



MEYERS NORRIS PENNY LIMITED

DISTRICT OF ONTARIO
Division No. 09
Court No. 31-1240545
Estate No. 31-1240545

NOTICE OF PROPOSAL TO CREDITORS

IN THE MATTER OF THE PROPOSAL OF
PHARMACY 2 DRUG & FOOD INC.
WITH ITS HEAD OFFICE IN THE TOWN OF MARKHAM
IN THE PROVINCE OF ONTARIO

On July 30, 2009, Pharmacy 2 Drug & Food Inc. ("Pharmacy 2") lodged a Notice of Intention to Make a Proposal. On August 27, 2009, October 15, 2009 and November 26, 2009, Pharmacy 2 received Court approval, pursuant to section 50.4(9) of the *Bankruptcy and Insolvency Act* (the "Act"), to extend the time to file the Proposal.

On January 12, 2010, Pharmacy 2 lodged a Holding Proposal pursuant to the Act with us. The Holding Proposal was lodged with the Official Receiver on January 13, 2010, approved by the creditors on March 15, 2010 and subsequently approved by the Court on April 1, 2010.

On April 8, 2010, Pharmacy 2 lodged an Amended Definitive Proposal with us. The Amended Definitive Proposal was lodged with the Official Receiver on April 9, 2010.

Attached to this notice are the following documents:

- A. Amended Definitive Proposal
- B. Report of the Trustee on the Amended Definitive Proposal
- C. Proof of Claim form
- D. Proxy form
- E. Voting letter

A copy of Pharmacy 2's Statement of Affairs was previously mailed to all creditors together with the Holding Proposal. Should you require another copy of the Statement of Affairs please visit our website at www.mnpdebt.ca. For any questions regarding this matter please send an email to Pharmacy2@mnp.ca.

A general meeting of the creditors will be held on the 30th day of April, 2010 at 10:00 a.m. at:

Meyers Norris Penny Limited
(Formerly Shiner Kideckel Zweig Inc.)
10 West Pearce Street, Suite 4
Richmond Hill, ON L4B 1B6

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 us prior thereto. Proof of claim forms are to be filed based on the amount owed as of July 30, 2009, the date the Notice of Intention was lodged.

If you have already filed a proof of claim and there are no changes to your claim, you do not need to re-file a claim. Should you wish to amend a proxy already submitted please do so on the attached proxy. Creditors wishing to vote on the Amended Definitive Proposal are required to do so using the attached voting letter.

Dated at RICHMOND HILL, ONTARIO this 14th day of April, 2010.

Meyers Norris Penny Limited



IN THE MATTER OF THE PROPOSAL OF
PHARMACY 2 DRUG & FOOD INC.
WITH ITS HEAD OFFICE IN THE TOWN OF MARKHAM
IN THE PROVINCE OF ONTARIO

AMENDED DEFINITIVE PROPOSAL

The Debtor (as defined below) hereby submits the following Proposal under the Act (defined below):

Definitions

1. In this Proposal, capitalized terms shall have the following meanings:
 - a) "**Act**" means *Bankruptcy and Insolvency Act R.S.C. 1985, c. B-3*, as amended;
 - b) "**Claim or Claims**" means the right of any Person against the Debtor in connection with any indebtedness, liability or obligation of any kind of the Debtor, in each case which indebtedness, liability or obligation is in existence at the Filing Date, or arising as a result of action taken by the Debtor in accordance with paragraphs 7, 8, 9 and 10 of this Proposal, and interest, if any, in respect of which there is an obligation to pay, and costs which such persons would be entitled to receive, pursuant to the terms of any contract with such person or at law or in equity, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, by surety or otherwise, and whether or not such right is executory in nature, including without limitation, the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future based in whole or in part on facts or events which existed prior to or at the Filing Date, without limitation, shall include any claims that would have been claims provable in bankruptcy had the Debtor become bankrupt on the Filing Date;
 - c) "**CRA**" means Canada Revenue Agency;
 - d) "**Court**" means the Ontario Superior Court of Justice at Toronto;
 - e) "**Debtor**" means **Pharmacy 2 Drug & Food Inc.**, an insolvent person;
 - f) "**Filing Date**" means July 30, 2009, being the date on which the Debtor filed a Notice of Intention to Make a Proposal under the Act;
 - g) "**Ordinary Creditors**" means being those persons with Claims not referred to in paragraphs 1, 2, 3, 4, or 5 hereof, including Claims of every nature and kind whatsoever, whether due or not due for payment as of the Filing Date, and including contingent or liquidated claims arising out of any transaction entered into by the Debtor, or in which it was involved, prior to the Filing Date;

