

RICHTER

CANADA
Province of Ontario
District of Hamilton
Court No.: CV-10456-00CL
Estate No.: 32-158675

SUPERIOR COURT OF JUSTICE
Commercial List
Bankruptcy and Insolvency Act

Notice of Wage Earner Protection Program Act ("WEPPA")

**In the Matter of the Receivership of
AFI Hydro Inc.
Of the City of Paris
In the Province of Ontario**

Notice is hereby given that, on February 24, 2014, Richter Advisory Group Inc. was appointed Receiver of the assets of AFI Hydro Inc., pursuant to Section 243 of the *Bankruptcy and Insolvency Act* (Canada) ("BIA").

The Trustee advises you that, pursuant to the Wage Earner Protection Program Regulations, you are required to file a proof of claim in accordance with the BIA for wages outstanding as at the date of the receivership. **A proof of claim form has been filed on your behalf with respect to wages, vacation pay, termination and severance pay, based on the books and records of AFI Hydro Inc. (see attached document). If you do not agree with the amounts filed, a blank proof of claim is attached herewith for you to complete (include explanations of the change) and return as soon as possible to us, by either:**

Facsimile: 514.934.8603, or
E-mail: claims@richter.ca; or
Mail at the following address: Richter Advisory Group Inc., Receiver
c/o Carol O'Donnell
1981 McGill College, 12th Floor
Montréal QC H3A 0G6

In accordance with paragraph 21(d) of the *Wage Earner Protection Program Act* (Canada) (the "Wage Earner Protection Program" or "WEPP"), a legislation establishing a program for making payments to individuals in respect of wages owed by an employer who is bankrupt or under a receivership, the Receiver hereby gives notice of the existence of such program. We enclose herewith a copy of documents supplied by the Receiver to Service Canada in accordance with the Wage Earner Protection Program, in respect of your wage claim.

Should you believe that you have unpaid wages that are eligible for payment under the Wage Earner Protection Program which have not been paid by the Receiver, you may file an application with the Minister and eligibility will be determined by the Minister in accordance with the legislation.

T. 1.866.271.4798
F. 514.934.8603
claims@richter.ca

Richter Advisory Group Inc.
2345 Yonge St., Suite 300
Toronto, ON M4P 2E5
www.richter.ca

Montréal, Toronto



You will also find enclosed herewith an application form for the Wage Earner Protection Program which you must submit to the Government.

Toll-Free: 1.866.683.6516
TTY: 1.800.926.9105

or visit the following website:

<http://www.servicecanada.gc.ca/en/sc/wepp/index.shtml>

WEPP claims can be filed **preferably on line** at the above website or at any Service Canada office, or by mail.

Please note that, pursuant to sections 9 and 15(2) of the Wage Earner Protection Program Regulations, the Receiver has produced and transmitted the necessary information to the Ministry on April 10, 2014, that is to say, within the 45-day period after the date of the receivership.

You must file your WEPP claim with HRSDC/Service Canada before April 22, 2014.

Dated at Toronto, Province of Ontario, on April 10, 2014.

Richter Advisory Group Inc.
In its capacity as Receiver of AFI Hydro Inc.
And not in its personal capacity
Per:



Paul van Eyk, CPA, IFA, CIRP
300 - 2345 Yonge Street
Toronto, ON M4P 2E5

RICHTER

PROOF OF CLAIM

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

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

In the Matter of the Receivership of **AFI Hydro Inc.** of the City of Paris, Province of Ontario, and the claim of _____, creditor.

I, _____ (name of creditor or representative of the creditor), of _____ (city and province), do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am _____ (state position or title) of _____ (name of creditor or representative of the creditor).
2. That I have knowledge of all of the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of the Receivership, namely February 24, 2014, 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 do not claim a right to a priority.
("Ordinary Creditor")

- Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.
("Preferred Creditor")

(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).

T. 514.934.3400
F. 514.934.8603
claims@richter.ca

Richter Advisory Group Inc.
Richter Groupe Conseil Inc.
1981 McGill College
Montréal (QC) H3A 0G6 Montréal, Toronto





- 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 (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or 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, 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 subsection 2(1) of the Act: (provide details of payments, credits and transfers at undervalue)

Dated at _____, this _____ day of _____

Signature of creditor

Signature of witness

Telephone 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.

