

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**IN THE MATTER OF
THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
ACCULINK FENCE & WIRE INC.
OF THE CITY OF BOLTON,
IN THE PROVINCE OF ONTARIO**

**FIRST REPORT OF KPMG INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE**

NOVEMBER 2, 2015

1.0 INTRODUCTION AND PURPOSE OF REPORT

1.1 INTRODUCTION

- 1.1.1** Acculink Fence & Wire Inc. (“**Acculink**” or the “**Company**”) operates a fence manufacturing plant from leased premises in Bolton, Ontario. Acculink is a member of the Roma Fence group of companies. Acculink’s operations are seasonal in nature with the bulk of sales occurring during the period May to November. Acculink has been operating since about 2001 and employs up to 30 employees, depending on the season.
- 1.1.2** Acculink purchased the majority of its raw materials in U.S. dollars. However, the majority of its sales were to Canadian companies in Canadian dollars. The relatively recent and material rise in the U.S. dollar exchange has had a significant negative impact on Acculink’s gross margins, resulting in substantial operating losses. To mitigate the negative effect of foreign exchange, and where practical, the Company has recently changed to suppliers that operate in Canadian dollars. In addition, Acculink’s sales volumes have declined significantly over the last two years resulting in excess production capacity.
- 1.1.3** Acculink’s primary lender is Royal Bank of Canada (“**RBC**”). RBC provided the Company with revolving demand loans in both U.S. and Canadian dollars, secured by a first ranking security interest over all of Acculink’s assets (the “**RBC Loans**”).
- 1.1.4** The Company defaulted on its obligations to RBC under the RBC Loans. RBC demanded on the RBC Loans in May, 2015 and entered into a forbearance agreement with Acculink that expired on September 30, 2015. The forbearance agreement was not extended and the Company could not repay the RBC Loans.
- 1.1.5** On October 5, 2015 (the “**Filing Date**”), the Company, on notice to RBC, filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to the *Bankruptcy and Insolvency Act* (“**BIA**”) to allow the Company to downsize its operations and sell its excess assets.
- 1.1.6** The Proposal Trustee understands that RBC has agreed not to exercise its enforcement rights in the proposal proceeding, provided however, that Acculink remains within its cash flow projection and a portion of the realizations on the Company’s assets generated in these proceedings are used to permanently reduce the RBC Loans.
- 1.1.7** A copy of the NOI notice to creditors, including the creditor listing, is attached to this report as **Appendix A**. Acculink’s secured creditors total approximately \$1.7 million and its unsecured creditors total approximately \$3.2 million for a total outstanding indebtedness of \$4.9 million. Of the 3.2 million of unsecured liabilities, approximately \$1.1 million is to companies or persons related to Acculink.
- 1.1.8** During the proposal period, the Company intends to continue operating at reduced production levels sufficient to supply the related Roma entities and higher margin customers. In addition, the Company intends to sell redundant equipment and excess inventory to generate the proceeds to reduce its secured debt with RBC to marginable values and to provide funds for a dividend to its creditors. The sale of the excess assets is discussed in greater detail in section 2 of this report.

1.2 PURPOSE OF THIS REPORT

1.2.1 The Company will bring a motion returnable on November 4, 2015 (the “**Motion**”), for an order, among other things:

- Authorizing it to sell certain equipment out of ordinary course of business; and,
- Granting the Company an extension of the time period to make a proposal to December 21, 2015.

1.2.2 In support of the Motion, the Company filed an Affidavit of Christina Marra sworn October 30, 2015 (the “**Marra Affidavit**”) which describes in greater detail, *inter alia*, the Company’s history and the reasons for the commencement of this proceeding.

1.2.3 The purpose of this report is to:

- Report on the sale of certain of the Company’s excess equipment to Arivali Fence LLC (“**Arivali**”) of Bombay, India and the use of the proceeds generated from the sale, as described in greater detail in Section 2 below;
- Report on the status of the Company’s excess inventory and additional excess equipment, as described in greater detail in Section 2 below; and,
- Report on the status of the proposal proceeding to date and the request for an extension of the stay period as set out in Section 3 below.

