

Ira Smith

TRUSTEE & RECEIVER INC.

167 Applewood Crescent, Suite 6, Concord, Ontario, Canada L4K 4K7

Telephone # (905) 738-4167, Fax # (9056) 738-9848

Website: www.irasmithinc.com

District of Ontario
Division No. Toronto
Court No. 31-1035977
Estate No. 31-1035977

NOTICE OF BANKRUPTCY AND FIRST MEETING OF CREDITORS

(Subsection 102(1))

IN THE MATTER OF THE BANKRUPTCY OF LUNDSTROM RETAIL (YORKVILLE) INC. OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

TAKE NOTICE THAT:

1. Lundstrom Retail (Yorkville) Inc. filed an assignment in bankruptcy on the 5th day of February, 2008 and the undersigned, Ira Smith Trustee & Receiver Inc., was appointed as trustee of the estate of the bankrupt by the official receiver subject to affirmation by the creditors of the trustee's appointment or the substitution of another trustee by the creditors.
2. The first meeting of creditors of the bankrupt will be held on the 21st day of February, 2008 at 11:30 AM at the office of the Trustee located at:

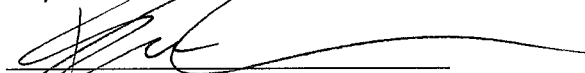
167 Applewood Crescent, Suite # 6
Concord, Ontario
L4K 4K7
3. To be entitled to vote at the meeting, a creditor must lodge with the trustee, before the meeting a proof of claim and, where necessary, a proxy.
4. Enclosed with this notice is a form of proof of claim and a form of general proxy and a list of creditors with claims amounting to 25 dollars or more showing the amounts of their claims.
5. Creditors must prove their claims against the estate of the bankrupt in order to share in any distribution of the proceeds realized from the estate.

Dated at Vaughan, Ontario the 5th day of February, 2008

IRA SMITH TRUSTEE & RECEIVER INC.

The Trustee of the Estate of Lundstrom Retail (Yorkville) Inc., a bankrupt

Per:



Brandon Smith
Estate Administrator

**STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE BANKRUPTCY OF
LUNDSTROM RETAIL (YORKVILLE) INC.
OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO**

To the Bankrupt:

You are required to carefully and accurately complete this form and the applicable attachments, showing the state of your affairs on the date of your bankruptcy, February 4, 2008. When completed, this form and the applicable attachments will constitute your Statement of Affairs and must be verified by oath or solemn declaration:

Liabilities

(as stated and estimated by bankrupt)

1. Unsecured creditors as per list 'A'	138,163.88
2. Secured creditors as per list 'B'	NIL
3. Preferred creditors as per list 'C'	NIL
4. Contingent or other liabilities as per list 'D' estimated to be reclaimable for	NIL
Total Liabilities	138,163.88
Surplus	NIL

Assets

(as stated and estimated by bankrupt)

1. Inventory	15,000.00
2. Trade fixtures, fittings, utensils, etc.....	3,000.00
3. Accounts Receivable, etc. as per list 'E'	
Good	NIL
Doubtful	NIL
Bad	NIL
Estimated to produce	NIL
4. Bills of exchange, promissory notes, etc. as per list 'F'	NIL
5. Deposits in Financial Institutions.....	NIL
6. Cash	400.00
7. Livestock	NIL
8. Machinery, equipment and plant	864.06
9. Real property or immovable as per list 'G'	NIL
10. Furniture.....	NIL
11. RRSPs, RRIFs, Life Insurance, etc	NIL
12. Securities (Shares, bonds, debentures, etc)	NIL
13. Interest under wills	NIL
14. Vehicles	NIL
15. Other Property	NIL

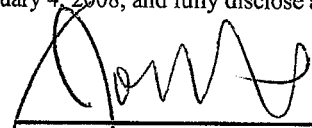
If Bankrupt is a Corporation add:

Amount of capital subscribed	NIL
Amount paid thereon	NIL
Balance subscribed and unpaid	NIL
Estimated to produce	NIL
Total Assets	19,264.06
Deficiency	1,18,899.82

I, JOEL HALBERT Officer of the Bankrupt Corporation of LUNDSTROM RETAIL (YORKVILLE) INC. , do swear that this statement and attached lists are to the best of my knowledge a full, true and complete statement of its affairs on February 4, 2008, and fully disclose all property of every description, that is in its possession or that may devolve on it in accordance with Section 67 of the Act.