PROXY

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

In the Matter of the Receivership of **AFI Hydro Inc.**

I, _____, of _____
(Name of creditor) (Name of town or city)

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 _____

Signature of creditor

Per: _____
Name and Title of Signing Officer

Signature of witness

APPLICATION GUIDE FOR THE WAGE EARNER PROTECTION PROGRAM

The Wage Earner Protection Program (WEPP) provides payment to eligible individuals for wages owed to them by employers who are bankrupt or subject to a receivership.

To apply for a WEPP payment, you must complete this application form.

CAN I APPLY?

If your former employer owes you wages and has filed for bankruptcy or is subject to a receivership, under the *Bankruptcy and Insolvency Act*, you may be eligible for a WEPP payment.

Your former employer's trustee/receiver will submit information regarding your unpaid wages to Service Canada and will provide you a copy of this information to assist you in completing this application. The information provided by the trustee/receiver will be used to help determine your eligibility and amount of the WEPP payment. If you disagree with the information the trustee/receiver provides regarding wages owed, please contact the trustee/receiver before applying to the WEPP.

AM I ELIGIBLE?

To be eligible for a payment under the Wage Earner Protection Program:

- Your employment must have ended;
- your former employer must have filed for bankruptcy or be subject to a receivership;
- you are owed wages, vacation pay, termination or severance pay from the former employer; and
- these amounts were earned during the six months immediately before the date of the bankruptcy/receivership or, in the case of termination or severance pay, your employment was terminated in the six month period ending on the date of bankruptcy or receivership.

WHO IS NOT ELIGIBLE?

An individual is not eligible to receive a payment for any wages earned during a period in which the individual:

- was an officer or a director of the former employer;
- had a controlling interest in the business of the former employer;
- occupied a managerial position with the former employer; or
- was not dealing at arm's length with any of these persons.

Note: If your employer has not declared bankruptcy or subject to a receivership, but still owes you wages, you are not eligible to apply for WEPP.

WHAT IS MY ENTITLEMENT?

- Eligible individuals may receive a WEPP payment to compensate them for unpaid wages, vacation pay, termination and severance pay that were earned during the six months immediately before the date of the bankruptcy/receivership.
- All WEPP payments are subject to a reduction in the amount of 6.82% prescribed by WEPP Regulations.

WHEN AND HOW DO I APPLY?

Applications must be submitted to Service Canada within 56 days of the later of the date of bankruptcy/receivership the date that your employment ended due to termination, resignation, retirement or expiry of term or the date on which the receiver terminated your employment. If there is good cause for missing this deadline, a written explanation for the delay must be provided in box 21.

You must submit a proof of claim to the trustee/receiver in order to receive a WEPP payment. A proof of claim is a written statement filed during bankruptcy or receivership proceedings in which a creditor cites the reason a debtor owes the creditor money. If you have not already filed a proof of claim, the trustee/receiver appointed in your former employer's bankruptcy/receivership will assist you in filing a proof of claim.

GLOSSARY OF TERMS

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Wages: Includes salaries, commissions, compensation for services rendered, vacation pay, termination and severance pay and any other amounts prescribed by regulation.

Bankruptcy: A proceeding in which an insolvent debtor's assets are liquidated and the debtor is relieved of further liability.

Receivership: An employer is subject to a receivership when any property of the employer is under the possession or control of a receiver.

Termination of Employment: In order to establish eligibility to the WEPP, an individual's employment has ended under any of the following conditions: resignation or retirement; termination of employment or expiry of a term employment contract.

Date of Bankruptcy: The date on which the bankruptcy was officially registered with the Office of the Superintendent of Bankruptcy (Industry Canada).

Officer: An individual appointed by the director(s) of a corporation to manage the day-to-day business of a company, such as president, vice-president, secretary, treasurer, etc. The position of officer is distinct from that of director, although one individual may occupy both positions.

Director: An individual elected by the shareholder(s) to supervise the management of a corporation.

Controlling Interest: An individual has controlling interest in a business when he owns more than 40% of the voting shares in the company; or he owns a block of voting shares that is large enough that no other shareholder or coalition of shareholders can block a motion; or he owns enough shares in a company to control the company's policy.