2.0 SALE OF EXCESS ASSETS AND USE OF PROCEEDS

2.1 SALE TO ARIVALI

- 2.1.1** Management realized that it had excess production capacity as a result of reduced sales volumes. In or around August 2015, the Company identified four redundant chain link fence machines and retained a qualified equipment broker to canvass the used equipment market to locate a purchaser for these machines (the “Arivali Equipment”).
- 2.1.2** In September 2015, the Company and Arivali entered into an agreement to sell the Arivali Equipment to Arivali pursuant to the terms of the invoice dated September 15, 2015. A copy of the invoice with the purchase price redacted is attached as Exhibit E to the Marra Affidavit. Arivali has provided with a U.S. \$50,000 deposit.
- 2.1.3** The negotiations for the sale of the Arivali Equipment took place before the appointment of the Proposal Trustee. The Proposal Trustee is advised by the Company that the Arivali agreement represented the best value for the Arivali Equipment out of the offers and expressions of interest received for this equipment.
- 2.1.4** In or around early September 2015, Acculink engaged the services of an appraiser for its equipment, including the Arivali Equipment. A copy of the appraisal is attached as a confidential appendix to the Marra Affidavit.
- 2.1.5** Based on the equipment appraisal, the value of the Arivali equipment and the facts described in paragraph 2.1.1 above, the Trustee is of the opinion that the Company proceeded through a logical process to sell the Arivali Equipment. The sale of the equipment to Arivali will result in a sale price for each piece of equipment that exceeds the fair market appraised value for each piece and an overall sale price exceeding fair market appraised value by approximately 50%.
- 2.1.6** The Trustee has reviewed the sale of the Arivali Equipment with RBC and RBC has no objection to the sale, provided the sale proceeds are paid to RBC as a permanent reduction in the U.S. dollar loan.
- 2.1.7** Arivali has not requested and the Company is not seeking an order vesting the equipment in Arivali free and clear of all claims and encumbrances. The Trustee understands that it is the Company’s intention to use the net proceeds from the sale of the Arivali Equipment to permanently reduce the RBC Loan in exchange for RBC’s discharge of its security in the Arivali Equipment.
- 2.1.8** The Trustee obtained a security opinion from Aird & Berlis LLP with respect to the validity and enforceability of the security held by RBC (the “Security Opinion”). The Security Opinion states that, subject to the usual qualifications, RBC has a valid security interest in Acculink’s assets that ranks in priority to the interests of a trustee in bankruptcy. A copy of the Security Opinion is attached as Appendix B.
- 2.1.9** The Trustee understands that all wages and vacation pay owing to employees were paid prior to the NOI filing. Further, the Company uses a third party payroll service provider

and, accordingly, the Trustee understands that there were no source deductions outstanding as at the date of the NOI filing. Lastly, the Trustee understands that the Company does not have a pension plan. For these reasons, the Trustee is of the view that the use of the sale proceeds to permanently reduce the RBC Loans is appropriate in the circumstances.

2.2 ADDITIONAL REDUNDANT EQUIPMENT AND EXCESS INVENTORY

2.2.1 The Company has built up significant excess inventory over the last several years (the “**Excess Inventory**”). The Company is currently selling the Excess Inventory to its normal customer base at discounted prices. Management has also identified additional redundant equipment (the “**Redundant Equipment**”). The Company, with the assistance of the Trustee, will be soliciting tenders for the sale of the Excess Inventory and the Redundant Equipment from auctioneers and various companies in the fencing industry. If an acceptable offer(s) is/are received, the Company will apply to this Court for an order to approve a sale, or sales, of the Excess Inventory and/or Redundant Equipment.

