creditors affected by the proposal, the Trustee's report on the proposal, a proof of claim form, a general proxy, as well as a voting letter are enclosed.

A general meeting of the creditors will be held on the 16th day of June 2017, at 10:00 a.m., at Trustee's office, 600 de Maisonneuve Blvd. West, Suite 1500 in Montreal, Quebec.

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

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with me prior to the commencement of the meeting.

Dated at Montreal, this 2nd day of June 2017.

KPMG INC.
Licensed Insolvency Trustee
Maxime Codere, CPA, CA, CIRP, LIT
600, de Maisonneuve Blvd. West, Suite 1500
Montreal, QC H3A 0A3
Phone : (514) 840-2100
Fax : (514) 840-2121

CANADA
PROVINCE DE QUÉBEC
DISTRICT DE QUÉBEC
N° de division : 01 - Longueuil
N° de cour : 505-11-014522-176
N° de dossier : 41-2225245

COUR SUPÉRIEURE
(Chambre commerciale)

DANS L'AFFAIRE DE LA PROPOSITION DE :

DENSI CORPORATION, corps politique légalement constitué selon la Loi ayant son siège social et sa principale place d'affaire au 1100 rue Parent, en la ville de Saint-Bruno-de-Montarville, province de Québec, J3V 6L8.

Compagnie débitrice

- ET -

KPMG INC., 600 boul. de Maisonneuve Ouest, bureau 1500, Montréal, Québec, H3A 0A3.

Syndic Autorisé en Insolvabilité

AVIS DE PROPOSITION AUX CRÉANCIERS (article 51 de la Loi)

Avis est donné que **DENSI CORPORATION** de Saint-Bruno-de-Montarville, dans la province de Québec, a déposé entre mes mains, le 26^e jour de mai 2017, une proposition et le 2^e jour de juin 2017, une proposition amendée en vertu de la *Loi sur la faillite et l'insolvabilité*.

Ci-inclus une copie de la proposition amendée, d'un état succinct de son actif et de son passif, une liste des créanciers visés par la proposition, le rapport du syndic concernant la proposition, une preuve de réclamation, une formule de procuration générale ainsi qu'une formule de votation.

Une assemblée générale des créanciers sera tenue le 16^e jour de juin 2017, à 10h00, au bureau du syndic, 600 boul. de Maisonneuve Ouest, bureau 1500 à Montréal, Québec.

Les créanciers ou toute catégorie de créanciers ayant droit de voter à l'assemblée peuvent, au moyen d'une résolution, accepter la proposition, telle que formulée ou telle que modifiée à l'assemblée. Si la proposition est ainsi acceptée et si elle est approuvée par le tribunal, elle deviendra obligatoire pour tous les créanciers ou pour la catégorie de créanciers visés.

Les preuves de réclamation, procurations et formulaires de votation dont l'usage est projeté à l'assemblée doivent m'être remises au préalable.

Daté le 2^e jour de juin 2017, à Montréal.

KPMG INC.
Syndic Autorisé en Insolvabilité
Maxime Codere, CPA, CA, CIRP, SAI
600, boul. de Maisonneuve Ouest, bureau 1500
Montréal, QC H3A 0A3
Téléphone : (514) 840-2100
Télécopieur : (514) 840-2121

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF LONGUEUIL

SUPERIOR COURT
Commercial Division

No. : 505-11-014522-176

IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF

DENSI CORPORATION

Debtor

- and -

KPMG INC.

Trustee

AMENDED PROPOSAL

DENSI CORPORATION hereby submits to its creditors the following proposal pursuant to the *Bankruptcy and Insolvency Act*:

ARTICLE 1
INTERPRETATION

1.1 Definitions

For all purposes relating to the present Proposal, the following terms shall have the following meanings:

- (a) "BIA" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (b) "Business Day" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the Province of Quebec;
- (c) "Causes of Action" means any and all claims, actions, causes of action, demands, counterclaims, suits, rights, entitlements, litigation, arbitration, proceeding, hearing, complaint, debt, obligation, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, encumbrances and other recoveries of whatever nature that the Company may be entitled to assert against any Person other than the Released Parties, in law, equity or otherwise, whether known or unknown, foreseen or unforeseen, reduced to judgment or not

reduced to judgment, liquidated or unliquidated, contingent or non-contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly, indirectly or derivatively, existing or hereafter arising and whether pertaining to events occurring before, on or after the Effective Date;

- (d) "**Claim**" means any right of any Person against the Company in connection with any indebtedness, liability or obligation, including claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, legal, equitable, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety, by subrogation or otherwise incurred and whether or not such a right is executory in nature;
- (e) "**Company**" means Densi Corporation;
- (f) "**Court**" means the Superior Court of Quebec (Commercial Division);
- (g) "**Creditor**" means a Person holding a Claim;
- (h) "**Creditors' Meeting**" means the meeting of Creditors to be held for the purpose of considering and voting upon this Proposal, and any adjournment of such meeting;
- (i) "**Crown**" means Her Majesty in right of Canada or a province of Canada;
- (j) "**Crown Claims**" means all Claims of the Crown described in section 60(1.1) of the BIA that were outstanding on the Filing Date, as accepted by the Trustee or approved by the Court;
- (k) "**Disputed Claim**" means any Claim which has been received by the Trustee in accordance with the terms of this Proposal and the BIA but has not been accepted as proven or which is being disputed in whole or in part by the Company, the Trustee, or any other person entitled to do so and has not been resolved by agreement or by Order of the Court;
- (l) "**Disputed Creditor**" means a Person holding a Disputed Claim to the extent of its Disputed Claim;
- (m) "**Effective Date**" has the meaning ascribed to it in Section 5.2;
- (n) "**Employee Claims**" means Claims of the employees of the Company to be paid in accordance with Section 60(1.3) of the BIA;
- (o) "**Excluded Claims**" means any and all Claims that are secured by Court-ordered charges;

- (p) "**Filing Date**" means March 6, 2017, being the date of the filing of the NOI by the Company;
- (q) "**KERP**" means the *Key Employee Retention Agreement* entered into between the Company and its Vice-President of Finance on March 6, 2017, and approved by the Court on March 8, 2017;
- (r) "**KERP Charge**" means the priority charge securing the payment of the amounts owed under the KERP which was approved by the Court on March 8, 2017;
- (s) "**Liquidation**" has the meaning ascribed thereto in Section 2.2 of this Proposal;
- (t) "**Liquidation Proceeds**" has the meaning ascribed thereto in Section 2.2 of this Proposal;
- (u) "**Litigation Claims**" means any or all Causes of Action that may be asserted by or on behalf of the Company against any other Persons, other than the Released Parties. For greater certainty, the Litigation Claims shall include the Verisource Claim;
- (v) "**Litigation Costs**" means the reasonable fees and expenses incurred by the Trustee in connection with the Litigation Claims, including the fees and expenses of its advisors, including any legal counsel retained by the Trustee;
- (w) "**Litigation Proceeds**" means any proceeds or settlement or judgment funds arising from the Litigation Claims after deducting all Litigation Costs;
- (x) "**Litigation Advisory Committee**" means a committee of up to three (3) Persons to be nominated by (...) the Creditors with Proven Claim and approved by the Trustee, (...) with the powers, entitlements and duties set out in this Proposal. Any Person subject to any Litigation Claim or holding a Disputed Claim, in part or in totality, shall not be eligible to act as a member of the Litigation Advisory Committee;
- (y) "**Management Contribution**" means a contribution to be made to this Proposal by the beneficiary of the KERP and the KERP Charge, in the form of a renunciation by such beneficiary to the amounts remaining owing pursuant to the KERP, which amounts represent \$37,500;
- (z) "**Melka Contribution**" means a contribution to be made to this Proposal by Eric Melka or by any of the other Related Persons under the current ownership of the Company, which contribution amounts to \$75,000, of which \$50,000 shall come from a renunciation to the amounts payable to (...) them pursuant to the Nu-Tone Transaction;

- (aa) "NOI" means the Notice of Intention to Make a Proposal filed by the Company on the Filing Date;
- (bb) "Nu-Tone" means 9098-5128 Quebec Inc.;
- (cc) "Nu-Tone Offer" means the purchase offer submitted by Nu-Tone to the Company on May 5, 2017 (as revised and specified on May 9 and 10, 2017) which purchase offer was approved by the Court on May 18, 2017;
- (dd) "Nu-Tone Transaction" means the sale transaction contemplated in the *Asset Purchase Agreement* entered into on May 25, 2017 between Nu-Tone and the Company, reflecting the terms of the Nu-Tone Offer;
- (ee) "Official Receiver" means the officer appointed pursuant to Section 12(2) of the BIA;
- (ff) "Person" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity;
- (gg) "Post-Filing Claims" means any Claim arising in respect of services rendered, goods supplied or other consideration given to the Company after the Filing Date;
- (hh) "Preferred Claims" means any Claim, including any Employee Claim, as described in Section 136(1)(a) through 136(1)(j) of the BIA, being such Claim directed by the BIA to be paid in priority to all Unsecured Claims in the distribution of the property of the Company;
- (ii) "Preferred Creditor" means a Person holding a Preferred Claim, to the extent of its Preferred Claim;
- (jj) "Professional Fees" means all fees, expenses, liabilities and obligations of the Trustee and the Company's legal advisors on and incidental to the proceedings arising out of NOI or the Proposal, including advice to the Company in connection with the NOI and the Proposal;
- (kk) "Proof of Claim" means the form delivered by the Trustee to creditors of the Company in accordance with the BIA;
- (ll) "Proposal" means this Proposal, as varied, amended, modified or supplemented in accordance with the provisions hereof and the BIA;

- (mm) "**Proposal Approval Order**" means an order from the Court, in form and substance satisfactory to the Company and the Trustee approving and sanctioning this Proposal in accordance with the provisions hereof and of the BIA;
- (nn) "**Proven Claim**" means the amount or any portion of the amount of the Claim of a Creditor as accepted by the Trustee or finally determined for distribution purposes in accordance with the provisions of the BIA or any applicable orders from the Court;
- (oo) "**Related Person**" has the meaning ascribed thereto in the BIA. For greater certainty, the Related Persons shall include, inter alia, Mr. Eric Melka, both in his personal capacity and in his capacity as director and officer of the Company, as well as Densi Holding, Les Cartouches DNS Inc. and 9699252 Canada Inc.;
- (pp) "**Released Parties**" means all parties being released in accordance with Article 4 of this Proposal;
- (qq) "**Required Majority**" means a majority in number representing not less than two-thirds in value of all Claims of creditors entitled to vote and who are present and voting at the Creditors' Meeting (whether in person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA. The creditors entitled to vote at the Creditors' Meeting shall be the Unsecured Creditors, to the extent of their Proven Claims;
- (rr) "**Restructuring Claims**" means any Claim resulting from the disclaimer or repudiation of any contract by the Company after the Filing Date, including the portion of the Claims of employees whose employment was terminated after the Filing Date which exceed the Employee Claims;
- (ss) "**Secured Claims**" means the Claims of the Secured Creditors to the extent of the value of the security held by the Secured Creditors, as accepted by the Trustee or approved by the Court;
- (tt) "**Secured Creditors**" has the meaning ascribed to it in Section 2 of the BIA, inasmuch as the security would be opposable to a bankruptcy trustee if the Company had become bankrupt at the Filing Date and includes the holders of charges created and ordered by the Court in the context of the Company's proposal proceedings under the BIA;
- (uu) "**Trustee**" means KPMG Inc., in its capacity as trustee to the notice of intention of the Company and not in its personal capacity;
- (vv) "**Trustee's Certificate**" has the meaning ascribed to it in Section 5.2 of this Proposal;

- (ww) "Unsecured Claims" means all Claims (other than Secured Claims, Post-Filing Claims, Crown Claims, Preferred Claims and Excluded Claims) and all Restructuring Claims. Notwithstanding the foregoing, the difference between the Claim of any Secured Creditor and the amount received by such Secured Creditor from the proceeds of the Liquidation shall be considered as an Unsecured Claim. For greater certainty, Excluded Claims shall not be considered as Unsecured Claims;
- (xx) "Unsecured Creditor" means a Person holding an Unsecured Claim, to the extent of its Unsecured Claim;
- (yy) "Unsecured Creditors Class" means all Unsecured Creditors and Preferred Creditors, who are grouped together for the purposes of considering and voting on this Proposal in accordance with the provisions of this Proposal and the BIA;
- (zz) "Verisource Claim" has the meaning ascribed thereto in Section 2.3 of this Proposal;

1.2 Date of Any Action

In the event that any date on which any action is required to be taken under this Proposal by any of the parties is not a Business Day, the action shall be required to be taken on the next proceeding day which is a Business Day.