Arm's length: In order to be eligible for the WEPP, an applicant must demonstrate that he or she was dealing at arm's length with the former employer. Not dealing at arm's length means that as an employee, one would be able to exercise control or influence or to have a moral or psychological leverage sufficient to affect the freedom of decision of the former employer while it was in operation.

Vacation Pay: An employer may owe vacation pay earned within the period covered by the WEPP based on applicable legislation, collective agreement or other relevant basis. *The vacation pay entitlement under the WEPP is only with respect to vacation pay earned within the six month period prior to the bankruptcy or receivership.*

Termination Pay: When an employer terminates the employment of an employee, the employer must provide the employee with either written notice of termination, termination pay or a combination pursuant to relevant laws, contracts or collective agreements. The written notice required is generally determined by how long someone has been employed by an employer. Termination pay is generally a lump sum payment equal to the *regular wages for a regular work week* that an employee would otherwise have been entitled to during the written notice period. Some Canadian jurisdictions provide for collective termination pay where more than one individual is terminated within a prescribed period.

Severance Pay: This is compensation that is paid to a qualified employee, pursuant to relevant laws, contracts or collective agreements, where the employee has his or her employment "severed." It compensates an employee for loss of seniority and recognizes an employee's part service. Severance pay is not the same as termination pay, which is given in place of the required notice of termination of employment.

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Proof of Claim: A written statement filed in bankruptcy or receivership proceedings in which a creditor cites the reason a debtor owes the creditor money.

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Common law partner: Person who is cohabitating with an individual in a conjugal relationship for a period of at least one year (s.2 (1) of the *Bankruptcy and Insolvency Act*).

Subrogation: Under s. 36 of the *WEPP Act*, once a payment is made under the WEPP to an eligible individual in respect of unpaid wages, the Government of Canada is, to the extent of the payment amount, subrogated to any rights the individual may have in respect of those unpaid wages against the former employer or, in the case of a corporate employer, its directors, and may therefore exercise the individual's rights against the former employer and its directors.



APPLICATION FOR THE WAGE EARNER PROTECTION PROGRAM

MAIL THE COMPLETED FORM TO THE FOLLOWING ADDRESS:

WEPP Processing Centre
P.O. Box 5900
Cornwall, Ontario K6H 6J6

Official Use (TO BE COMPLETED BY SERVICE CANADA OFFICIAL)		Originating RC	
PART 1 - APPLICANT INFORMATION			(TO BE COMPLETED BY APPLICANT)
1) Social Insurance Number	2) First Name	3) Middle Initial	
4) Last Name		5) Date of Birth	
6) Street Address	7) City	8) Province/territory	9) Postal code
10) Mailing Address (if different)	11) City	12) Province/territory	13) Postal code
14) Telephone Number () -		15) Alternate Telephone Number (if applicable) () -	
16) Official Language you wish to use for Communication? English <input type="checkbox"/> French <input type="checkbox"/>			
17) Have you filed a Proof of Claim* with the trustee or receiver appointed in your employer's bankruptcy or receivership? Yes <input type="checkbox"/> No <input type="checkbox"/>			
* The proof of claim is necessary to process your WEPP application, but is also required should you wish to make a claim against the bankrupt or insolvent employer for wages, vacation pay, severance, termination pay and other employee entitlements that are above and beyond what can be paid under the WEPP.			
18) Name of Trustee/Receiver administering your employer's bankruptcy/receivership.		19) Trustee/Receiver Telephone Number () -	
20) If you are not applying for a WEPP payment within the 56 day period please provide an explanation for the delay.			
PART 2 - EMPLOYMENT INFORMATION			(TO BE COMPLETED BY APPLICANT)
21) Business name of the bankrupt or insolvent employer		22) Former street address of this employer	
23) City	24) Province/territory	25) Postal code	
26) Bankruptcy/receivership number (Estate ID) -		27) Date employment ended with the employer Year Month Day	
28) Date of your employer's bankruptcy or receivership (if known) Year Month Day (Receivership) Year Month Day (Bankruptcy)		29) During the period for which wages are owed, did you have controlling interest in the business? Yes <input type="checkbox"/> No <input type="checkbox"/>	