3.0 EXTENTION OF STAY PERIOD

- 3.1.1** The Company has been concentrating on stabilizing its manufacturing operations during the initial 30 day stay period. In particular, there have been certain supplier issues to be resolved in order to continue operations. We are advised by management that these issues have now been resolved and the Company can now concentrate on the plan to sell the Excess Inventory and Redundant Equipment.
- 3.1.2** The initial 30 day stay period under the NOI expires on November 4, 2015. The Company seeks a 45 day extension of the stay in order to close the transaction for the sale of the Arivali Equipment and obtain proposals for the sale of the Excess Inventory and Redundant Equipment. If the requested extension is not granted, the Company will be automatically deemed bankrupt.
- 3.1.3** Since the Filing Date, the Trustee has reviewed the Company's cash flows and has filed the cash flow schedule and related reports with the Office of the Superintendent of Bankruptcy within the required ten day period. A copy of the cash flow and related reports are attached as **Appendix C**. The cash flow demonstrates that, prior to the proceeds generated from any sales of the Excess Inventory and Redundant Equipment, the Company is expected to have sufficient funds to carry on business and fund the proceedings through to December 21, 2015.
- 3.1.4** The Trustee is satisfied that the Company has acted and is acting in good faith and with due diligence in these proceedings. The Trustee is satisfied that none of the Company's creditors will be materially prejudiced by the extension of time sought by the Company to make a proposal.

This report is respectfully submitted this 2nd day of November, 2015.

**KPMG INC. solely in its capacity as
Trustee in Re: the Proposal of
Acculink Fence & Wire Inc.
and not in its personal capacity**



Per: Brad Newton
Vice President

APPENDIX A

District of: Ontario
Division No. 09 - Toronto
Court No. 32-2043593
Estate No. 32-2043593

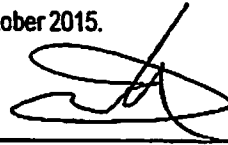
- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
Acculink Fence & Wire Inc.
of the City of Bolton, in the Province of Ontario

Take notice that

1. I, Acculink Fence & Wire Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. KPMG Inc. of 21 King Street West, Suite 700, Hamilton, ON, L8P 4W7, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Hamilton in the Province of Ontario, this 5th day of October 2015.



Acculink Fence & Wire Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

- Proposal Consent -
In the Matter of the Proposal of
Acculink Fence & Wire Inc.
of the City of Bolton, in the Province of Ontario

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of Acculink Fence & Wire Inc..

Dated at the City of Hamilton in the Province of Ontario, this 5th day of October 2015.

KPMG Inc. - Trustee

Per:



Brad Newton
21 King Street West, Suite 700
Hamilton ON L8P 4W7
Phone: (905) 523-8200 Fax: (905) 523-2200

District of : Ontario
Division No. 09 - Toronto
Court No. 32-2043593
Estate No. 32-2043593

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

In the Matter of the Proposal of
AccuLink Fence & Wire Inc.
of the City of Bolton, in the Province of Ontario
List of Creditors with claims of \$250 or more