1.3 Time

All times expressed in this Proposal are local time Montreal, Quebec, Canada, unless stipulated otherwise. Time is of the essence in this Proposal.

1.4 Statutory References

Any reference in this Proposal to a statute includes all regulations made thereunder and all amendments to such statutes or regulations in force from time to time.

1.5 Monetary References

All references to currency and to "\$" are to Canadian dollars, unless otherwise indicated.

1.6 Gender and Number

Any reference in this Proposal to gender includes all genders. Words importing the singular number only include the plural and vice versa.

1.7 Certain Phrases

In this Agreement, the words "including", "includes" and "include" and any derivatives of such words mean "including (or includes or include) without limitation". The

expressions "Article", "Section" and other subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Agreement.

ARTICLE 2 PROPOSAL

2.1 Proceeds Available For Distribution

Subject to the terms and conditions set forth herein, the following proceeds and contributions shall be made available for distribution to the Creditors with Proven Claims in accordance with the terms and conditions of this Proposal (the "**Proceeds Available For Distribution**"):

- (a) All of the Company's cash;
- (b) All of the proceeds resulting from the collection of the Company's accounts receivables;
- (c) All of the proceeds resulting from the Nu-Tone Transaction that are related to the sale of the Company's assets;
- (d) All of the Liquidation Proceeds;
- (e) All of the Litigation Proceeds, including any and all proceeds arising from the Verisource Claim;
- (f) The Melka Contribution; and
- (g) The Management Contribution.

2.2 Liquidation

Subject to the terms and conditions set forth herein, the Company, under the supervision of the Trustee shall conduct or continue to conduct the orderly liquidation of any and all remaining assets of the Company (the "**Liquidation**"), and all proceeds resulting from such Liquidation, if any, after payment of all costs incurred in connection with the Liquidation (collectively, the "**Liquidation Proceeds**"), shall be paid to and held in trust by the Trustee pending distribution thereof pursuant to the terms and conditions of this Proposal.

2.3 Litigation Claims

Commencing on the Effective Date:

- (a) The Trustee shall administer all Litigation Claims, on behalf and for the benefit of the Creditors with Proven Claim;

- (b) The Trustee shall take all reasonable steps to assess any Litigation Claims and the Trustee shall report to the Litigation Advisory Committee in respect of such Litigation Claims;
- (c) The Trustee, in consultation with the Litigation Advisory Committee, shall be authorized but not obligated to prosecute or settle any Litigation Claim, taking into consideration, among other things, the available information and applicable circumstances;
- (d) Any Litigation Proceeds shall be paid to and held in trust by the Trustee pending distribution thereof pursuant to the terms and conditions of this Proposal;
- (e) All Litigation Costs shall be funded with the Proceeds Available For Distribution, up to an amount to be authorized and approved, from time to time, by Trustee, in consultation with the Litigation Advisory Committee;
- (f) The Trustee shall not distribute any of the Litigation Proceeds until the Litigation Advisory Committee has determined that there are no Litigation Claims remaining to be prosecuted by the Trustee, and any such distribution shall be made pursuant to the terms and conditions of this Proposal.

The Litigation Claims shall include the claims of the Company against Verisource Ltd. (the "**Verisource Claim**") in connection with, *inter alia*, an amount of \$450,000 payable to the Company by Verisource Ltd. in accordance with the *Exclusive Distribution and Rights Agreement* entered into between the Company and Verisource Ltd. on August 31, 2016.

(...) For a period of twelve (12) months or until the Litigation Advisory Committee has determined that there are no Litigation Claims remaining to be prosecuted by the Trustee, whichever is earlier, the Company and Eric Melka will provide their reasonable continued assistance to the Trustee in settling or prosecuting before the Court the Litigation Claims in the context of these proposal proceedings, in a timely and efficient manner.

It is understood that the Trustee shall not bear any liability in respect of any claims or causes of action which may or may not be asserted on behalf of the Company in respect of the Litigation Claims.

2.4 Renunciation by the Related Persons to their Claim

Subject to the terms and conditions set forth herein, all Related Persons under current ownership of the Company agree to renounce to their Claims, including any Post-Filing Claim, Restructuring Claim or Unsecured Claim, whether for unpaid salary, rent or otherwise, against the Company, which Claims exceeds \$1.5 million.

2.5 Proposed Payments

Subject to the terms and conditions set forth in this Proposal, the Company proposes to pay the following fees and claims, as follows, from the Proceeds Available for Distribution:

- (a) Professional Fees: The Professional Fees will be paid in full by the Company as they become due in priority to all other Claims.
- (b) Post-Filing Claims: The Post-Filing Claims, if any, will be paid in full by the Company in the ordinary course of business and on regular trade terms, or as may otherwise be arranged with the holders of such Post-Filing Claims.
- (c) Secured Claims: The Secured Claims, if any, will be paid in accordance with applicable law, or as otherwise arranged with the holders of Secured Claims.
- (d) Employee Claims: Employee Claims, if any, will be paid immediately after issuance of the Proposal Approval Order, or as may otherwise be arranged with the holders of Employee Claims.
- (e) Crown Claims: The Crown Claims, if any, will be paid within six (6) months after issuance of the Proposal Approval Order, or as may otherwise be arranged with the Crown.
- (f) Preferred Claims: The Preferred Claims (other than the Employee Claims), will be paid, without interest, in priority to the Unsecured Claims, within sixty (60) days after issuance of the Proposal Approval Order, or as may otherwise be arranged with individual Preferred Creditors.
- (g) Unsecured Claims: After payment of the fees and claims referred to in Section 2.5 (a) to (f), inclusively, the holders of Unsecured Claim to the extent of their respective Proven Claim will receive their share of the remaining Proceeds Available For Distribution on a *pro rata* and *pari passu* basis.

2.6 Excluded Claims

This Proposal is not, and shall not be, made in respect of the Excluded Claims.

ARTICLE 3
CLASSIFICATION OF CREDITORS, VALUATION OF CLAIMS AND RELATED MATTERS

3.1 Proof of Claims

In order to vote at the Creditors' Meeting and receive any distribution in accordance with this Proposal, a Creditor must file a Proof of Claim in accordance with the provisions of the BIA.

3.2 Class of Creditors

For the purpose of considering and voting upon and receiving distributions under this Proposal, there shall be one class of creditors, being the Unsecured Creditors Class.

3.3 Creditors' Meeting, Proxies and Voting Letters

Proxies as provided for in the BIA indicating a Person authorized to act on behalf of an Unsecured Creditor may be submitted to the Trustee (who, subject to the consent of the Official Receiver, will chair the Creditors' Meeting) at, or any time prior to, the commencement of the Creditors' Meeting. Voting letters as provided for in the BIA submitted to the Trustee prior to the Creditors' Meeting must indicate whether the Unsecured Creditor wishes to cast its vote in favour of or against the Proposal. Voting letters that do not indicate either preference will be deemed to indicate a vote in favour of the Proposal. Persons in attendance at the Creditors' Meeting shall cast their vote in the manner prescribed by the Trustee and the BIA. All votes will be recorded and tabulated by the Trustee, who may seek the assistance of the Court with respect to any dispute arising from or out of the tabulation of votes. A quorum shall be constituted for the Creditors' Meeting or any adjournment thereof if there is one Unsecured Creditor, entitled to vote, present in person or by proxy or if one Unsecured Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the BIA and this Proposal. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Trustee to such date, time and place as determined by the Trustee.

3.4 Claims for Voting Purposes

Each Unsecured Creditor shall be entitled to a single vote valued at the amount of its Proven Claim. If the amount of the Claim of a Disputed Creditor is not finally determined prior to the Creditors' Meeting, the Disputed Creditor shall be entitled to vote at the Creditors' Meeting on the portion of its Unsecured Claim, if any, that has been accepted by the Trustee for voting purposes without prejudice to the rights of the Company, the Trustee and the Disputed Creditor to have the quantum of the Disputed Creditor's Unsecured Claim finally determined for the purposes of receiving its pro rata share of the Proceeds Available For Distribution.

3.5 Approval of the Proposal

In order to be approved, the Proposal must receive the affirmative vote of the Required Majority.

3.6 Modification of the Proposal

Subject to the consent of the Trustee, the Company reserves the right at any time, including at the Creditors' Meeting, to file any modification, amendment or supplement of and to the Proposal, by way of an amended proposal, and file such amended proposal with the Official Receiver as soon as practical, in which case any such amended proposal or proposals shall, for all purposes, be and be deemed to be part of and incorporated into the Proposal. At the Creditors' Meeting, the Trustee shall provide all Unsecured Creditors in attendance with details of any modifications, amendments or supplements of and to the Proposal prior to the vote being taken to approve the Proposal. After the Creditors' Meeting (and both prior to and subsequent to the Proposal Approval Order) and subject to the consent of the Trustee, the Company may at any time and from time to time vary, amend, modify or supplement the Proposal if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature or would not be materially prejudicial to the interest of any of the Unsecured Creditors under the Proposal and is necessary in order to give effect to the substance of the Proposal or the Proposal Approval Order. The details of any such variation, amendment, modification or supplement to the Proposal shall be communicated by the Trustee to all Creditors of the Company affected by the Proposal.

ARTICLE 4 RELEASES

4.1 Release in Favour of the Company and the Related Persons

On the Effective Date, all Claims as against the Company and the Related Persons under its current ownership, shall be deemed to be fully and finally satisfied, settled and discharged and no Creditor shall have any further right, remedy or Claim against the Company and the Related Persons under its current ownership.

4.2 Release in Favour of the Directors and Officers

In accordance with Section 50(13) of the BIA, the acceptance of the Proposal by the creditors affected by this Proposal shall, on the Effective Date, release definitively the directors and officers of Company (together with the Company and the Related Persons, the "Released Parties") from any and all claims, liability or obligation for which they may be liable by law in their capacity as directors or officers, in respect of any debt of Company which arose before the Filing Date, except for claims that relate to contractual rights of one or more creditors arising from contracts with one or more directors or officers or claims that are based on allegations of misrepresentation made by directors to creditors or of wrongful or oppressive conduct by directors. It is understood however

that nothing herein shall be interpreted as an acknowledgment of any claim, liability or obligation on the part of the directors or officers of Company, any such claim, liability or obligation being specifically denied.

ARTICLE 5 CONDITIONS AND EFFECTIVE DATE

5.1 Conditions Precedent to the Implementation of the Proposal

The implementation of the Proposal and distribution thereunder is subject to the satisfaction of the following conditions precedents:

- (a) The Proposal is approved by the Required Majority;
- (b) The Proposal Approval Order has been issued and has not been stayed and there is no outstanding appeal therefrom; and
- (c) All other actions, documents and agreements necessary to implement the Proposal as required herein shall have been effected and executed.

5.2 Trustee's Certificate and Effective Date

Upon the satisfaction that the conditions precedent set out in Section 5.1 have been met and that distributions in accordance with the Proposal have been made, the Trustee will file with the Court a certificate confirming same (the "Trustee's Certificate"). The date of filing of the Trustee's Certificate shall be deemed to be the "Effective Date".

ARTICLE 6 BINDING EFFECT

6.1 Binding Effect

On the Effective Date, this Proposal will become effective and binding on and enure to the benefit of the Company and all creditors affected by this Proposal and all other Persons named or referred to in, or subject to, this Proposal, and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

ARTICLE 7 GENERAL

7.1 Capacity of the Trustee

KPMG Inc. is acting in its capacity as Trustee under this Proposal and not in its personal capacity, and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business or obligations of the Company, whether existing as at the Date of Proposal or incurred subsequent thereto and no Person

shall have any Claim against KPMG Inc. in respect thereof.

7.2 Settlements and Preferences

The provisions of Section 95 to 101, inclusively, of the BIA and any similar provision of any federal or provincial statute shall not apply to this Proposal.

7.3 Further Assurances

Each of the Persons named or referred to in, or subject to, this Proposal will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated herein.

7.4 Governing Law

This Proposal will be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein.

[Signature page follows]

DATED this 2nd day of June, 2017

DENSI CORPORATION

Per: _____



WITNESS:

W. Conrad

District of: Quebec
 Division No. 01 - Longueuil
 Court No. 505-11-014522-176
 Estate No. 41-2225245

Original

Amended

Form 78
 Statement of Affairs (Business Proposal) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

IN THE MATTER OF THE PROPOSAL OF:
 DENSI CORPORATION

Body politic and corporate, duly incorporated according to Law, and having its head office and principal place of business at
 1100 Parent Street, in the city of Saint-Bruno-de-Montarville, province of Quebec, J3V 6L8.