h) "**Preferred Creditors**" means creditors whose Claims are to be paid in priority to the Claims of Ordinary Creditors pursuant to section 136(1) of the Act;

i) "**Proposal**" means this proposal and all schedules or appendices hereto, including as the same may be amended or supplemented from time to time, and all uses of the words "hereto", "herein", "hereof" and "hereunder" and similar expressions refer to this Proposal as a whole rather than any portion of it;

j) "**Secured Creditor**" means secured creditor as defined under the Act; and

k) "**Trustee**" means Meyers Norris Penny Limited, of the Town of Richmond Hill, in the Province of Ontario.

Deemed Trust Claims

2. (a) The Debtor shall, within six months after court approval of this proposal, pay in full, by equal monthly instalments, all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* or under any substantially similar provision of provincial legislation that were outstanding at the Filing Date.

(b) The Debtor shall file, at or prior to the hearing of the application for approval of the Proposal, full particulars with the Court and CRA of any default in any remittance of an amount referred to in section 60(1.1) of the Act that became due after the Filing Date.

Secured Claims

3. The Claims of Secured Creditors shall be paid as may be arranged between the Debtor and the holder(s) of such Claims.

Preferred Creditors

4. (a) Subject to paragraph 4(b), all proven Claims of Preferred Creditors shall be paid in full in priority to all proven Claims of Ordinary Creditors.

(b) In the case of employees and former employees of the Debtor, amounts equal to the amounts, if any, that they would be entitled to receive under section 136(1)(d) of the Act, if the Debtor had become bankrupt on the Filing Date, shall be paid forthwith after approval of the Proposal by the Court.

Proposal Professionals

5. All proper fees and expenses of the Trustee, incidental to the proceedings arising out of the Proposal and in connection with the preparation of the Proposal, including advice to the Debtor in connection therewith, which is estimated between \$80,000 to \$90,000 plus GST, shall be paid, in priority to all Claims of creditors.

Post-Proposal Debts and Liabilities Incurred

6. (a) Claims arising in respect of goods supplied, services rendered or other consideration given to the Debtor on or after the Filing Date shall be paid in full by the Debtor in the ordinary course of business.
- (b) If applicable, the Debtor shall, during the course of the Proposal,:
- (i) remit current year payroll deductions (Employment Insurance premiums, Canada Pension Plan contributions, and income tax deductions) as required;
 - (ii) remit current GST payments and file GST returns as required by the *Excise Tax Act*; and
 - (iii) remit any other current amounts and file any other returns as required by the *Income Tax Act*.

Ordinary Creditors

7. The Debtor shall pay \$360,000 in equally monthly instalments over 48 months to the Trustee, in trust, for the sole purpose of distributing same in accordance with the terms of the Proposal. The monthly payments to the Trustee will commence 30 days after approval of the Proposal by the Court. Ordinary Creditors will receive the net proceeds, after the claims referred to in paragraphs 4 and 5. The Trustee shall distribute the net proceeds, together with interest earned in the estate trust account, pro rata among all Ordinary Creditors of the Debtor and the Ordinary Creditors shall accept such proceeds in full and complete satisfaction of their Claims. The net proceeds will only be distributed to Ordinary Creditors after the full payment of Deemed Trust claims referred to in paragraph 2(a).

Debtor's Rights under the Proposal

8. The Debtor shall have the right, at any time prior to the meeting of creditors called to permit them to vote on the Proposal, to terminate any contract for the purchase of goods or services or any contract for the rental or lease of equipment, and any affected creditor or lessor, as the case may be, shall have the right to seek to prove a Claim as an Ordinary Creditor for any amount due together with any Claim for damages. For any contract terminated under this provision, the Claims of such persons shall be a Claim provable in the Proposal and such creditors shall have no further right to pursue their respective Claims outside the terms of the Proposal. For greater certainty, any Creditor affected by this paragraph shall be an Ordinary Creditor for the purposes of the Proposal.