Creditor	Claim Amount
Advantage Packaging	2,274.60
Air Liquide	1,549.90
AMAR TRANSPORT INC.	11,515.00
AZZ GALVANIZING - GALVCAST	2,655.44
BELL CANADA - (MAIN LINE)	1,272.39
BOLTON TIRE SALES INC.	337.88
BONGARDE	927.17
Business Development Bank of Canada	55,110.00
C&F INTERNATIONAL	24,683.18
Cadette Holdings	163,472.12
CANADA REVENUE AGENCY (HST)	72,151.79
CANADA WIRE & METAL INC.	125,212.23
CANADIAN SAFETY ANCHOR INSPECTIONS	16,627.95
CANON CANADA INC.	370.23
CARAT PROPERTIES INC.	59,740.67
CBSC CAPITAL INC	6,864.03
CITY WIDE PACKAGING	4,289.97
COKYASAR GALVANIZ A.S.	42,550.20
DHL GLOBAL FORWARDING (CANADA)	69,151.23
Ernie Fisher	329,227.00
FAZZARI AND PARTNERS	44,070.00
FLS TRANSPORTATION SERVICES IN FRM INC.	1,017.00 2,825.00
GFL ENVIRONMENTAL	1,342.11
HANTEC SOLUTIONS INC	32,687.95
HEBEI MIN METALS CO., LTD	430,684.48
HEBEI MIN METALS CO., LTD	223,439.04
HOUSE OF BEARING SUPPLY	742.06
HYDRO ONE NETWORKS INC.	24,600.66
INTERNATIONAL TUBULAR PRODUCTS ITEMEX	19,159.60 277.84
JADE-STERLING STEEL CO. INC.	20,276.08
MANULIFE FINANCIAL	10,429.42
Marcam Industries	31,933.75
MASTER HALCO	77,369.54
MASTERS INSURANCE	24,064.12
MEDITERRANEAN SHIPPING	9,725.00
MICHAEL SHERIDAN	1,017.00
MULTICHAIR INC.	40,883.90
MURDOCK MACKAY LTD.	3,915.45
ONTARIO MINING ASSOCIATION	3,390.00
ONWARD CLUTH	680.70
OXFORD ROLLFORM INC.	13,524.43
P.E.M. FEED SCREWS	4,147.10
PERMOLD CASTINGS LIMITED	5,254.50
PETZO INCORPORATED	4,800.00

District of : Ontario
Division No. 09 - Toronto
Court No. 32-2043593
Estate No. 32-2043593

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

In the Matter of the Proposal of
Acculink Fence & Wire Inc.
of the City of Bolton, in the Province of Ontario
List of Creditors with claims of \$250 or more

POLYFLEX TECHNOLOGIES	146,632.65
PROFESSIONAL POWDER	24,598.42
FUROLATOR COURIER LTD.	673.13
QDXAS GROUP	543.81
R.K. TRUCK CENTRE	692.74
RIVERSTONE IRRIGATION	2,260.00
Roma Fence Limited	300,000.00
ROYAL BANK OF CANADA	1,673,123.01
SPITZ'S TOTAL MAINTENANCE	1,426.05
Tony Marra	663,166.37
TRAFFIC TECH INC.	2,907.38
TREE ISLAND INDUSTRIES LTD.	64,581.89
VISION POWDER COATING	4,330.31
WORKPLACE SAFETY & INSURANCE	4,827.31

APPENDIX B

Sanjeev P. R. Mitra
Direct: 416.865.3085
E-mail: smitra@airdberlis.com

October 30, 2015

VIA EMAIL bradnewton@kpmg.ca

KPMG Inc.
21 King Street West, Suite 700
Hamilton, ON
L8P 4W7

Attention: Mr. Brad Newton

Dear Sir:

Re: Proposal of Acculink Fence & Wire Inc.

KPMG Inc., in its capacity as the proposal trustee (in such capacity, the “**Proposal Trustee**”) for Acculink Fence & Wire Inc. (the “**Debtor**”), has requested our opinion concerning the perfection of the security documents herein discussed granted to Royal Bank of Canada (the “**Secured Creditor**”) by the Debtor. We confirm that we have received and reviewed the security documents granted by the Debtor in favour of the Secured Creditor described herein, and hereby provide you with our opinion concerning the perfection of same.

A. DOCUMENTS EXAMINED AND SEARCHES CONDUCTED

In connection with the opinions contained in this letter, we have examined a copy of the General Security Agreement dated March 3, 2005, granted by the Debtor to the Secured Creditor (the “**Security**”).

In addition, in connection with the opinions contained in this letter, we have conducted the following searches:

1. the Province of Ontario Ministry of Government Services Corporation Profile Report search for the Debtor with a file currency October 30, 2015; and
2. a certified search from the Ontario Personal Property Registration System against the Debtor with a file currency of October 28, 2015 (the “**PPSA Search**”).

We have conducted no further searches in connection with the delivery of this opinion.

B. OPINIONS

General Security Agreement

We have reviewed a copy of the Security, granted by the Debtor and note that it appears to be properly executed and delivered by on behalf of the Debtor by an authorized signing officer.