30) During the period for which wages are owed, were you an officer or director of the business? Yes <input type="checkbox"/> No <input type="checkbox"/>	31) During the period for which wages are owed, were you a manager whose responsibilities included making binding financial decisions impacting the business of the former employer; and/or making binding decisions with respect to the payment or the non payment of wages by the former employer? Yes <input type="checkbox"/> No <input type="checkbox"/>
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32) During the period for which wages are owed, were you related to a person with controlling interest in the business, officer, director or manager of the employer, by blood, marriage (including common-law) or adoption?
 Yes No

Applicants who are not at arm's length from those named above generally are not eligible for the WEPP, however, if you wish to prove that you should be eligible in spite of this relationship, please complete WEPP Supplementary Form - Additional Information Regarding Your Relationship To Your Employer EMP 5433 and send it to WEPP Processing Centre P.O. Box 5900, Cornwall, Ontario K6H 6J6

PART 3 - SUBROGATION

SUBROGATION
 I understand that upon my receiving a payment under the WEPP, Her Majesty the Queen in right of Canada is subrogated, pursuant to s. 36 of the *WEPP Act* to any rights that I may have against my former employer or a director of that employer for the unpaid wages that are covered by the WEPP payment that I receive. I understand that my right to recover debts against my former employer, or a director of that employer, is limited to any amount of unpaid wages that I may be owed by my former employer, or a director of that employer, above and beyond the amount of payment I receive under the WEPP. In the event that I receive any amount from my former employer, director of that employer, the Trustee, or any third party for unpaid wages after receiving a payment under the WEPP, I hereby agree to remit to Her Majesty the Queen in right of Canada that amount to the extent of the amount I will have received under the WEPP.

PART 4 - DIRECT DEPOSIT (TO BE COMPLETED BY APPLICANT)

Your WEPP payment can be deposited into your account at your financial institution. Please provide the following information:

- Chequing account: please attach an unsigned personalized cheque. Write the word "Void" on the front of the cheque.
- Savings account: complete the boxes below (you may need to contact your financial institution to get this information)

Name of Financial Institution	Branch number	Institution Number	Account Number
() -			
Telephone number of your Financial Institution			

Note: If you have authorized direct deposit and your bank account information changes or if you move, it is important that you let us know as soon as possible by calling or visiting a Service Canada Centre.

If you do not provide the information requested above a cheque will be mailed to the address you indicated.

PART 5 - DECLARATION (TO BE COMPLETED BY APPLICANT)

I declare that the information provided on this application is complete and true to the best of my knowledge. I understand that this information will be used to determine my eligibility for the WEPP payments. I am aware that this information may be subject to verification and that making a representation that I know to be false or misleading, or making a declaration that I know to be false or misleading because of the non-disclosure of facts is an offence under the *WEPP Act*.

The personal information you provide in this application form, including your Social Insurance Number is collected under the authority of the *WEPP Act* and protected under the *Privacy Act*, *WEPP Act*, and the *Department of Human Resources and Skills Development Act*. You must provide the personal information requested on this form to be considered for a payment under the WEPP.

The personal information you provide will be used by the Department of Human Resources and Skills Development (Service Canada) to administer the WEPP. As part of the administration of the WEPP, the personal information you provide may be used for policy analysis, research, evaluation or audit purposes, for which various sources of information under the custody and control of the Government of Canada may be linked. The personal information you provide will be linked to information provided to the Department of Human Resources and Skills Development (Service Canada) by the bankruptcy trustee/receiver to determine your eligibility for a WEPP payment.

In order to administer the WEPP and as permitted by law, the personal information collected on this form, as well as the amount of the WEPP payment you receive, may be disclosed to the bankruptcy trustee/receiver, other federal government institutions, and the province/territory where you were employed.

The use, retention, and disclosure of personal information collected on this form are described in the Personal Information Bank number HRSDC PPU 035. Under the *Privacy Act*, you have various rights regarding the personal information you provide to Service Canada, including the right to the protection of and access to your personal information. Instructions to access your personal information are outlined in the publication *Info Source*. You can get a copy of *Info Source* at any Service Canada Centre or at <http://infosource.gc.ca>.

Signature	Date
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