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 26th day of May 2017. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	ASSETS (as stated and estimated by the officer)
1. Unsecured creditors as per list "A" 6,184,481.51	1. Inventory 20,000.00
Balance of secured claims as per list "B" 0.00	2. Trade fixtures, etc. 0.00
Total unsecured creditors 6,184,481.51	3. Accounts receivable and other receivables, as per list "E"
2. Secured creditors as per list "B" 0.00	Good 535,000.00
3. Preferred creditors as per list "C" 0.00	Doubtful 0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for 0.00	Bad 200,000.00
Total liabilities 6,184,481.51	Estimated to produce 535,000.00
Surplus NIL	4. Bills of exchange, promissory note, etc., as per list "F" 0.00
	5. Deposits in financial institutions 231,000.00
	6. Cash 0.00
	7. Livestock 0.00
	8. Machinery, equipment and plant 25,000.00
	9. Real property or immovable as per list "G" 0.00
	10. Furniture 0.00
	11. RRSPs, RRIFs, life insurance, etc. 0.00
	12. Securities (shares, bonds, debentures, etc.) 0.00
	13. Interests under wills 0.00
	14. Vehicles 0.00
	15. Other property, as per list "H" 0.00
	If debtor is a corporation, add:
	Amount of subscribed capital 0.00
	Amount paid on capital 0.00
	Balance subscribed and unpaid 0.00
	Estimated to produce 0.00
	Total assets 811,000.00
	Deficiency 5,373,481.51

I, Éric Melka, of the city of Westmount in the Province of Quebec, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 26th day of May 2017 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
 before me at the city of Montréal in the Province of Quebec, on this 26th day of May 2017.

Maxime Codere, Commissioner of Oaths
 for the Province of Quebec
 Expires December 6, 2017



(Signature)

 Éric Melka

District de: Québec
 No division: 01 - Longueuil
 No cour: 505-11-014522-176
 No dossier: 41-2225245

original modifié

_ FORMULAIRE 78 _
 Bilan - proposition déposée par une entité
 (paragraphe 49(2), alinéa 158d) et paragraphes 50(2) et 62(1) de la Loi)

DANS L'AFFAIRE DE LA PROPOSITION DE :
 DENSI CORPORATION
 Corps politique légalement constitué selon la Loi, ayant son siège social et sa principale place
 d'affaires au
 1100 rue Parent, en la ville de Saint-Bruno-de-Montarville, province de Québec, J3V 6L8.

Au débiteur :
 Vous êtes tenu de remplir avec soin et exactitude le présent formulaire et les annexes applicables indiquant la situation de vos affaires à la date du dépôt de votre proposition (ou de votre avis d'intention) le 26 mai 2017. Une fois rempli, ce formulaire et les listes annexées, constituent votre bilan, qui doit être vérifié sous serment ou par une déclaration solennelle.

PASSIF (tel que déclaré et estimé par l'officier)	ACTIF (tel que déclaré et estimé par l'officier)
1. Créanciers non garantis: voir liste A 6,184,481.51	1. Inventaire 20,000.00
Équilibre de réclamations garantis: voir liste "B" 0.00	2. Aménagements 0.00
Créanciers non garantis total 6,184,481.51	3. Comptes à recevoir et autres créances: voir liste E
2. Créanciers garantis: voir liste B 0.00	Bonnes 535,000.00
3. Créanciers privilégiés: voir liste C 0.00	Douteuses 0.00
4. Dettes éventuelles, réclamations de fiducie ou autres (voir liste D) pouvant être réclamées pour une somme de ... 0.00	Mauvaises 200,000.00
Total du passif 6,184,481.51	Estimation des créances qui peuvent être réalisées 535,000.00
Surplus NIL	4. Lettres de change, billets à ordre, etc., voir liste F 0.00
	5. Dépôts en institutions financières 231,000.00
	6. Espèces 0.00
	7. Bétail 0.00
	8. Machines, outillage et installation 25,000.00
	9. Immeubles et biens réels : voir liste G 0.00
	10. Ameublement 0.00
	11. REER, FERR, Assurances-vie etc 0.00
	12. Valeurs mobilières (actions, obligations, débentures etc. 0.00
	13. Droits en vertu de testaments 0.00
	14. Véhicules 0.00
	15. Autres biens : voir liste H 0.00
	Si le débiteur est une personne morale, ajoutez :
	Montant du capital souscrit 0.00
	Montant du capital payé 0.00
	Solde souscrit et impayé 0.00
	Estimation du solde qui peut être réalisé 0.00
	Total de l'actif 811,000.00
	Déficit 5,373,481.51

Je, Éric Melka, de Westmount en la province de Québec, étant dûment assermenté (ou ayant déclaré solennellement) déclare que le bilan qui suit et les listes annexées sont, à ma connaissance, un relevé complet, véridique et entier de mes affaires en ce 26 mai 2017, et indiquent au complet tous mes biens de quelque nature qu'ils soient, en ma possession et réversibles, tels que définis par la Loi.

ASSERMENTÉ (ou déclaré solennellement)
 devant moi le 26 mai 2017, à Montréal en la province de Québec

Maxime Codere, Commissaire à l'Assermentation
 Pour la province de Québec
 Expire le 6 décembre 2017



 Éric Melka

District of: Quebec
 Division No. 01 - Longueuil
 Court No. 505-11-014522-176
 Estate No. 41-2225245

FORM 78 -- Continued

List "A"
 Unsecured Creditors

DENSI CORPORATION

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	9699252 CANADA INC.	1100 rue Parent Saint-Bruno-de-Montarville QC J3V 6L8	1,089,000.00	0.00	1,089,000.00
2	ABF FREIGHT SYSTEM, INC.	10325, RYAN AVENUE, SUITE 200 Dorval QC H9P 1A2	256.91	0.00	256.91
3	ACCO BRANDS (GBC)	300 QUARTET AVE., ORDER ENTRY BOONEVILLE MS 38829 USA	10,938.90	0.00	10,938.90
4	AGENCE DU REVENU DU CANADA Attn: Centre d'arrivage régional d'insolvabilité	2250, rue St-Olivier Trois-Rivières QC G9A 4E9	1.00	0.00	1.00
5	ASALCO INC	44, CH. DES URSULINES STANSTEAD QC J0B 3E0	11,707.30	0.00	11,707.30
6	ASTER GRAPHICS COMPANY LTD	610 NATHAN ROAD, ROOMS 1318-19, 13/F HOLLYWOOD PLAZA MONGKOK KOWLOON HONG KONG	775,831.00	0.00	775,831.00
7	ASTER GRAPHICS INC (CA)	540 S. MELROSE STREET PLACENTIA CA 92870 USA	1.00	0.00	1.00
8	ATRIX INTERNATIONAL INC.	1350 LARC INDUSTRIAL BOULEVARD BURNSVILLE MN 55337 USA	3,042.70	0.00	3,042.70
9	BEAULIEU LAMOUREUX INC	283, BOUL. LAURIER St-Basile-le-Grand QC J3N 1M2	236.52	0.00	236.52
10	BELFOR PROPERTY RESTORATION	4040, BOUL. POIRIER St-Laurent QC H4R 2A5	5,336.53	0.00	5,336.53
11	BELL MOBILITE	C.P. 11095, SUCC. CENTRE-VILLE Montréal QC H3C 5E7	94.19	0.00	94.19
12	Bell Mobilité Inc. 51726908UQC281	C.P. 11095, Station Centre-Ville Montréal QC H3C 5E7	0.00	0.00	0.00
13	BEST OFFIC SYSTEMS	1890 NW 97th AVE DORAL FL 33172 USA	797.59	0.00	797.59
14	C. COTRAN HOLDING INC.	1, D'ESTORIL Candiac QC J5R 6J9	550,000.00	0.00	550,000.00
15	CHAMBLY EXTINCTEUR INC.	59, DU PARC Saint-Jean-sur-Richelieu QC J2W 1N3	183.96	0.00	183.96
16	CHAUSSURE 22 SECURITE	4585, CHEMIN CHAMBLY St-Hubert QC J3Y 3M9	97.72	0.00	97.72
17	CHICOPEE INC.	P.O. BOX 56351, POSTAL STATION A Toronto ON M5W 4L1	4,655.83	0.00	4,655.83
18	CHINA ETERNAL COPIERS TECH USA	425 PARAMOUNT DRIVE RAYNHAM MA 02767 USA	17,981.86	0.00	17,981.86
19	CLOVER TECHNOLOGIES GR. LLC	4200 COLUMBUS STREET OTTAWA IL 61350 USA	91,535.80	0.00	91,535.80
20	CLOVER TECHNOLOGIES GR. LLC	3-2340 WINSTON PARK DR. Oakville ON L6H 7T7	31,880.98	0.00	31,880.98
21	CONSTRUCTION JRP	55, RUE DES MEANDRES ST-ROCH-DE-L'ACHIGAN QC J0K 3H0	4,632.49	0.00	4,632.49
22	DELL FINANCIAL SERVICES CANADA	PO BOX 8751, STATION A Toronto ON M5W 3C2	14,000.00	0.00	14,000.00
23	DENSI HOLDING INC.	680, ROSLYN Westmount QC H3Y 2T9	527,594.00	0.00	527,594.00

26-May-2017

Date

Éric Melka

District of: Quebec
 Division No. 01 - Longueuil
 Court No. 505-11-014522-176
 Estate No. 41-2225245

FORM 78 -- Continued

List "A"
 Unsecured Creditors

DENSI CORPORATION

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
24	DIGI-KEY CORP	701 BROOKS AVENUE SOUTH, PO BOX 390 THIEF RIVER FALLS MN 56701 USA	121.74	0.00	121.74
25	DISTRIBUTION MICHEL THEORET	655, JEAN-PAUL VINCENT Longueuil QC J4G 1R3	118.19	0.00	118.19
26	DIVERSIFIED COMPUTER SUP. INC	4435 CONCOURSE DRIVE ANN ARBOR MI 48108 USA	15,524.70	0.00	15,524.70
27	EMBALLAGES JEAN CARTIER	2325, BOUL. INDUSTRIEL ST-CÉSAIRE QC J0L 1T0	906.84	0.00	906.84
28	ENTREPRISES (LES) DAIGNEAULT	790, GRAND BOUL. OUEST St-Bruno QC J3V 4P6	2,644.43	0.00	2,644.43
29	EXTERMINATION ST-HUBERT INC.	4295, Montée St-Hubert St-Hubert QC J3Y 1V2	155.14	0.00	155.14
30	FONDS DE SOLIDARITÉ DES TRAVAILLEURS DU QUÉBEC	545, BOUL. CRÉMAZIE EST, BUREAU 200 Montréal QC H2M 2W4	1,950,000.00	0.00	1,950,000.00
31	FUGITEK	7653, CORDNER LaSalle QC H8N 2W9	1,281.97	0.00	1,281.97
32	FUJI ELECTRIC CORP. OF AMERICA	50 NORTHFIELD AVENUE EDISON NJ 08837 USA	8,160.59	0.00	8,160.59
33	FUTURE GRAPHICS	655 NORTH CENTRAL AVENUE, STE.1550 GLENDALE CA 91203 USA	35,000.00	0.00	35,000.00
34	G P I (California)	ATTN: BETTY TSAI 2537D PACIFIC COAST HWY, SUITE 150 TORRANCE CA 90505 USA	495.51	0.00	495.51
35	G P I (TAIWAN)	50, TZU-CHIANG ROAD, WU-CHI TOWN TAICHUNG TAIWAN	52,356.58	0.00	52,356.58
36	GAZ METRO	C.P. 6115 SUCC. CENTRE-VILLE Montréal QC H3C 4N7	2,721.10	0.00	2,721.10
37	GROUPE AST (1993)INC	2021, AVENUE UNION, BUREAU 1200 Montréal QC H3A 2S9	157.01	0.00	157.01
38	HYDRO QUEBEC	C.P. 11022, SUCC CENTRE-VILLE Montréal QC H3C 4V6	4,134.52	0.00	4,134.52
39	IMPRESSION GESTION CREATON GESTION INC	2850, RUE CODERRE St-Hubert QC J3Y 4N5	644.35	0.00	644.35
40	INTERNATIONAL BUSINESS PRODUCTS INC.	7336 EAST DEER VALLEY ROAD, SUITE 110 SCOTTSDALE AZ 85255 USA	391.77	0.00	391.77
41	ITN LOGISTICS	10500, COTE DE LIESSE, SUITE 160 Lachine QC H8T 1A4	717.39	0.00	717.39
42	JOLICOEUR	4132 Partenais Montréal QC H2K 3T9	663.83	0.00	663.83
43	K_B AMERICA INC	1565 JEFFERSON RD, BLDG 100, STE 160 ROCHESTER NY 14623 USA	1,675.73	0.00	1,675.73
44	LDJV COURRIERPLUS INC	1950, RUE MOREAU Montréal QC H1W 2L9	18.68	0.00	18.68
45	LES AVOCATS LECORRE & ASSOCIES	2550, BOUL DANIEL JOHNSON, BUREAU 650 Laval QC H7T 2L1	11,898.24	0.00	11,898.24
46	LES ENTREPRISES J PICCIONI INC	1250, SAINT-AMOUR Saint-Laurent QC H4S 1J2	23,167.46	0.00	23,167.46
47	LES FIBRES J.C. INC.	3718, GRANDE LIGNE Chambly QC J3L 4A7	18.22	0.00	18.22