According to the terms of the Security Agreement, it grants the Secured Creditor a security interest in all assets and undertaking of the Debtor to secure repayment of all present and future amounts owed by the Debtor to the Secured Creditor. We see no irregularity in the Security and would expect that it is enforceable in accordance with its terms.

The Secured Creditor registered a financing statement against the Debtor under *Personal Property Security Act* (Ontario) (the "PPSA") in respect of the Security on March 11, 2005, under Reference File No. 613313577 and Registration No. 20050311 1945 1531 7085. This registration covers "Inventory", "Equipment", "Accounts", "Other" and "Motor Vehicle". This registration appears to be in good order with an expiry date of **March 11, 2020**. We would therefore conclude that the Security represents a valid and perfected security interest in the assets and undertaking of the Debtor described therein, being all of the Debtor's inventory, equipment, accounts and book debts, business records, contractual rights, insurance claims and intellectual property.

Based on, limited by and subject to the assumptions and qualifications contained below, we are of the opinion that the security interests created by Security in the collateral described therein have been properly perfected under the PPSA (to the extent required) and rank in priority to the interest of a trustee in bankruptcy in the assets, properties and undertakings of the Debtor which are described in the Security and are located in the Province of Ontario, or, in the case of accounts, where the party obligated to pay an account is a resident of the Province of Ontario.

C. OTHER PPSA REGISTRATIONS

We note that there are registrations made by other companies and/or individuals against the Debtor after the Secured Creditor. In particular, the following creditors have made registrations against the Debtor:

- Travelers Financial Corporation and Canadian Western Bank (Equipment, Other, Motor Vehicle and includes MV details)
- Roynat Inc. (Inventory, Equipment, Accounts, Other, Motor Vehicle)
- Bram-West Holdings Inc. (Inventory, Equipment, Accounts, Other, Motor Vehicle)
- Tony Marra (Inventory, Equipment, Accounts, Other, Motor Vehicle)
- Roma Fence Limited (Inventory, Equipment, Accounts, Other, Motor Vehicle)

We have not reviewed the security documents with respect to these registrations and express no opinion with respect these registrations.

D. ASSUMPTIONS

In connection with the opinions contained in this letter, we have assumed the following:

1. The entering into, execution and delivery of the Security to the Secured Creditor has been duly authorized by all necessary resolutions and other corporate actions on the part of the Debtor.

2. The Security has been executed and delivered to the Secured Creditor by a director and/or officer of the Debtor duly authorized to execute and deliver those documents, and the signatures on the copies of the Security examined by us is that of the duly authorized director and/or officer of the Debtor.
3. The Security constitutes valid and enforceable obligations of the Debtor to the Secured Creditor as security for the Debtor's obligations to the Secured Creditor, subject to the requirements of the *Personal Property Security Act* (Ontario) (the "PPSA"), the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"), the *Mortgages Act* (Ontario) and the *Planning Act* (Ontario).
4. The Security has been unconditionally delivered by the Debtor to the Secured Creditor.
5. The Security has not been assigned, released, discharged or otherwise impaired, either in whole or in part.
6. The financing statements filed under the PPSA in respect of the Security, if any, were completed in compliance with the regulations under the PPSA and copies thereof were delivered to the Debtor in accordance with the provisions of the PPSA.
7. The Debtor is indebted to the Secured Creditor and received adequate consideration for the grant of the Security.
8. The genuineness of the signatures and the conformity to authentic original documents of the documents submitted to us as photocopies, electronic copies or fax copies, and that all documents were fully completed prior to signature.
9. "Acculink Fence & Wire Inc." was the proper legal name of the Debtor at the time of execution and delivery of the Security, and that this name has not subsequently been changed.
10. The Debtor was a valid and subsisting corporation at the time of execution and delivery of the Security.
11. The copy of the PPSA Search examined by us in connection with the opinions given herein was complete and accurate when examined and continues to reflect registrations against the Debtor as of the date hereof.
12. The Debtor and the Secured Creditor intended the security interests created by the Security to attach, value has been given and the Debtor obtained rights in the collateral secured by the Security.
13. All facts set forth in official public records and other documents supplied by public officials or otherwise conveyed to us by public officials are complete, true and accurate.