9. The Debtor shall have the right, at any time prior to the meeting of creditors called to permit them to vote on the Proposal, to terminate any employee and any such affected employee, as the case may be, shall have the right to seek to prove a Claim as an Ordinary Creditor for any termination and severance pay which may be owing in consequence of their termination. The Claims of such Persons shall be a Claim provable in the Proposal and such creditors shall have no further right to pursue their Claims outside the terms of this Proposal. For greater certainty, any creditor affected by this paragraph shall be an Ordinary Creditor for the purposes of the Proposal.

10. The Debtor shall have the right, at any time prior to the filing of the Proposal, to disclaim any commercial lease of real property in accordance with subsection 65.2 (1) of the Act. Any such affected landlord(s) may file a Proof of Claim as an Ordinary Creditor for the actual losses resulting from such disclaimer.

11. The Debtor shall have the right at any time up until the conclusion of the meeting of creditors or any adjournment thereof to unilaterally amend the Proposal and such amendment need not be more advantageous than the terms herein, and the Debtor need only notify the attendees at the meeting of any amendment and need not distribute in advance of the meeting any notice of amendment. The Debtor shall further have the right to unilaterally amend the Proposal at any time after the meeting of creditors to vote on this Proposal, including after Court approval as well as during or after implementation, as long as the Trustee is satisfied that such amendment does not materially prejudice any of the classes of Creditors entitled to share in the Proposal Funds, provided that the Trustee shall not be liable for such amendment or its approval thereof, and further the Debtor may but shall not be obliged to issue any notice of such amendment to any creditor and any and all amendments shall be deemed to be effective as of the date of the Proposal."

Inspectors

12. At the first meeting of creditors held on January 29, 2010 two inspectors were appointed, whose powers are restricted to:
- (a) advising the Trustee in accordance with the provisions of the Act;
 - (b) advising the Trustee in respect of any dispute that may arise as to the validity of Claims of Preferred Creditors and Ordinary Creditors under the Proposal;
 - (c) authorizing an extension of time for the making of any payment to be made pursuant to paragraph 7 of the Proposal; and
 - (d) the authority and term of office of the inspectors will terminate upon the Debtor's performance of the Proposal.

Claims against Directors

13. Any Claims against the Debtor by any Creditor that are also Claims against the directors and/or officers of the Debtor that relate to obligations of the Debtor where directors and/or officers are under any law liable in their capacity as directors and/or officers for the payment of such obligations shall be, and upon Court approval of this Proposal, are, to the extent permitted by the Act, released and forever discharged as against the directors and/or officers of the Debtor.

Default

14. The Debtor agrees that time shall be of the essence of the Proposal, and in the event any term or provision herein is not fully performed at the time and in the manner specified, each such deficiency shall constitute a default in the performance of a provision of the Proposal, and in that event, the Debtor further agrees that it shall either remedy each default, as required by s. 62.1 of the Act, or consent to any application for annulment of the Proposal.

Miscellaneous

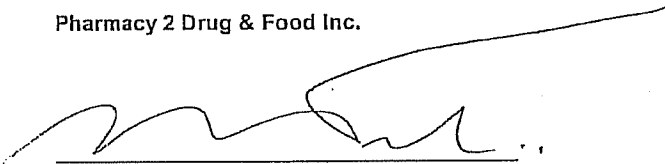
15. The Debtor acknowledges and admits that:

- a) the Proposal is made to all Ordinary Creditors with Claims for debts and liabilities, present or future, to which the Debtor was subject at the time for determining Claims of creditors of the Proposal;
- b) the security of each Secured Creditor of the Debtor is assessed in the Proposal in an amount that is equivalent to the amount of each Secured Creditor's Claim;
- c) sections 95 to 101 of the Act shall not apply to the Proposal;
- d) the Proposal is not made conditional on the purchase of shares or securities or on any other payment or contribution by creditors; and,
- e) each creditor who deals with the Debtor otherwise than at arm's length, within the meaning of section 4 of the Act, shall withdraw or postpone his/her/its Claim and acknowledges in writing that he/she/it has no entitlement to or shares in any dividend to Ordinary Creditors.

16. Nothing herein shall be construed in any way to limit or restrict the right of any creditor to challenge the security of a Secured Creditor of the Debtor, whether exercised before or after approval of the Proposal.

DATED at the City of Vaughan, in the Province of Ontario, this 8th day of April, 2010.