26-May-2017

Date



Éric Melka

District of: Quebec
 Division No. 01 - Longueuil
 Court No. 505-11-014522-176
 Estate No. 41-2225245

FORM 78 -- Continued


List "A"
 Unsecured Creditors

DENSI CORPORATION

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
48	MANTORIA INC.	4492, RUE STE-CATHERINE OUEST Westmount QC H3Z 1R7	6,467.87	0.00	6,467.87
49	MANTORIA INC.	4492, RUE STE-CATHERINE OUEST Westmount QC H3Z 1R7	1,695.18	0.00	1,695.18
50	MICROTEC SECURI-T COMM. INC.	4780, RUE ST-FELIX Saint-Augustin QC G3A 2J9	148.32	0.00	148.32
51	Ministère du Revenu du Québec	1600 René-Lévesque O. -3e étage, secteur R23CPF Montréal QC H3H 2V2	1.00	0.00	1.00
52	NINESTAR IMAGE TECH LIMITED	UNIT 18 9/F NEW COMMERCE CENTER 9 LAI STREET SHATIN HONG KONG	778,958.00	0.00	778,958.00
53	NORAMPAC -DIV.CASCADES CA INC	2755, RUE VIAU Montréal QC H1V 3J4	21,767.26	0.00	21,767.26
54	PLUS SUPPLY INT'L	710 CHESTNUT RIDGE RD. SPRING VALLEY NY 10977 USA	1.00	0.00	1.00
55	PRODUITS DE PLASTIQUE BEN PAK INC	11, RUE BLOUIN COPAK ST-ANSELME QC G0R 2N0	15,827.55	0.00	15,827.55
56	QUALINET	55 rue des Méandres St-Roch-de-l'Achigan QC J0K 3H0	4,632.49	0.00	4,632.49
57	RAVEN INDUSTRIES INC	5049 CENTER DRIVE LATROBE PA 15650 USA	7,318.09	0.00	7,318.09
58	RCI ENVIRONNEMENT	9501 boul. Ray-Lawson Anjou QC H1J 1L4	854.51	0.00	854.51
59	RICHARD TAWFIK & ASSOCIATES INC	1321-4998, DE MAISONNEUVE BLVD Montréal QC H3Z 1N2	4,828.95	0.00	4,828.95
60	SHERWIN WILLIAMS CANADA INC	P.O. BOX 8730, STATION A Toronto ON M5W 3C2	194.91	0.00	194.91
61	SYCHEM INC.	10, PLANCHET ROAD, UNIT 5 Concord ON L4K 2C8	1,520.53	0.00	1,520.53
62	TECH TRADING	500 WEST MAIN ST., SUITE 11 WYCKOFF NJ 07481 USA	27,173.37	0.00	27,173.37
63	TOMOEGAWA USA INC	742 GLENN AVE WHEELING IL 60090 USA	31,005.20	0.00	31,005.20
64	TRANSPORT BOURASSA	800, RUE DE DIJON Saint-Jean-sur-Richelieu QC J3B 8G3	560.60	0.00	560.60
65	ULINE CANADA CORPORATION	PO BOX 3500, RPO STREERSVILLE Mississauga ON L5M 0S8	875.67	0.00	875.67
66	UPS CANADA (4900)	P.O. BOX 4900, STATION A Toronto ON M5W 0A7	22,002.67	0.00	22,002.67
67	UPS CANADA (SCS INC.) 4901	12380 MORRIS ROAD ALPHARETTA GA 30005 USA	218.97	0.00	218.97
68	UPS FREIGHT (28013)	1000 SEMMES AVENUE, P.O. BOX 1216 RICHMOND VA 23218-1216 USA	767.67	0.00	767.67
69	VIDEOTRON LTEE	CP 11422 SUCC. CENTRE-VILLE Montréal QC H3C 5H6	4,462.26	0.00	4,462.26
70	VISION ENVIRO PROGRESSIVE	4141, BOUL GRANDE ALLEE Boisbriand QC J7H 1M7	261.07	0.00	261.07

26-May-2017

Date



Éric Melka

District of: Quebec
Division No. 01 - Longueuil
Court No. 505-11-014522-176
Estate No. 41-2225245

FORM 78 -- Continued

List "A"
Unsecured Creditors

DENSI CORPORATION

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
71	YANIKO SERVICES AUX ENTREPRISE	1320, GAY-LUSSAC, #200 Boucherville QC J4B 7G4	158.10	0.00	158.10
Total:			6,184,481.51	0.00	6,184,481.51

26-May-2017

Date



Éric Melka

District of: Quebec
 Division No. 01 - Longueuil
 Court No. 505-11-014522-176
 Estate No. 41-2225245

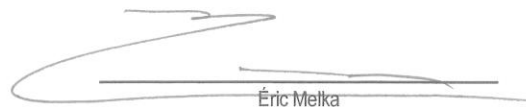
FORM 78 -- Continued

List "E"
 Debts Due to the Debtor
 DENSI CORPORATION

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Accounts receivable	1100 Parent Street Saint-Bruno-de-Montarville QC J3V 6L8	Accounts receivable	535,000.00 0.00 200,000.00		01-Jan-2017	535,000.00	--
Total:				535,000.00 0.00 200,000.00			535,000.00	

26-May-2017

Date



Eric Melka

District of: Quebec
Division No. 01 - Longueuil
Court No. 505-11-014522-176
Estate No. 41-2225245

FORM 78 -- Concluded

List "H"
Property

DENSI CORPORATION
FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade		Stock In Trade	0.00	20,000.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions	Caisse Populaire Desjardins 7450 boul. Les Galeries d'Anjou Montréal QC H1M 3M3	71603	231,000.00	231,000.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant		Machinery	0.00	25,000.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
			Total:	276,000.00

26-May-2017

Date



Eric Melka

**THE FOLLOWING APPENDICES ARE NOT INCLUDED BECAUSE THEY ARE
NOT APPLICABLE TO THE PRESENT FILE:**

APPENDIX B: Secured Creditors

APPENDIX C: Preferred Creditors for Wages, Rent, etc.

APPENDIX D: Contingent or Other Liabilities

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

APPENDIX G: Real Property or Immovable Owned by Bankrupt

**LES ANNEXES SUIVANTES N'ONT PAS ÉTÉ INCLUSES PUISQU'ELLES
NE S'APPLIQUENT PAS AU PRÉSENT DOSSIER:**

ANNEXE B : Créanciers garantis

ANNEXE C : Créanciers privilégiés pour salaires

ANNEXE D : Dettes éventuelles, réclamations de fiducie ou autres

ANNEXE F : Lettres de change, billets à ordre, gages, hypothèques, charges, privilèges sur biens meubles etc.

ANNEXE G : Immeubles et biens réels

CANADA
PROVINCE OF QUEBEC
DISTRICT OF QUEBEC
Division N°: 01- LONGUEUIL
Court N°: 505-11-014522-176
Estate N°: 41-2225245

SUPERIOR COURT
(Commercial Division)

IN THE MATTER OF THE PROPOSAL OF:

DENSI CORPORATION, a corporation incorporated under the Canada Business Corporation Act, having its principal place of business at 1100 Parent Street, in the city of Saint-Bruno-de-Montarville, district of Longueuil, Québec, J3V 6L8

Debtor

- and -

KPMG INC., a corporation duly incorporated under the *Canada Business Corporations Act* (Canada), having a place of business at 600, boul. De Maisonneuve Blvd. West, Suite 1500 Montreal, QC, H3A 0A3

Licensed Insolvency Trustee

**TRUSTEE'S REPORT ON THE AMENDED PROPOSAL
(PARAGRAPHS 50(10)(b) AND 50(5))**

The *Bankruptcy and Insolvency Act* (the "**BIA**") provides that a meeting be held so that the creditors may vote on the proposal of Densi Corporation (the "**Debtor**" or the "**Company**" or "**Densi**").

Pursuant to paragraphs 50(10)(b) and 50(5) of the BIA, and to assist the creditors in considering the proposal, KPMG Inc. (the "**Trustee**", "**KPMG**", or "**we**") is submitting its report on the financial situation of the Debtor and on the proposal.

We caution the reader that we have neither conducted an audit nor a verification of the books and records of the Debtor. Consequently, we cannot render an opinion on the accuracy of the information contained therein. The information discussed herein emanates from the books and records of the Debtor as well as from our discussions with the management of the Debtor.

All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the amended proposal filed with the Trustee on June 2, 2017 (the "**Amended Proposal**").

INTRODUCTION

On March 6, 2017, Densi filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to section 50.4 of the BIA, and KPMG was appointed as Trustee to the NOI.

On March 8, 2017, Densi was authorized by this Court to conduct, with the assistance and under the supervision of KPMG and of the Court, a sale process in order to sell its assets, outside of its ordinary course of business (the “**Sale Process**”).

On March 30, 2017, the Court granted an order extending the stay period until May 23, 2017 in order to allow the Company to complete the Sale Process.

On May 18, 2017, the Court granted an approval and vesting order approving the transaction contemplated in the offer to purchase submitted to Densi by 9098-5128 Québec Inc. (“**Nu-Tone**”) on May 5, 2017 as revised and specified on May 9 and 10, 2017 (the “**Nu-Tone Offer**”).

On May 18, 2017, the Court granted an order extending the stay period until May 26, 2017 in order to allow the Company to complete the transaction contemplated in the Nu-Tone Offer and to submit a proposal to its creditors.

On May 26, 2017, the Debtor filed a proposal with the Trustee.

On June 2, 2017, the Debtor filed the Amended Proposal with the Trustee. A copy of the Amended Proposal, the Statement of Affairs, a proof of claim form, a voting letter, a proxy as well as a notice which indicates the time and place of the meeting of creditors was sent by regular mail to the Company’s known creditors on June 2, 2017.

COMPANY BACKGROUND AND EVENTS LEADING TO THE FILING OF THE PROPOSAL

Founded in 1979, Densi is a privately owned company and a distributor of imaging supplies and parts for business copiers, printers, multi-function printers and other imaging equipment. Based in Saint-Bruno-de-Montarville, Densi acts as an intermediary between suppliers of imaging consumable products and active value resellers of imaging products, the majority of which are in Canada.

The NOI was filed in a context where:

- a) For the past few years, the printer consumable product market and aftermarket has seen an important downturn in Canada;
- b) Such market trends, combined with increased competition, namely from foreign companies that have begun setting up shop locally in order to by-pass intermediaries such as Densi, have forced wholesalers and manufacturers of imaging supply products such as Densi to offer even more competitive pricing on their products, thereby reducing their profit margins, and increasing the pressure on their cash-flows;
- c) Over the past three (3) years, the exchange rate between the Canadian dollar and the US dollar has varied and has had an immense impact on Densi’s profitability, revenue stream and cash-flow given the fact that the majority, if not all, of its inventory is purchased in US dollars, whereas the majority of its customers are based in Canada;
- d) In 2015, Densi proceeded with a re-branding involving the redesign of its product packaging with the objective of attracting more business from both new and existing customers. However, this project turned to be very costly and unprofitable;

- e) Despite Densi's efforts to minimize its costs and right-size its business in order to maintain profitability, including reducing its workforce, it ultimately came to the realization that it was no longer able to compete as an intermediary in its market; and
- f) For the fiscal year ended December 31, 2016, Densi recorded a total net loss of approximately \$947,000.