E. QUALIFICATIONS

The opinions that we have expressed in this letter are further subject to the following qualifications:

1. We express no opinion as to the right, title or interest of the Debtor in or to any of the assets, undertakings and properties of the Debtor.
2. We express no opinion on whether any secured party may have a perfected purchase money security interest which may exist in respect of any of the assets, undertakings and properties of the Debtor.
3. We express no opinion as to whether a security interest was created in the following property:
 - (a) property consisting of a receivable, license, approval, privilege, franchise, permit, lease or agreement to the extent that the terms of such property or any applicable law prohibit its assignment or require, as a condition of its assignability, a consent, approval or other authorization or registration which has not been made or given;
 - (b) permits, quotas or licenses which are held by or issued to the Debtor;
 - (c) federal crown debts; and
 - (d) any real property or interest therein.
4. We have made no searches under applicable statutes, including the *Copyright Act* (Canada), the *Patent Act* (Canada) and the *Trade-marks Act* (Canada), to confirm that the Secured Creditor has made registrations that may be necessary to perfect its security interests, if any, in intellectual property.
5. We express no opinion as to the ranking or priority of any of the Security in relation to the security interests, liens or trust claims of any other party, if any.
6. The validity, binding effect and enforceability of the Security may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium, or other similar laws affecting the enforceability of creditors' rights generally.
7. The rights and remedies of the Secured Creditor contained in the Security may be subject to and affected by general principles of equity.
8. No opinion is expressed as to the enforceability of any provision in the Security which suggests that modifications, amendments or waivers of or with respect to any of the Security that are not in writing will not be effective.

9. No opinion is given regarding any provision in the Security which purports to relieve a person from a liability or duty otherwise owed or to require compliance regardless of law.
10. We express no opinion as to the effect of those provisions of the Security which purport to allow the severance of invalid, illegal or unenforceable provisions or restricting their effect.
11. Enforcement of the Security may be affected or limited by any collateral agreements or arrangements relating thereto entered into between the parties thereto, of which we are not aware.
12. Enforcement of the rights to indemnity, contribution and waiver of contribution may be limited or voided by applicable law and may not be ordered by a court on grounds of public policy.
13. The enforceability of the Security is subject to the *Limitations Act, 2002* (Ontario), and we express no opinion as to whether a court may find that any provision of the Security will be unenforceable as an attempt to vary or exclude a limitation period under that statute.
14. We express no opinion as to the enforceability of any provision of the Security which may be characterized by a court as an unenforceable penalty and not as a genuine pre-estimate of damages.
15. We express no opinion as to the application of the *Securities Act* (Ontario).
16. We express no opinion as to the enforceability of any provision of the Security:
 - (a) which purports to waive all defences which might be available to, or constitute a discharge of the liability of the Debtor or any party thereto;
 - (b) to the extent it purports to exculpate, or provide indemnity to, the Secured Creditor, its agents or any receiver, manager or receiver – manager appointed by it from liability in respect of acts or omissions which may be illegal, fraudulent or involve wilful misconduct; or
 - (c) which states that amendments or waivers of or with respect to the Security that are not in writing will not be effective.
17. We express no opinion as to any provision of the Security which states that any failure to exercise, or any delay in exercising, any right or remedy shall not operate as a waiver thereof.
18. We have not explored and express no opinion as to whether the Security may be successfully attacked as a preference under section 95 of the BIA or any similar provincial legislation.
19. A waiver of a provision of applicable law may not be effective.

20. Any provision which is considered to offend public policy or to contravene laws of public order may not be enforceable.
21. To the extent that the Security purports to extend the benefit thereof to persons who are not parties to the Security, those persons may be unable to enforce that benefit.