Pharmacy 2 Drug & Food Inc.



per: Marv Turk
I have authority to bind the Corporation

**IN THE MATTER OF THE PROPOSAL OF
PHARMACY 2 DRUG & FOOD INC.
WITH ITS HEAD OFFICE IN THE TOWN OF MARKHAM
IN THE PROVINCE OF ONTARIO**

MEYERS NORRIS PENNY LIMITED
Trustee in Bankruptcy
10 West Pearce Street, Suite 4
Richmond Hill, Ontario
L4B 1B6
Tel: (905) 709-9950
Fax: (905) 709-9952

TRUSTEE'S REPORT TO CREDITORS ON PROPOSAL
IN THE MATTER OF THE PROPOSAL OF
PHARMACY 2 DRUG & FOOD INC.
WITH ITS HEAD OFFICE IN THE TOWN OF MARKHAM
IN THE PROVINCE OF ONTARIO

Enclosed herewith is a copy of the Amended Definitive Proposal (the "Proposal") under Part III, Division I of the *Bankruptcy and Insolvency Act* (the "**BIA**") which was lodged with Meyers Norris Penny Limited ("**MNP**" or the "**Trustee**") in its capacity as Trustee *in re*: the Proposal of Pharmacy 2 Drug & Food Inc. ("**P2**" or the "**Debtor**") and filed with the Official Receiver on April 9, 2010.

Please note we have not audited or reviewed P2's books and records and, as result, we are not able to express an opinion concerning the accuracy of the information contained herein. The following information originated from P2's books and records that were made available to us, as well as from our discussions with P2's management.

The following is an outline of the background of P2, including relevant information which we believe should be of assistance to creditors in considering their position with respect to the Proposal.

1. Background

P2 carries on business as a retailer of pharmacy, food and related products. On July 30, 2009, P2 filed a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to the provisions of the BIA. The NOI was filed with the Official Receiver on July 30, 2009 and the Official Receiver acknowledged receipt of the NOI on July 31, 2009. At the date of the filing of the NOI the Company operated from four leased locations in Ontario. P2 applied for and received three extensions to file a Proposal from the Court with the last extension terminating on January 14, 2010. The Company filed a Holding Proposal on January 12, 2010, which was approved by the Courts on April 1, 2010.

P2 is currently operating from two locations, Newmarket and Toronto. The Thornhill and Brampton store locations were closed on August 12, 2009. The leases to these locations were disclaimed on August 4, 2009. Inventory and other related assets from the closed locations were moved to the remaining stores. The prescription list from the Thornhill location was sold to a third party for \$50,000. The Brampton prescription list was moved to the Toronto location

P2's intention is to sell the Newmarket and Toronto pharmacy businesses and convert both locations to liquidation centres.

As noted in P2's Statement of Affairs all of P2's property is fully encumbered by a government statutory priority charge and secured creditors.

As an alternative to bankruptcy, P2 has elected to file the enclosed Amended Definitive Proposal.

2. The Proposal

The Proposal at hand represents an "Amended Definitive Proposal", and provides an amount of \$360,000 to be paid to the Trustee, to be held in trust, in equal monthly installments over 48 months. The Proposal provides for a recovery to Unsecured Creditors, which would otherwise be nil in a bankruptcy.

The Proposal as filed includes all the statutory terms required by s. 60 of the BIA, with respect to the amounts and timing of payment to preferred creditors' claims, the fees and expenses of the Trustee, Crown claims under s. 224(1.2), and employee amounts under s. 136(1)(d) of the BIA.

The claims of secured creditors are not affected by the Proposal and will be paid in accordance with the present arrangements existing between P2 and the holders of secured claims, or as may be arranged.

At the first meeting of creditors held on January 29, 2010, two inspectors were elected, who have the power to advise the Trustee with respect to any dispute which may arise as to the validity of claims of unsecured creditors and other matters the Trustee may refer to them.

3. Estimated Realization to Creditors

If the Proposal is rejected P2 will automatically be deemed a bankrupt. As noted earlier in this Report, all of P2's property is encumbered by a government statutory priority charge and secured creditors. The Statement of Affairs indicates that the secured creditors would suffer a shortfall on the realization of their security and, as a result, there would be nothing available for distribution to any subordinate creditors.