Following the filing of the NOI and during the Sale Process, Densi continued to sell its inventory in the ordinary course of business in order to maximize their value as opposed to simply liquidating them in the context of a "go-dark"/bankruptcy scenario, where their value would be substantially depleted and in order to maintain the value of its intellectual property to be sold in the Sale Process.

Densi also sold some of its equipment in parallel with the Sale Process by contacting several parties potentially interested in purchasing its equipment. On May 18, 2017, the Court granted an order approving these sales.

All proceeds arising from the Nu-Tone transaction were remitted to the Trustee on May 25, 2017 and are currently kept in its trust account.

ASSETS

The following table presents the Debtor's estimated value of assets as of May 26, 2017, as presented in the Statement of Affairs.

Densi Corporation	
Assets as of May 26, 2017	
	Estimated value
Cash in bank	231 000
Accounts receivable	
Accounts receivable from sales	85 000
Verisource	450 000
Inventory	20 000
Equipment	25 000
Total	811 000

Cash in bank

On May 26, 2017, Densi had on a book basis approximately \$76,000 in its bank accounts and \$155,000 in trust with KPMG. The amount of \$155,000 in trust consists of the proceeds from the transaction with Nu-Tone relating to the sale of Densi's assets.

Accounts receivable

Although as at May 26, 2017, the total accounts receivable of Densi (excluding Verisource) amounted to approximately \$350,000, the following amounts have been deducted therefrom: (a) an amount of approximately \$120,000 is due by companies who also hold claims against the Densi and (b) approximately \$145,000 has been owed to Densi for more than 120 days. Accordingly, Densi currently expects that it will be able to collect from its accounts receivable an amount of approximately \$85,000.

DENSI CORPORATION

Report of the Trustee on the Amended Proposal

In addition of the foregoing, the Company has a \$450,000 claim against Verisource Ltd., payable in accordance with a license agreement. The Trustee, in consultation with the Litigation Advisory Committee, shall be authorized to prosecute or settle any Litigation Claim, including the Verisource Claim. At the date of this report, the Trustee has been advised by the Company's legal advisors that the Verisource Claim is well founded, and that they are not aware of any valid grounds for which such claim should not be paid to the Company. However, at this stage, the Trustee is not yet in a position to properly assess the amount that could be collected arising from the prosecution or the settlement of the Verisource Claim.

Inventory

Densi has approached 3 liquidators in order to sell its remaining inventory which mainly consist of: 1) chips; 2) bottles; 3) toner cartridges; 4) boxes; and 5) bulk toners. The realization value is estimated at \$17,000, based on the interest expressed by potential purchasers.

Equipment

Densi has approached 3 liquidators in order to sell its remaining equipment, which mainly consist of: 1) lift trucks and other warehouse equipment; and 2) toner filling equipment. The realization value is estimated at \$25,000, based on the interest expressed by potential purchasers.

SECURED CREDITORS

At the date thereof, Densi has no secured creditor, other than those creditors benefiting from court-approved charges.

PRIORITY CREDITORS

As at the date of the Amended Proposal, there were no known priority claims against the Company, other than the claims of Densi's landlord, which, as part of the Amended Proposal, would be waived.

UNSECURED CREDITORS

According to the Statement of Affairs, unsecured claims against the Company amount to approximately \$6,184,000, however, the Trustee was informed by the Company that prior to the filling of the NOI:

- The Company had started litigations against two (2) suppliers as a result of significant damages caused by the sale and delivery by the suppliers of defective packages; and
- A supplier had filed an action against the Company. However, the Company believes that the action is meritless and susceptible to serious claims against it.

Also, the Trustee was informed by another alleged creditor of its intention to file a claim of approximately \$487,000. Densi denies the validity of this claim.

If the above claims were to be accepted, the total amount of unsecured claim against the Company would increase by approximately \$2.4 million. However, given the Company's position, these claims were not taken into account in the Statement of Affairs.

THE AMENDED PROPOSAL

On June 2, 2017, the Debtor filed its Amended Proposal. We have summarized below the main terms of the Amended Proposal.

The following proceeds will be made available for distribution to the Creditors of the Company with Proven Claims:

- All of the Company's cash;
- All of the proceeds resulting from the collection of the Company's accounts receivable;
- All of the proceeds resulting from the Nu-Tone transaction that are related to the sale of the Company's assets,;
- All of the proceeds resulting from the liquidation of the Company's remaining assets after the Nu-Tone transaction;
- All of the Litigation Proceeds, including any and all proceeds arising from the Verisource Claim.

In addition, if the Amended Proposal is accepted and approved by the Company's creditors and by the Court, the following proceeds and contributions will also be made available for distribution to the Creditors of the Company with Proven Claims:

- The Melka Contribution of \$75,000; and
- The Management Contribution of \$37,500; and
- All dividends which would otherwise be payable to the Related Persons in respect their Claims (including their Post-Filing Claims, their Restructuring Claims and their Unsecured Claims) which are expected to exceed \$1.5 million, given these Related Person's agreement to renounce to these Claims as part of the Amended Proposal.

The Trustee will pay the following expenses and claims in priority to the unsecured claims against the Company:

- Professional Fees;
- Post-Filing Claims;
- Secured Claims;
- Employee Claims;
- Crown Claim; and
- Preferred Claims (other than the employee claims).

The proceeds available for distribution after payment of the above claims shall be distributed by the Trustee to the Company's Unsecured Creditors.

On the Effective Date, all Claims against the Company and Related Persons under its current ownership, shall be deemed to be fully and finally satisfied, settled and discharged.

The provisions of sections 95 to 101, inclusively, of the BIA and any similar provision of any federal or provincial statute, which deal with preferential and reviewable transactions, shall not apply to the Amended Proposal.

DENSI CORPORATION

Report of the Trustee on the Amended Proposal

The Amended Proposal provides for the formation of a Litigation Advisory Committee. The Trustee, in consultation with the Litigation Advisory Committee, shall be authorized to prosecute or settle any Litigation Claim, including the Verisource Claim.

Pursuant to the Amended Proposal, for a period of twelve (12) months or until the Litigation Advisory Committee has determined that there are no Litigation Claims remaining to be prosecuted by the Trustee, whichever is earlier, the Company and Eric Melka will provide their reasonable continued assistance to the Trustee in settling or prosecuting before the Court the Litigation Claims in the context of these proposal proceedings, in a timely and efficient manner.

REVIEWABLE TRANSACTIONS

As noted above, the Amended Proposal stipulates that sections 95 to 101 of the BIA (as well as any federal or provincial legislation with a similar objective) shall not apply.

Consequently, the Trustee has reviewed the Debtor's transactions that have occurred in the twelve months prior to the filing of the NOI (the "**Period**") which may potentially be subject to sections 95 to 101 of the BIA and sections 1631 and followings of the Civil Code of Quebec.

Based on the results of its review, the Trustee has not identified any preferential payment or transfer at undervalue.

The Trustee has noted however that during the Period, the Debtor has proceeded with a redemption of shares which were held by a related company, Densi Holding Inc., in the amount of approximately \$590,000.

Although this transaction could potentially be subject to a review under applicable legislations, after analysis of same, the Trustee is of the view that a recourse or legal proceedings in view of challenging such transaction presents a number of risks:

- The difficulties in demonstrating that the Company was insolvent at the time of the above-mentioned transaction;
- The difficulties in demonstrating that the Company did not act in a prudent and diligent manner at the time of the above-mentioned transaction;
- The costs to be incurred by legal professionals and other experts associated with initiating legal proceedings required to attempt to challenge the above-mentioned transaction, which costs would be funded by the proceeds of the Company;
- The delays inherent to legal proceedings and the uncertainty associated with enforcing a judgment.

Accordingly, the Trustee is to the opinion that the chance of success to recover proceeds from this transaction are limited.

ESTIMATED REALIZATION AND DISTRIBUTION

The table below summarizes the estimated realization and distribution to creditors in the context of an accepted/approved Amended Proposal as compared to a bankruptcy.

Densi Corporation			
Estimated Net Realisation, Unsecured Claims and Dividend % (Proposal vs. Bankruptcy)			
	Proposal	Bankruptcy	Note
Estimated Realization of Densi's Assets			
<u>Realized Assets</u>			
Cash in bank at end of operation	215 000	215 000	
<u>Assets to be Realized</u>			
Estimated proceeds from the collection the accounts receivables	55 000	55 000	
Estimated proceeds resulting of the liquidation of:			
Inventories	17 000	17 000	
Equipment	25 000	25 000	
Verisource Claim (subject to a litigation)	450 000	450 000	1
	547 000	547 000	
<u>Potential Assets to be Realized</u>			
H Shares Transactions	-	Undetermined	2
(-) Legal and consultant	-	Undetermined	2
	-	Undetermined	
Total Estimated Realization of Densi's Assets	762 000	762 000	
Contributions from third parties (only if Proposal is accepted)			
Management Contribution (KERP Renonciation)	-	(37 500)	
Related Persons Renonciation (Post-Filing Claims)	-	(30 000)	
Melka Contribution:			
Contribution from the Nu-Tone Transaction	50 000	-	
Additional Melka Contribution	25 000	-	
	75 000	(67 500)	
Total Estimated Realization	837 000	694 500	
Estimated Professional Fees			
Trustee	(30 000)	(30 000)	3
Legal advisor	(20 000)	(20 000)	3
Estimated Net Realization	787 000	644 500	
Estimated Unsecured Claims			
Unsecured Claims	6 184 000	6 184 000	4
Potential Equity Claim	(550 000)	(550 000)	
Renounced Claims	(1 617 000)	-	5
Total Estimated Unsecured Claims	4 017 000	5 634 000	
Estimated Dividend %	20%	11%	

Note 1: Verisource Claim

Pursuant to the Amended Proposal, for a period of twelve (12) months or until the Litigation Advisory Committee has determined that there are no Litigation Claims remaining to be prosecuted by the Trustee, whichever is earlier, the Company and Eric Melka will provide their reasonable continued assistance to the Trustee in settling or prosecuting before the Court the Litigation Claims in the context of these proposal proceedings, in a timely and efficient manner.

Note 2: Shares Transactions

As previously mentioned, in accordance with section *Reviewable Transactions*, the Trustee is to the opinion that the chance of success to recover proceeds from this transaction are limited.

Note 3: Estimated Professional Fees

The Estimated Professional fees do not take into account the professional fees related to the collection of the Verisource Claim and the contestation by the Trustee of the Disputed Claims.

Note 4: Unsecured Claims

The Unsecured Claims are not taking into account the Disputed Claims which are related to litigations with suppliers of approximately \$2.4 million.

Note 5: Renounced Claims

In accordance with the Amended Proposal, all related parties agree to renounce to their claims against the Company if the Amended Proposal is approved by the creditors and the Court.

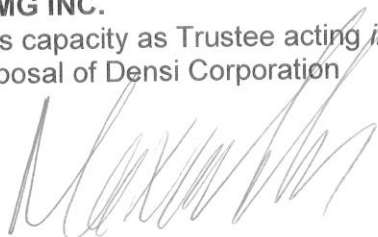
Estimated Dividend %

As noted in the above table, based on the Estimated Net Realization and Estimated Unsecured Claims, in the context of an accepted proposal, the unsecured creditors should receive an estimated dividend of approximately 20%, where as in the context of a bankruptcy, the estimated dividend would be of approximately 11%.

Dated in Montreal, this 2nd day of June, 2017.

KPMG INC.

In its capacity as Trustee acting *in re* the
proposal of Densi Corporation



Maxime Codere, CPA, CA, CIRP, LIT

CANADA
PROVINCE DE QUÉBEC
DISTRICT DE QUÉBEC
Division : 01- LONGUEUIL
Cour : 505-11-014522-176
Surin : 41-2225245

COUR SUPÉRIEURE
(Chambre commerciale)

DANS L'AFFAIRE DE LA PROPOSITION DE : **DENSI CORPORATION**, corps politique légalement constitué selon la Loi, ayant sa principale place d'affaires au 1100, rue Parent, dans la ville de Saint-Bruno-de-Montarville, district de Longueuil, province de Québec, J3V 6L8

Débitrice

- et -

KPMG INC., corps politique légalement constitué selon la Loi (Canada), ayant une place d'affaires au 600, boulevard De Maisonneuve Ouest, Bureau 1500, dans la ville de Montréal, province de Québec, H3A 0A3

Syndic Autorisé en Insolvabilité

RAPPORT DU SYNDIC SUR LA PROPOSITION AMENDÉE [PARAGRAPHES 50(10)(b) ET 50(5)]

La *Loi sur la faillite et l'insolvabilité* (« **LFI** ») prévoit la tenue d'une assemblée des créanciers afin que ceux-ci puissent voter sur la proposition de Densi Corporation (la « **Débitrice** », la « **Société** » ou « **Densi** »).