The opinions that we have expressed in this letter are limited to the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario. We trust that the foregoing opinions are satisfactory for your purposes. If you should have any questions or require further clarification in any respect, please do not hesitate to contact us.

Yours very truly,

AIRD & BERLIS LLP

24154960.1

APPENDIX C

District of: Ontario
Division No. 09 - Toronto
Court No. 32-2043593
Estate No. 32-2043593

- FORM 30 -

Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
Acculink Fence & Wire Inc.
of the City of Bolton, in the Province of Ontario

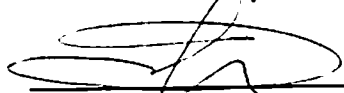
The Management of Acculink Fence & Wire Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 15th day of October 2015, consisting of a projected cash flow for the period October 2, 2015 to January 1, 2016 and related notes containing the purpose of the cash flow and assumptions supporting the cash flow projection.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

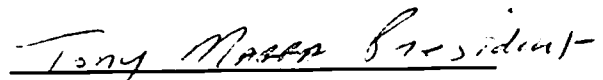
Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Hamilton in the Province of Ontario, this 7th day of October 2015.



Acculink Fence & Wire Inc.
Debtor



Name and title of signing officer

Name and title of signing officer

District of: Ontario
Division No. 09 - Toronto
Court No. 32-2043593
Estate No. 32-2043593

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
Acculink Fence & Wire Inc.
of the City of Bolton, in the Province of Ontario

Purpose:

To provide an estimated cash position for the period ending January 1, 2016.

Projection Notes:

Prepared by Management using the assumptions listed below.

Assumptions:

- i) Sales are based on orders already in house from related parties and third party customers.
- ii) Purchases are based on orders already in place with suppliers.
- iii) Fixed costs are based on prior year results.

Dated at the City of Hamilton in the Province of Ontario, this 7th day of October 2015.



Acculink-Fence & Wire Inc.

District of: Ontario
Division No. 09 - Toronto
Court No. 32-2043593
Estate No. 32-2043593

-- FORM 29 --

Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
Acculink Fence & Wire Inc.
of the City of Bolton, in the Province of Ontario

The attached statement of projected cash flow of Acculink Fence & Wire Inc., as of the 15th day of October 2015, consisting of a projected cash flow for the period October 2, 2015 to January 1, 2016 and related notes containing the purpose of the cash flow and assumptions supporting the cash flow projection, has been prepared by the management of the insolvent person for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Hamilton in the Province of Ontario, this 7th day of October 2015.

KPMG Inc. - Trustee

Per:



Brad Newton
21 King Street West, Suite 700
Hamilton ON L8P 4W7
Phone: (905) 523-8200 Fax: (905) 523-2200

District of: Ontario
Division No. 09 - Toronto
Court No. 32-2043593
Estate No. 32-2043593

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
Acculink Fence & Wire Inc.
of the City of Bolton, in the Province of Ontario

Purpose:

To provide an estimated cash position for the period ending January 1, 2016.

Projection Notes:

Prepared by Management using the assumptions listed below.

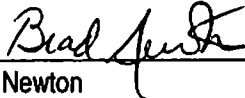
Assumptions:

- i) Sales are based on orders already in house from related parties and third party customers.
- ii) Purchases are based on orders already in place with suppliers.
- iii) Fixed costs are based on prior year results.

Dated at the City of Hamilton in the Province of Ontario, this 7th day of October 2015.