If the Proposal is accepted, it provides for a dividend to Unsecured Creditors, which results in a higher recovery than would be provided in a bankruptcy.

The Trustee engaged Fred Tayar & Associates ("Tayar"), to provide an opinion on the validity of the security agreement of Surplus Liquidators Inc. ("Surplus") and 1779914 Ontario Inc. ("1779914"). Tayar has provided a written opinion that the security of Surplus and 1779914 is valid and enforceable against the Trustee.

4. Procedure for Dealing with the Proposal

This Proposal will become effective only if it is accepted by a resolution of the unsecured creditors and approved by the Court. To obtain creditor approval, a simple majority in the number of unsecured creditors voting and also representing at least 2/3 of the dollar value of the unsecured creditors voting, must vote in favour of the Proposal. If the unsecured creditors do not accept the Proposal then P2 will be deemed to have made an assignment in bankruptcy and a first meeting of creditors in the matter of the bankruptcy will immediately take place.

If the unsecured creditors vote to accept the proposal, Court approval of the Proposal must then be sought. If the Court does not approve the Proposal, the Company would be deemed to have made an assignment in bankruptcy and the Trustee will then call a meeting of creditors in the matter of the bankruptcy.

When completing the Proof of Claim form submitted herewith, creditors should include all outstanding amounts as at **July 30, 2009 the date of the NOI filing**. It is expressly noted and should be clearly understood that the Trustee, in its capacity as Trustee, assumes no personal liability for any claims that creditors may have against P2 either before or after the filing of the NOI.

Creditors may attend, in person or by proxy, the meeting to consider the Proposal which will be held at the Trustee's office at 10 West Pearce Street, Suite 4, Richmond Hill, Ontario on April 30, 2010 at the hour of 10:00 in the forenoon.

Creditors who do not wish to attend or be represented at the meeting but who wish to vote, may forward their Proofs of Claim and voting letters by mail or fax to the Trustee so as to be received prior to April 30, 2010.

5. Trustee's Recommendation to Creditors

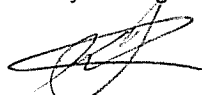
The Trustee is of the opinion that acceptance of the Proposal should be to the advantage of all creditors, as in a bankruptcy there will not be any dividend for the Unsecured Creditors

We trust the foregoing adequately explains the current and ongoing circumstances of P2 and the Proposal. If you have any questions, please contact Ilan Kibel of MNP at (289) 695-4381 or via email, ilan.kibel@mnp.ca.

Dated at Richmond Hill, Ontario, this 14th day of April, 2010.

MEYERS NORRIS PENNY LIMITED

Trustee Acting *in re*:
The Proposal of
Pharmacy 2 Drug & Food Inc.



Per: Ilan Kibel

Proof of Claim

(Section 50.1, subsections 65.2(4), 81.2(1), 81.3(B), 81.4(8), 102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 66.14(b) of the Act)
(see instructions on page 2)

In the matter of the proposal of Pharmacy 2 Drug & Food Inc., with its Head Office in Markham, Ontario
and the claim of _____, creditor.

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

Address: _____	City/Prov.: _____	Postal code: _____
Tel no. _____	Fax no. _____	Attn: _____
Acct. no. _____		

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

See note 2 1. That I am a creditor of the above-named debtor or that I am _____ (state position or title) of _____ (name of creditor).

See note 3 2. That I have knowledge of all the circumstances connected with the claim referred to below.

See note 4 3. That the debtor was, at the date of the Notice of Intention namely July 30, 2009, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit or solemn declaration) 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.)

See note 5

A. UNSECURED CLAIM OF \$ _____
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.

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act. (Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LANDLORD 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 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)

See note 6 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.

See note 7 6. That the following are the payments that I have received from, and the credits that I have allowed to, the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act, 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 and credits.)

See note 8 Dated at _____, this _____ day of _____.

x _____ x _____
Signature of Witness Signature of Creditor

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.

GENERAL PROXY

In the matter of the proposal of Pharmacy 2 Food & Drug Inc.

I/we _____, of the _____ of _____, creditor, hereby appoint _____, of the _____ of _____, to be my/our general proxy in the above matter (excepting only as to the receipt of dividends)

Dated at _____, this _____ day of _____.