Conformément aux paragraphes 50(10) (b) et 50(5) de la LFI et, afin d'aider les créanciers à évaluer la proposition, KPMG inc. (le « **Syndic** », « **KPMG** » ou « **nous** ») soumet son rapport sur la situation financière de la Débitrice et sur la proposition.

Nous tenons à avertir le lecteur que nous n'avons procédé ni à une vérification ni à un examen des livres et registres de la Débitrice. Par conséquent, nous ne pouvons exprimer une opinion quant à l'exactitude des renseignements qui y sont contenus. Les renseignements dont il est question dans le présent rapport sont tirés des livres et registres de la Débitrice, ainsi que des entretiens que nous avons eus avec la direction de la Débitrice.

Tous les termes en majuscule utilisés, mis entre parenthèses en anglais, mais non définis dans le présent document sont déterminés dans la proposition amendée déposée auprès du Syndic le 2 juin 2017 (la « **Proposition Amendée** »).

INTRODUCTION

Le 6 mars 2017, Densi a déposé un avis d'intention de faire une proposition (l'« **AI** ») conformément à l'article 50.4(1) de la LFI et KPMG a été nommé Syndic à l'AI.

Le 8 mars 2017, Densi était autorisée par la Cour, avec l'aide et sous la supervision de KPMG et de la Cour, à mener un processus de vente de ses actifs (le « **Processus de vente** »), hors du cours normal de ses affaires.

Le 30 mars 2017, la Cour a rendu une ordonnance prolongeant la période de dépôt jusqu'au 23 mai 2017 afin de permettre à la Société de compléter le Processus de vente.

Le 18 mai 2017, la Cour a rendu une ordonnance d'approbation et de dévolution approuvant la transaction envisagée par l'offre d'achat des actifs de la Société par 9098-5128 Québec Inc. (« **Nu-Tone** »), offre soumise le 5 mai 2017, révisée et spécifiée les 9 et 10 mai 2017 (l'« **Offre Nu-Tone** »).

Le 18 mai 2017, la Cour a rendu une ordonnance prolongeant la période de dépôt jusqu'au 26 mai 2017, afin de permettre à la Société de conclure la transaction envisagée dans l'Offre Nu-Tone et de soumettre une proposition à ses créanciers.

Le 26 mai 2017, la Débitrice a déposé une proposition auprès du Syndic.

Le 2 juin 2017, la Débitrice a déposé la Proposition Amendée auprès du Syndic. Une copie de la Proposition Amendée, le bilan de faillite, un formulaire de preuve de réclamation, un formulaire de votation, une procuration ainsi qu'un avis indiquant l'heure et le lieu de l'assemblée des créanciers ont été envoyés par la poste aux créanciers connus de la Société le 2 juin 2017.

HISTORIQUE ET ÉVÉNEMENTS PRÉCÉDANT LE DÉPÔT DE LA PROPOSITION

Fondée en 1979, Densi est une entreprise privée et un distributeur de fournitures et pièces d'imagerie pour photocopieurs d'entreprise, imprimantes, imprimantes multifonctions et autres équipements d'imagerie. Basée à Saint-Bruno-de-Montarville, Densi agit en tant qu'intermédiaire entre les fournisseurs de produits consommables d'imagerie et les revendeurs de valeur active des produits d'imagerie, dont la majorité est au Canada.

L'AI a été déposé dans un contexte où:

- a) Au cours des dernières années, le marché des produits consommables pour imprimante et celui du service après-vente ont connu un ralentissement important au Canada;
- b) De telles tendances du marché, combinées à une concurrence accrue, à savoir des entreprises étrangères installées localement afin de court-circuiter les intermédiaires comme Densi, ont forcé les distributeurs et les fabricants de produits d'imagerie à offrir des prix encore plus compétitifs sur leur produits, réduisant ainsi leurs marges bénéficiaires et augmentant la pression sur leurs flux de trésorerie;
- c) Au cours des trois (3) dernières années, le taux de change entre le dollar canadien et américain a varié et a eu un impact significatif sur la rentabilité, les revenus et les flux de trésorerie de Densi étant donné que la majorité, sinon l'ensemble, de ses stocks est acheté en dollars américains alors que la majorité de sa clientèle est basée au Canada;
- d) En 2015, Densi a procédé à un changement d'image de marque impliquant la refonte de ses emballages de produits afin d'attirer davantage de nouveaux clients et de fidéliser la clientèle existante. Cependant, ce projet s'est révélé très coûteux et non rentable;

DENSI CORPORATION

Rapport du Syndic sur la Proposition Amendée

- e) Malgré les efforts pour minimiser ses coûts et l'ajustement de son activité pour maintenir sa rentabilité, incluant la réduction de sa main-d'œuvre, Densi a réalisé qu'il n'était plus possible d'être compétitif en tant qu'intermédiaire dans son industrie; et
- f) Pour l'année fiscale se terminant le 31 décembre 2016, Densi a enregistré une perte nette totale d'environ 947 000 \$.

Suite au dépôt de l'AI et durant le Processus de vente, Densi a continué de vendre ses stocks dans le cours normal des affaires afin de maximiser la valeur de ses actifs. En effet, liquider les actifs dans le contexte d'une fermeture/faillite aurait conduit à une diminution considérable de leur valeur et de la valeur de sa propriété intellectuelle dans le Processus de vente.

Densi a également vendu certains de ses équipements en parallèle du Procèsus de vente, en contactant plusieurs parties potentiellement intéressées. Le 18 mai 2017, la Cour a rendu une ordonnance approuvant ces ventes.

Le 28 mai 2017, toutes les contreparties obtenues de la transaction Nu-Tone ont été remis au Syndic, qui les a placés en fiducie.

ÉLÉMENTS D'ACTIFS

Le tableau ci-dessous présente la valeur estimée des actifs de la Débitrice au 26 mai 2017, comme indiqué dans le bilan statutaire :

Densi Corporation	
Liste des actifs au 26 mai 2017	
	Valeur estimée
Espèces en banque	231 000
Comptes à recevoir	
Comptes à recevoir provenant des ventes	85 000
Verisource	450 000
Stock	20 000
Équipement	25 000
Total	811 000

Espèces en banque

Le 26 mai 2017, Densi avait, sur une base d'exercice, approximativement 76 000 \$ dans son compte en banque et 155 000 \$ en fiducie chez KPMG, contrepartie de la transaction avec Nu-Tone relativement à la vente des actifs de Densi.

Comptes à recevoir

Bien qu'au 26 mai 2017, le total des comptes débiteurs de Densi (excluant Verisource) s'élevait à environ 350 000 \$, les montants suivants ont été déduits : (a) environ 120 000 \$ dus par des sociétés détenant également des réclamations à l'encontre de Densi; et (b) environ 145 000 \$ dus à Densi depuis plus de 120 jours. Par conséquent, Densi estime pouvoir récupérer un montant d'environ 85 000 \$ de ses comptes à recevoir.

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De plus, la Société a une réclamation d'un montant de 450 000 \$ envers Verisource Ltd payable en vertu d'une entente de licence. Le Syndic, en consultation avec le Comité consultatif sur les litiges (*Litigation Advisory Committee*), sera autorisé à poursuivre ou régler toute réclamation litigieuse (*Litigation Claim*), incluant la réclamation envers Verisource (*Verisource Claim*). À la date du présent rapport, le Syndic a été informé par les conseillers juridiques de la Société que la réclamation envers Verisource (*Verisource Claim*) était fondée et que ces derniers n'étaient informés d'aucun motif valable justifiant le non-paiement de cette réclamation à la Société. Toutefois, à cette étape, le Syndic n'est pas en mesure d'évaluer adéquatement le montant qui sera récupéré de la poursuite ou du règlement de la réclamation envers Verisource (*Verisource Claim*).

Stocks

Densi a approché trois (3) liquidateurs afin de vendre les stocks restants, lesquels sont composés principalement de : 1) puces de cartouche d'encre; 2) bouteilles; 3) cartouches d'encre; 4) boîtes; et 5) encres en vrac. Selon l'intérêt exprimé par les acheteurs potentiels, la valeur de réalisation est estimée à 17 000 \$.

Équipements

Densi a approché trois (3) liquidateurs afin de vendre les équipements restants, lesquels sont composés principalement de : 1) chariots élévateurs et autres équipements d'entrepôt; et 2) équipements de remplissage d'encre. Selon l'intérêt exprimé par les acheteurs potentiels, la valeur de réalisation est estimée à 25 000 \$.

CRÉANCIERS GARANTIS

À la date du présent rapport, Densi n'a pas de créanciers garantis autres que ceux détenant des charges approuvées par la Cour.

CRÉANCIERS PRIVILÉGIÉS

À la date de la Proposition Amendée, il n'y avait aucune créance privilégiée connue envers la Société autre que la réclamation du locateur de Densi qui y renoncerait, conformément à la Proposition Amendée.

CRÉANCIERS NON GARANTIS

Selon le bilan statutaire, les créances non garanties envers la Débitrice se chiffrent à environ 6 184 000 \$. Toutefois, le Syndic a été informé par la Société que précédemment au dépôt de l'AI :

- La Société avait entamé des procédures de litige contre deux (2) fournisseurs en raison de dommages importants causés par la vente et la livraison de marchandises défectueuses; et
- Un fournisseur a intenté une action contre la Société. Toutefois, la Société estime que cet action est sans valeur et susceptible de réclamations sérieuses à son encontre.

De plus, le Syndic a été informé par un autre présumé créancier de son intention de déposer une réclamation d'environ 487 000 \$. Densi nie la validité de cette réclamation.

Si les réclamations précédemment citées étaient acceptées, le montant total des créances non garanties envers la Société augmenterait d'environ 2,4 millions de dollars. Cependant, compte tenu de la position de la Société, ces réclamations n'ont pas été prises en compte dans le bilan statutaire.

LA PROPOSITION AMENDÉE

Le 2 juin 2017, la Débitrice a déposé sa Proposition Amendée. Nous en avons résumé ci-après les principaux points.

Les montants suivants seront disponibles pour distribution aux créanciers (*Creditors*) de la Société ayant prouvé leurs réclamations (*Proven Claims*) :

- La totalité de l'encaisse de la Société;
- La totalité des fonds résultants de l'encaissement des comptes à recevoir de la Société;
- La totalité des fonds issus de la vente des actifs de la Société à Nu-Tone;
- La totalité des fonds résultants de la réalisation des actifs restant après la transaction avec Nu-tone;
- Tous les montants en litige (*Litigation Proceeds*) y compris les sommes provenant de la réclamation envers Verisource (*Verisource Claim*).

De plus, si la Proposition Amendée est acceptée et approuvée par les créanciers de la Société et par la Cour, les montants et contributions suivants seront également disponibles pour distribution aux créanciers (*Creditors*) ayant prouvé leurs réclamations (*Proven Claims*) :

- La contribution Melka (Melka Contribution) de 75 000 \$;
- La contribution de la Direction (Management Contribution) de 37 500 \$;
- Tous les dividendes autrement payables aux parties liées (*Related Persons*) en ce qui concerne leurs réclamations [y compris leurs réclamations postdépôt (*Post-Filing Claims*), leurs réclamations de restructuration (*Restructuring Claims*) et leurs réclamations non garanties (*Unsecured Claims*)], lesquelles devraient être supérieures à 1,5 million de dollars, compte tenu de leur acceptation à renoncer à ces réclamations (*Claims*) dans le cadre de la Proposition Amendée.

Le Syndic procédera aux paiements des frais et réclamations suivantes en priorité aux réclamations non garanties de la Société :

- Honoraires professionnels (*Professional Fees*);
- Réclamations postdépôt (*Post-Filing Claims*);
- Réclamations garanties (*Secured Claims*);
- Réclamations des employés (*Employee Claims*);
- Réclamation de la Couronne (*Crown Claim*); et
- Réclamations privilégiées (*Preferred Claims*) (autres que les réclamations des employés).

Le montant disponible après le paiement des réclamations précédemment citées sera distribué par le Syndic aux créanciers non garantis de la Société (*Unsecured Creditors*).

À la date effective (*Effective Date*), toutes les réclamations (*Claims*) contre la Société et les parties liées (*Related Persons*) seront réputées être pleinement satisfaites, réglées et acquittées.