KPMG Inc. - Trustee

Per:

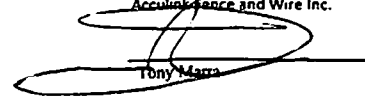



Brad Newton
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Acculink Fence and Wire Inc.
 NOI Cash Flow Forecast
 32-2043593

	Week Ending												Total Fcst	
	9-Oct-15	16-Oct-15	23-Oct-15	30-Oct-15	6-Nov-15	13-Nov-15	20-Nov-15	27-Nov-15	4-Dec-15	11-Dec-15	18-Dec-15	25-Dec-15		1-Jan-16
Receipts														
Third party AR collections	60,000	104,252	70,185	70,185	27,595	15,890	15,890	60,806	65,560	49,927	34,062	34,087	32,845	701,283
Other receipts	9,000	14,083	10,050	202,676	28,052	59,742	60,970	14,522	13,107	22,754	42,754	42,754	31,696	672,559
Total receipts	69,000	118,335	80,235	272,861	55,647	75,632	76,260	75,328	78,667	72,681	76,816	76,841	64,541	1,373,842
Forecasted Sales	78,548	78,573	78,598	78,623	73,706	73,706	73,706	73,706	34,200	24,324	24,324	24,324	23,169	856,922
Direct disbursements														
Raw materials purchases	24,000	69,500	24,000	10,000	24,000	-	24,000	-	-	-	-	-	-	226,500
Direct net wages	17,250	7,500	12,420	7,500	12,420	7,500	12,420	7,500	12,420	7,500	12,420	7,500	6,210	149,310
Total	41,250	77,000	36,420	17,500	36,420	7,500	36,420	7,500	12,420	7,500	12,420	7,500	6,210	375,810
Margin	27,750	41,335	43,815	255,361	19,227	68,132	39,840	67,828	66,247	65,181	64,396	69,341	58,331	998,032
Other disbursements														
Net management salaries	1,500	1,700	1,080	1,700	1,080	1,700	1,080	1,700	1,080	1,700	1,080	1,700	540	21,890
Net office salaries	4,500	200	3,240	200	3,240	200	3,240	200	3,240	200	3,240	200	1,620	24,020
Net commissions	250	-	180	-	180	-	180	-	180	-	180	-	90	1,240
Source deductions	1,500	600	1,080	600	1,080	600	1,080	600	1,080	600	1,080	600	540	12,540
WSIB Payments	-	-	-	-	-	-	-	-	4,000	-	-	-	4,000	8,000
Utilities (Enbridge & Hydro)	-	-	-	-	11,000	-	-	-	-	11,000	-	-	-	22,000
HST Monthly Premium	-	-	-	-	-	-	-	-	10,000	-	-	-	10,000	20,000
Kentworth Rental	-	1,887	-	-	-	1,887	-	-	-	-	1,887	-	-	5,661
Other Vendors	3,000	25,000	23,000	-	3,000	25,000	13,000	10,000	3,000	15,000	3,000	15,000	-	138,000
Carat Rent + Farm Equip	-	32,600	-	-	-	32,600	-	-	-	-	32,600	-	-	97,800
Canon Lease	-	-	-	-	-	-	-	2,500	-	-	-	-	-	2,500
Employee Benefits (Manulife)	2,500	-	-	-	2,500	-	-	-	2,500	-	-	-	-	7,500
Bank charges and interest	-	-	-	7,000	-	-	-	-	-	-	-	-	7,000	14,000
Total	13,250	61,987	28,580	9,500	22,080	61,987	18,580	15,000	25,080	28,500	43,067	17,500	23,790	375,151
Total Disbursements	54,500	138,987	65,000	27,000	58,500	69,487	55,000	22,500	37,500	36,000	55,487	25,000	30,000	750,961
Net cash inflow/(outflow)	14,500	(20,652)	15,235	245,861	(2,853)	6,145	21,260	52,828	41,167	36,681	21,329	51,841	34,541	622,881

Disclaimer
 The Projected cashflows and associated assumptions include forward looking information that involve risks and uncertainties. Acculink Fence & Wire Inc. (the "Company") makes certain assumptions about the cashflow projections which may or may not prove to be true based on a number of circumstances, key among them being customer and supplier cooperation. The Company's actual results may differ materially from those disclosed in these forward looking cashflows.

Acculink Fence and Wire Inc.

 Tony Manno

KPMG Inc. in its capacity as
 Trustee in the Proposal of
 Acculink Fence and Wire Inc.

 Per: Brad Newton