X _____
Signature of Witness

X _____
Signature of Creditor

INFORMATION REGARDING GENERAL PROXY

A creditor may vote either in person or by proxy. A debtor may not be appointed a proxy to vote at any meeting of his creditors. The trustee may be appointed as a proxy to vote on behalf of a creditor. A corporation may vote by an authorized agent at a meeting of creditors. In order for a duly authorized person to have a right to vote they must be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy section of the proof of claim.

PLEASE READ THIS CAREFULLY BEFORE YOU PREPARE YOUR PROOF OF CLAIM

1. Ensure you include your complete address, telephone number and account number *(if applicable)*
2. If you are signing this form on behalf of a corporation or other person you must state the title or capacity in which you are acting, such as "credit manager", "accountant", "controller" or "authorized agent", etc. This form must be signed by the person making the declaration.
3. You must have knowledge of the circumstances connected with this claim.
4. Fill in the date of the bankruptcy as shown on the Notice to Creditors. The proof of claim is incomplete unless you include a statement (marked "Schedule A"). The balance on this statement must be complete and agree with the balance claimed by you as of the date of bankruptcy. "Schedule A" should be a detailed statement of account of the last three months of financial activity with the bankrupt. It must show the date, number and amount of all invoices or charges, together with the date, number and amount of all credits or payments. A "balance forward" or line figure does not meet the disclosure requirements for proofs of claim issued by the Superintendent of Bankruptcy. All claimants must attach a detailed list of all payments or credits received or granted, as follows:
 - (a) within the three (3) months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are not related, or
 - (b) within the twelve (12) months preceding the bankruptcy or proposal, in the case where the claimant and the debtor are related.
5. Check (x) the type of claim which applies to you. **DO NOT LEAVE THIS SECTION BLANK.** If you have a regular unsecured claim, then please check (X) beside the phrase "I do not claim to a right to priority".

A priority claim is only granted to specific creditors under S.136 of The Bankruptcy and Insolvency Act. Please review the legislation to determine if you are eligible to make such a claim in this estate.

If you have a SECURED CLAIM you *must*:

- (a) insert the value of your security, and prove that you are secured by attaching a copy of your security document (chattel mortgage, a copy of your financing statement issued under the Personal Property Security Act, etc.). If you hold a mortgage over real estate, please provide the trustee with a copy of the mortgage document.

If you are related to the bankrupt, please cross out the word "not". If you are related by blood or marriage to the bankrupt, then you should consider yourself a related person. If the bankrupt is a corporation, you would be considered to be related to it if you were a shareholder, or if your company was controlled by the same shareholders as the bankrupt corporation. Please refer to section 4 of the Bankruptcy and Insolvency Act for a definition of related persons.

You must provide the full details of all payments and credits received from or allowed to the debtor during the period indicated.

The proof of claim is incomplete UNLESS it has been signed and witnessed.

If you want to appoint a proxy, the proxy form must be completed and signed by the creditor. If the creditor is a corporation, the proxy must be signed in the corporate name and not necessarily by the individual signing the proof of claim form. If a corporation grants a voting proxy to an individual, the proxy section should be both signed, dated and witnessed. The Bankruptcy and Insolvency Act permits a proof of claim to be made by a duly authorized agent of a creditor, but this does not give such a person power to vote at the first meeting of creditors or to act as the creditor's proxy unless the GENERAL PROXY section has been completed.

PLEASE CONTACT THE TRUSTEE'S OFFICE IF YOU HAVE ANY QUESTIONS ABOUT COMPLETING YOUR PROOF OF CLAIM



MEYERS NORRIS PENNY LIMITED

Estate No. 31-1240545
Court No. 31-1240545

VOTING LETTER

**IN THE MATTER OF THE PROPOSAL OF
PHARMACY 2 DRUG & FOOD INC.
WITH ITS HEAD OFFICE IN THE TOWN OF MARKHAM
IN THE PROVINCE OF ONTARIO**

I, _____ (Name of Individual)

of _____ (Name of Creditor)

a creditor in the above matter for the sum of \$ _____ hereby request the trustee acting with respect to the proposal of Pharmacy 2 Drug & Food Inc. to record my vote:

FOR

AGAINST

acceptance of the Amended Definitive Proposal dated April 8, 2010 and filed with the Official Receiver effective the 9th day of April, 2010.

Dated at _____ the _____ day of _____, 2010.

Signature of Witness

Signature of Creditor

Name of Witness

Name and Title of Signing Officer