Les dispositions des articles 95 à 101 inclusivement de la LFI ainsi que toute disposition de loi fédérale ou provinciale, lesquels traitent de paiements préférentiels et transactions révisables, ne s'appliquent pas à la Proposition Amendée.

La Proposition Amendée prévoit la création d'un comité consultatif sur les litiges (*Litigation Advisory Committee*). Le Syndic, en consultation avec le comité consultatif sur les litiges (*Litigation Advisory Committee*) sera autorisé à poursuivre ou régler toute réclamation en litige (*Litigation Claim*), y compris la réclamation envers Verisource (*Verisource Claim*).

Conformément à la Proposition Amendée, sur une période de douze (12) mois ou jusqu'à ce que le Comité consultatif sur les litiges (*Litigation Advisory Committee*) ait déterminé qu'il n'y a plus de réclamations litigieuses (*Litigation Claims*) restant à être poursuivies par le Syndic, selon le premier des événements survenant, la Société et Eric Melka fourniront une aide raisonnable et continue au Syndic afin de régler ou poursuivre devant la Cour les réclamations litigieuses (*Litigation Claims*) dans le contexte des procédures liées à la proposition, d'une manière rapide et efficace.

TRANSACTIONS RÉVISABLES

Tel que mentionné précédemment, la Proposition Amendée stipule que les articles 95 à 101 de la LFI (ainsi que toute loi fédérale ou provinciale ayant un objectif similaire) ne s'appliquent pas.

Par conséquent, le Syndic a examiné les transactions de la Débitrice ayant eu lieu dans les douze mois précédant le dépôt de l'AI (la « **Période** ») et pouvant éventuellement être assujetties aux articles 95 à 101 de la LFI ainsi qu'aux articles 1631 et suivants du Code civil du Québec.

Selon les résultats de son examen, le Syndic n'a identifié aucun de paiement préférentiel ni de transfert sous-évalué.

Le Syndic a noté, toutefois, qu'au cours de la Période, la Débitrice a procédé au rachat des actions de catégorie H détenues par une partie liée, Densi Holding Inc., pour un montant d'environ 590 000 \$.

Malgré le fait que cette transaction puisse potentiellement être sujette à une révision selon les législations en vigueur, après analyse, le Syndic est d'avis qu'un recours ou une procédure judiciaire en vue de contester une telle transaction présenterait un certain nombre de risques :

- Les difficultés à démontrer que la Société était insolvable au moment de la transaction susmentionnée;
- Les difficultés à démontrer que la Société n'a pas agi de manière prudente et diligente au moment de la transaction susmentionnée;
- Les coûts à engager par les professionnels du droit et les autres experts associés à l'ouverture de procédures judiciaires requises afin de contester la transaction susmentionnée, lesquels coûts seraient financés par les fonds de la Société;
- Les retards inhérents aux procédures judiciaires et l'incertitude associée à l'exécution d'un jugement.

Par conséquent, le Syndic est d'avis que les probabilités de succès pour récupérer des fonds liés à cette transaction sont limitées.

RÉALISATION PRÉVUE ET DISTRIBUTION PROJETÉE

Le tableau ci-après résume la réalisation et la distribution estimatives aux créanciers advenant l'acceptation/homologation de la Proposition Amendée, en comparaison avec une situation de faillite.

Densi Corporation			
Estimations de la réalisation nette, des réclamations non garanties et du pourcentage de dividendes (Proposition vs Faillite)			
	Proposition	Faillite	Note
Réalisation estimée des actifs de Densi			
<u>Actifs réalisés</u>			
Espèces en banque à la fin de la période	215 000	215 000	
<u>Actifs à réaliser</u>			
Réalisation estimée des comptes clients	55 000	55 000	
Réalisation estimée de la liquidation de:			
Stocks	17 000	17 000	
Équipement	25 000	25 000	
Réclamation envers Verisource (sujette à litige)	450 000	450 000	1
	547 000	547 000	
<u>Actifs potentiels à réaliser</u>			
Transactions - Actions H	-	Indéterminé	2
(-) Légal and consultant	-	Indéterminé	2
	-	Indéterminé	
Total - Réalisation estimée des actifs de Densi	762 000	762 000	
Contributions de tierces parties (sur acceptation de la Proposition)			
Contribution de la Direction (Renonciation au KERP)	-	(37 500)	
Renonciation des Parties liées (Réclamations postdépôt)	-	(30 000)	
Contribution Melka :			
Contribution de la Transaction Nu-Tone	50 000	-	
Contribution additionnelle Melka	25 000	-	
	75 000	(67 500)	
Total - Réalisation estimée	837 000	694 500	
Honoraires professionnels estimés			
Syndic	(30 000)	(30 000)	3
Conseiller juridique	(20 000)	(20 000)	3
Réalisation nette estimée	787 000	644 500	
Réclamations non garanties			
Réclamations non garanties	6 184 000	6 184 000	4
Réclamations potentielles relatives à des capitaux propres	(550 000)	(550 000)	
Réclamations renoncées	(1 617 000)	-	5
Total - Réclamations non garanties estimées	4 017 000	5 634 000	
Pourcentage de dividendes estimé	20%	11%	

Note 1 : Réclamation envers Verisource (Verisource Claim)

Conformément à la Proposition Amendée, sur une période de douze (12) mois ou jusqu'à ce que le comité consultatif sur les litiges (*Litigation Advisory Committee*) ait déterminé qu'il n'y a plus de réclamations litigieuses (*Litigation Claims*) restant à poursuivre par le Syndic, selon le premier événement survenant, la Société et Eric Melka fourniront leur aide raisonnable et continue au Syndic afin de régler ou poursuivre devant la Cour les réclamations litigieuses (*Litigation Claims*) dans le contexte des procédures liées à la proposition, d'une manière rapide et efficace.

DENSI CORPORATION

Rapport du Syndic sur la Proposition Amendée

Note 2 : Transactions sur les actions

Tel qu'indiqué précédemment, conformément à la section Transactions révisables, le Syndic est d'avis que les probabilités de succès pour récupérer des fonds liés à cette transaction sont limitées.

Note 3 : Honoraires Professionnels estimés

Les honoraires professionnels estimés ne tiennent pas compte des frais professionnels liés à la récupération des fonds de la réclamation envers Verisource (*Verisource Claim*) et de l'opposition du Syndic aux réclamations contestées (*Disputed Claims*).

Note 4 : Réclamations non garanties

Les réclamations non garanties ne tiennent pas compte des réclamations contestées (*Disputed Claims*) lesquelles sont liées à des litiges avec des fournisseurs et totalisent un montant d'environ 2,4 millions de dollars.

Note 5 : Réclamations renoncées (Renounced Claims)

Conformément à la Proposition Amendée, toutes les parties liées acceptent de renoncer à leurs créances contre la Société si la Proposition Amendée est approuvée par les créanciers et la Cour.

Pourcentage estimé du dividende

Tel qu'indiqué dans le tableau précédent, en fonction de la réalisation nette estimée et des réclamations non garanties estimées, les créanciers non garantis devraient recevoir un dividende estimé d'environ 20 % dans le contexte d'une proposition acceptée, alors qu'il serait d'environ 11 % dans le contexte d'une faillite.

Fait à Montréal, ce 2e jour de juin, 2017.

KPMG INC.

En sa qualité de Syndic agissant *in re*
la Proposition de Densi Corporation



Maxime Codere, CPA, CA, CIRP, SAI

District of: Quebec
Division No. 01 - Longueuil
Court No. 505-11-014522-176
Estate No. 41-2225245

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

IN THE MATTER OF THE PROPOSAL OF :
DENSI CORPORATION
Body politic and corporate, duly incorporated according to Law, and having its head office and principal place of business at
1100 Parent Street, in the city of Saint-Bruno-de-Montarville, province of Quebec, J3V 6L8.

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

In the matter of the proposal of DENSI CORPORATION of the city of Saint-Bruno-de-Montarville in the Province of Quebec and the claim of _____, creditor.
I, _____ (name of creditor or representative of the creditor), of the city of _____ in the province of _____, do hereby certify:

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

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

3. That the debtor was, at the date of proposal, namely the 26th day of May 2017, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____

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

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

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

Regarding the amount of \$ _____, I do not claim a right to a priority.
(Set out on an attached sheet details to support priority claim.)

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

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

C. SECURED CLAIM OF \$ _____

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

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

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

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

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

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

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

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

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

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

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

Dated at _____, this _____ day of _____, _____.

 Witness

 Creditor

Phone Number: _____
 Fax Number : _____
 E-mail Address : _____

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

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

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

District de: Québec
No division: 01 - Longueuil
No cour: 505-11-014522-176
No dossier: 41-2225245

FORMULAIRE 31
Preuve de réclamation
(articles 50.1, 81.5 et 81.6, paragraphes 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2) et 128(1)
et alinéas 51(1)e) et 66.14b de la Loi)

DANS L'AFFAIRE DE LA PROPOSITION DE :
DENSI CORPORATION
Corps politique légalement constitué selon la Loi, ayant son siège social et sa principale place d'affaires au
1100 rue Parent, en la ville de Saint-Bruno-de-Montarville, province de Québec, J3V 6L8.

Expédier tout avis ou toute correspondance concernant la présente réclamation à l'adresse suivante :

Dans l'affaire de la proposition de DENSI CORPORATION de Saint-Bruno-de-Montarville en la province de Québec et de la réclamation de _____, créancier.

Je, _____ (nom du créancier ou du représentant du créancier) de la ville de _____ de la province de _____, certifie ce qui suit :

1. Je suis le créancier du débiteur susnommé (ou Je suis _____ (le poste/la fonction) du _____, créancier).
2. Je suis au courant de toutes les circonstances entourant la réclamation visée par le présent formulaire.
3. Le débiteur était, à la date de la proposition, soit le 26 mai 2017, endetté envers le créancier et l'est toujours, pour la somme de _____ \$, comme l'indique l'état de compte (ou l'affidavit) ci-annexé et désigné comme l'annexe A, après déduction du montant de toute créance compensatoire à laquelle le débiteur a droit. (L'état de compte ou l'affidavit annexé doit faire mention des pièces justificatives ou de toute autre preuve à l'appui de la réclamation.)

4. (Cochez la catégorie qui s'applique et remplissez les parties requises.)

A. RÉCLAMATION NON GARANTIE AU MONTANT DE _____ \$

(autre qu'une réclamation d'un client visée par l'article 262 de la Loi)

En ce qui concerne cette créance, je ne détiens aucun avoir du débiteur à titre de garantie et :

(Cochez ce qui s'applique.)

pour le montant de _____ \$, je ne revendique aucun droit à un rang prioritaire.

pour le montant de _____ \$, je revendique le droit à un rang prioritaire en vertu de l'article 136 de la Loi.
(Indiquez sur une feuille annexée les renseignements à l'appui de la réclamation prioritaire.)

B. RÉCLAMATION DU LOCATEUR SUITE À LA RÉSILIATION D'UN BAIL, AU MONTANT DE _____ \$

J'ai une réclamation en vertu du paragraphe 65.2(4) de la Loi, dont les détails sont mentionnés ci-après :

(Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.)

C. RÉCLAMATION GARANTIE AU MONTANT DE _____ \$

En ce qui concerne la créance susmentionnée, je détiens des avoirs du débiteur à titre de garantie, dont la valeur estimative s'élève à _____ \$ et dont les détails sont mentionnés ci-après :

(Donnez des renseignements complets au sujet de la garantie, y compris la date à laquelle elle a été donnée et la valeur que vous lui attribuez, et annexe une copie des documents relatifs à la garantie.)

D. RÉCLAMATION D'UN AGRICULTEUR, D'UN PÊCHEUR OU D'UN AQUICULTEUR AU MONTANT DE _____ \$

FORMULAIRE 31 --- Fin

J'ai une réclamation en vertu du paragraphe 81.2(1) de la Loi pour la somme impayée de _____ \$
(Veuillez joindre une copie de l'acte de vente et des reçus de livraison).

- E. RÉCLAMATION D'UN SALARIÉ AU MONTANT DE _____ \$
- J'ai une réclamation en vertu du paragraphe 81.3(8) de la Loi au montant de _____ \$
- J'ai une réclamation en vertu du paragraphe 81.4(8) de la Loi au montant de _____ \$

- F. RÉCLAMATION D'UN EMPLOYÉ RELATIVE AU RÉGIME DE PENSION AU MONTANT DE _____ \$
- J'ai une réclamation en vertu du paragraphe 81.5 de la Loi au montant de _____ \$
- J'ai une réclamation en vertu du paragraphe 81.6 de la Loi au montant de _____ \$

- G. RÉCLAMATION CONTRE LES ADMINISTRATEURS AU MONTANT DE _____ \$
(À remplir lorsque la proposition vise une transaction quant à une réclamation contre les administrateurs.)
 J'ai une réclamation en vertu du paragraphe 50(13) de la Loi, dont les détails sont mentionnés ci-après :
(Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.)
- H. RÉCLAMATION D'UN CLIENT D'UN COURTIER EN VALEURS MOBILIÈRES FAILLI AU MONTANT DE _____ \$
 J'ai une réclamation en tant que client en conformité avec l'article 262 de la Loi pour des capitaux nets, dont les détails sont mentionnés ci-après :
(Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.)

5. Au meilleur de ma connaissance, je _____ (suis/ne suis pas) (ou le créancier susnommé _____ (est/n'est pas)) lié au débiteur selon l'article 4 de la Loi, et (j'ai/le créancier susnommé a/je n'ai pas/le créancier susnommé n'a pas) un lien de dépendance avec le débiteur.

6. Les montants suivants constituent les paiements que j'ai reçus du débiteur et les crédits que j'ai attribués à celui-ci et les opérations sous-évaluées selon le paragraphe 2(1) de la Loi auxquelles j'ai contribué ou été partie intéressée au cours des trois mois (ou, si le créancier et le débiteur sont des "personnes liées" au sens du paragraphe 4(2) de la Loi ou ont un lien de dépendance, au cours des douze mois) précédant immédiatement l'ouverture de la faillite, telle que défini au paragraphe 2(1) de la Loi. (Donnez les détails des paiements, des crédits et des opérations sous-évaluées.)

7. (Applicable seulement dans le cas de la faillite d'une personne physique)

- Lorsque le syndic doit réexaminer la situation financière du failli pour déterminer si celui-ci est tenu de verser les paiements prévus à l'article 68 de la LFI, je demande que l'on m'avise, conformément au paragraphe 68(4) de la Loi, du nouveau montant que le failli est tenu de verser à l'actif de la faillite ou du fait que le failli n'a plus de revenu excédentaire.
- Je demande qu'une copie du rapport dûment rempli par le syndic quant à la demande de libération du failli, en conformité avec le paragraphe 170(1) de la Loi, me soit expédiée à l'adresse susmentionnée.

Daté le _____, à _____.

 Témoin

 Créancier

Numéro de téléphone : _____
 Numéro de télécopieur : _____
 Adresse électronique : _____

REMARQUE: Si un affidavit est joint au présent formulaire, il doit avoir été fait devant une personne autorisée à recevoir des affidavits.

AVERTISSEMENTS: Le syndic peut, en vertu du paragraphe 128(3) de la Loi, racheter une garantie sur paiement au créancier garanti de la créance ou de la valeur de la garantie telle qu'elle a été fixée par le créancier garanti dans la preuve de garantie.

Le paragraphe 20(1) de la Loi prévoit l'imposition de peines sévères en cas de présentation de réclamations, de preuves, de déclarations ou d'états de compte qui sont faux.

District of: Quebec
Division No. 01 - Longueuil
Court No. 505-11-014522-176
Estate No. 41-2225245

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

IN THE MATTER OF THE PROPOSAL OF :
DENSI CORPORATION

Body politic and corporate, duly incorporated according to Law, and having its head office and principal place of business at
1100 Parent Street, in the city of Saint-Bruno-de-Montarville, province of Quebec, J3V 6L8.

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

Dated at _____, this _____ day of _____, _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

KPMG Inc.
600, boul de Maisonneuve Ouest, Bur 1500
Montréal QC H3A 0A3
Phone: (514) 840-2100 Fax: (514) 840-2121

District de: Québec
No division: 01 - Longueuil
No cour: 505-11-014522-176
No dossier: 41-2225245

FORMULAIRE 36
Formulaire de procuration
(paragraphe 102(2) et alinéas 51(1)e) et 66.15(3)b
de la Loi)

DANS L'AFFAIRE DE LA PROPOSITION DE :
DENSI CORPORATION

Corps politique légalement constitué selon la Loi, ayant son siège social et sa principale place d'affaires au
1100 rue Parent, en la ville de Saint-Bruno-de-Montarville, province de Québec, J3V 6L8.

Je, _____, de _____, créancier dans l'affaire susmentionnée,
nomme _____, de _____, mon
fondé de pouvoir à tous égards dans l'affaire susmentionnée, sauf la réception de dividendes, celui-ci
_____ (étant ou n'étant pas) habilité à nommer un autre fondé de pouvoir à sa place.

Daté le _____, à _____.

Témoin

Créancier (personne physique)

Créancier (personne morale)

Témoin

Par _____
Nom et titre du signataire autorisé

Retournez à :

KPMG Inc.
600, boul de Maisonneuve Ouest, Bur 1500
Montréal QC H3A 0A3
Téléphone: (514) 840-2100 Télécopieur: (514) 840-2121



KPMG INC.
Licensed Insolvency Trustees

600 De Maisonneuve Boulevard West
Suite 1500
Montreal (Quebec) H3A 0A3

Phone : (514) 840-2100
Fax: (514) 840-2121

Trustees:

DEV A. COOSSA, CIRP, LIT
STEPHANE DE BROUX, CPA, CA, CIRP, LIT
RICHARD LÉPINE, CPA, CA, CIRP, LIT
CARL ADJAMI, CPA, CA, CIRP, LIT
MAXIME CODÈRE, CPA, CA, CIRP, LIT

**THIS INFORMATION SHEET IS SUPPLIED IN ORDER TO ASSIST YOU IN COMPLETING
THE PROOF OF CLAIM FORM**

- ◇ The proof of claim must be signed by the individual completing the form.
- ◇ The signature of the claimant must be witnessed.
- ◇ Give the complete address (including postal code) where all notices and correspondence are to be forwarded.
- ◇ The amount on the statement of account must agree with the amount claimed on the proof of claim.

PARAGRAPH 1 OF THE PROOF OF CLAIM

- ◇ If the individual completing the proof of claim is not the creditor himself, he must state his position or title.

PARAGRAPH 3 OF THE PROOF OF CLAIM

- ◇ A detailed statement of account together with supporting documentation must accompany the completed proof of claim.

PARAGRAPH 4 OF THE PROOF OF CLAIM

- ◇ An unsecured creditor must check and state whether he/she claims or not a priority rank in virtue of section 136 of the Bankruptcy and Insolvency Act.
- ◇ A landlord must complete sub-paragraph (b).
- ◇ A secured creditor must complete sub-paragraph (c).
- ◇ A farmer, fisherman or aquaculturist must complete sub-paragraph (d).
- ◇ A wage earner must complete sub-paragraph (e).
- ◇ A claimant against director must complete sub-paragraph (f).
- ◇ A customer of a bankrupt securities firm must complete sub-paragraph (g).

PARAGRAPH 5 OF THE PROOF OF CLAIM

- ◇ The claimant must indicate whether he/she is or is not related to the debtor, as defined in the Bankruptcy and Insolvency Act, that is "I am related" or "I am not related".

PARAGRAPH 6 OF THE PROOF OF CLAIM

- ◇ The claimant must attach a detailed list of all payments received and/or credits granted, as follows:
 - a) within the three months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are not related.
 - b) within the twelve months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are related.



KPMG INC.
Syndics autorisés en insolvabilité

600, boul. de Maisonneuve Ouest
Bureau 1500
Montréal (Québec) H3A 0A3

Téléphone : (514) 840-2100
Télécopieur: (514) 840-2121

Syndics:

DEV A. COOSSA, CIRP, SAI
STÉPHANE DE BROUX, CPA, CA, CIRP, SAI
RICHARD LÉPINE, CPA, CA, CIRP, SAI
CARL ADJAMI, CPA, CA, CIRP, SAI
MAXIME CODÈRE, CPA, CA, CIRP, SAI

CETTE FEUILLE DE RENSEIGNEMENTS EST FOURNIE AFIN DE VOUS AIDER À REPLIR LA FORMULE DE PREUVE DE RÉCLAMATION

- ◇ La preuve de réclamation doit être signée par l'individu qui la remplit.
- ◇ La signature du réclamant doit être attestée.
- ◇ Indiquer l'adresse complète (incluant le code postal) où tout avis et correspondance doivent être expédiés.
- ◇ Le montant sur le relevé de compte doit correspondre au montant réclamé sur la preuve de réclamation.

PARAGRAPHE 1 DE LA PREUVE DE RÉCLAMATION

- ◇ Si la personne qui complète la preuve de réclamation n'est pas le créancier lui-même, elle doit préciser son poste ou sa fonction.

PARAGRAPHE 3 DE LA PREUVE DE RÉCLAMATION

- ◇ Un relevé de compte détaillé ainsi que les factures s'y rapportant doivent accompagner la preuve de réclamation.

PARAGRAPHE 4 DE LA PREUVE DE RÉCLAMATION

- ◇ Un créancier non garanti doit cocher ce qui s'applique en indiquant s'il revendique ou non un droit à un rang prioritaire en vertu de l'article 136 de la Loi sur la faillite et l'insolvabilité.
- ◇ Un locateur doit compléter le sous-paragraphe (b).
- ◇ Un créancier garanti doit compléter le sous-paragraphe (c).
- ◇ Un agriculteur, un pêcheur ou un aquiculteur doit compléter le sous-paragraphe (d).
- ◇ Un salarié doit compléter le sous-paragraphe (e).
- ◇ Un réclamant contre les administrateurs doit compléter le sous-paragraphe (f).
- ◇ Un client d'un courtier en valeurs mobilières failli doit compléter le sous-paragraphe (g).

PARAGRAPHE 5 DE LA PREUVE DE RÉCLAMATION

- ◇ Le réclamant doit indiquer s'il est ou n'est pas lié au débiteur, au sens de la définition de la Loi sur la faillite et l'insolvabilité soit "suis lié" ou "ne suis pas lié".

PARAGRAPHE 6 DE LA PREUVE DE RÉCLAMATION

- ◇ Le réclamant doit fournir une liste détaillée de tous les paiements reçus et/ou crédits accordés, soit:
 - a) au cours des trois mois précédant la faillite ou la proposition, dans le cas où le réclamant et le débiteur ne sont pas liés.
 - b) au cours des douze mois précédant la faillite ou la proposition, dans le cas où le réclamant et le débiteur sont liés.

District of: Quebec
Division No. 01 - Longueuil
Court No. 505-11-014522-176
Estate No. 41-2225245

FORM 37

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

IN THE MATTER OF THE PROPOSAL OF :
DENSI CORPORATION

Body politic and corporate, duly incorporated according to Law, and having its head office and principal place
of business at

1100 Parent Street, in the city of Saint-Bruno-de-Montarville, province of Quebec, J3V 6L8.

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

Dated at _____, this _____ day of _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:
KPMG Inc.
Per:

Maxime Codere - Licensed Insolvency Trustee
600, boul de Maisonneuve Ouest, Bur 1500
Montréal QC H3A 0A3
Phone: (514) 840-2100 Fax: (514) 840-2121

District de: Québec
No division: 01 - Longueuil
No cour: 505-11-014522-176
No dossier: 41-2225245

FORMULAIRE 37

Formulaire de votation
(alinéa 51(1)(f) de la Loi)

DANS L'AFFAIRE DE LA PROPOSITION DE :
DENSI CORPORATION

Corps politique légalement constitué selon la Loi, ayant son siège social et sa principale place d'affaires au 1100 rue Parent, en la ville de Saint-Bruno-de-Montarville, province de Québec, J3V 6L8.

Je, _____, créancier (ou Je, _____, représentant de _____, créancier), de _____, créancier dans l'affaire susmentionnée à l'égard de la somme de _____\$, demande au syndic agissant relativement à la proposition de DENSI CORPORATION, de consigner mon vote _____ (en faveur de ou contre) l'acceptation de la proposition, faite le _____.

Daté le _____, à _____.

Témoïn

Créancier (personne physique)

Créancier (personne morale)

Témoïn

Par _____
Nom et titre du signataire autorisé

Retournez À:
KPMG Inc.
Par:

Maxime Codere - Syndic autorisé en insolvabilité
600, boul de Maisonneuve Ouest, Bur 1500
Montréal QC H3A 0A3
Téléphone: (514) 840-2100 Télécopieur: (514) 840-2121