SWORN before me in the City of Vaughan in the Province of of Ontario this 4th day of February, 2008.





Signature of Bankrupt or Officer

Mina Rastan, a Commissioner, etc.,
Province of Ontario, for Ira Smith Trustee
& Receiver Inc. Trustee in Bankruptcy.
Expires May 13, 2008.

Ira Smith Trustee & Receiver Inc.
IN THE MATTER OF THE BANKRUPTCY OF
LUNDSTROM RETAIL (YORKVILLE) INC.
OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO
Mailing List

Preferred

1	KATARINA IVANOVIC		Unknown
2	MARIA STRADOMSKA		Unknown
3	MILUSKA IVANOVIC		Unknown
4	NADEZDA GOLIC		Unknown
5	PATRICIA RIGILLO		Unknown

Unsecured

6	BELL CANADA	4169279009	451.46
7	CANADA REVENUE AGENCY	899819965	Unknown
8	GIFT CARDS & STORE CREDITS		720.00
9	GRAND AND TOY		54.46
10	LINDA LUNDSTROM INC.		136,337.27
11	MINISTRY OF FINANCE (PST)	0060-2221	Unknown
12	TORONTO HYDRO ELECTRIC SYSTEM		600.69

Number of creditors printed = 12

PROOF OF CLAIM
(see reverse for instructions)

IN THE MATTER OF THE BANKRUPTCY OF LUNDSTROM RETAIL (YORKVILLE) INC. (referred to in this form as "the debtor")
and the claim of _____ (referred to in this form as "the creditor")

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

Telephone: _____ Fax: _____

I, _____ (name of person signing claim) residing in the _____ (city, town, etc.)

of _____ (name of city, town, etc.) in the Province of _____

Do hereby certify that:

If an officer of the company, state position or title

1. I am the creditor or I am _____ of the creditor
(state position or title)

The attached statement of account must specify the vouchers or other evidence in support of the claim

2. I have knowledge of all the circumstances connected with the claim referred to in this form.
3. The debtor was, at the date of bankruptcy, namely the **5th day of February, 2008** and still is, indebted to the creditor in the sum of \$ _____, **as specified in the statement of account attached hereto and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled.**

Check and complete appropriate category

4. A **Unsecured claim of \$ _____**
In respect to the said debt, the creditor does not hold any assets of the debtor as security and

Check appropriate description

(i) does not claim a right to a priority
or
(ii) claims a right to a priority under section 136 of the Bankruptcy and Insolvency Act (the "Act").

Give full particulars of the claim, including the calculations upon which the claim is based

B **Claim of landlord for disclaimer of a lease of \$ _____**
The creditor hereby makes a claim under subsection 65.2(4) of the Act, 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

C **Secured claim of \$ _____**
In respect of the said debt, the creditor holds assets of the debtor valued at \$ _____ as security, particulars of which are as follows:

Attach a copy of sales agreement and delivery receipts

D **Claim by farmer, fisherman, or aquaculturist of \$ _____**
The creditor hereby makes a claim under subsection 81.2(1) of the Act for the unpaid amount \$ _____

To be filed when a proposal provides for the compromise of claims against directors

E **Claim against director of \$ _____**
The creditor hereby makes a claim under subsection 50(13) of the Act, particulars of which are as follows:

Strike out "is" or "is not"

5. To the best of my knowledge, the creditor is/is not related to the debtor within the meaning of section 4 of the Act.

Attach a separate schedule if necessary

6. The following are the payments that the creditor has received from and the credits that the creditor has 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 twelve months) immediately before the date of the initial bankruptcy event within the meaning of section 2 of the Act.

Applicable only in the case of the bankruptcy of an individual

7. I request to be advised of any material change in the financial situation of the bankrupt.
 I request to be advised of any amendment made regarding the amount that the bankrupt is required to pay.
 I wish to receive a copy of the trustee's report on the bankrupt's application for discharge.

Dated at _____, this _____ day of _____, 20_____

Must be signed and witnessed

Witness

(signature of individual completing this form)

Notes: All references to "the Act" refer to the Bankruptcy and Insolvency Act.

If an affidavit or solemn declaration is attached, it must have been made before a person qualified to take affidavits or solemn declarations.

Warning: 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
(with power of substitution)

In the matter of the bankruptcy or proposal of the debtor, the creditor hereby appoints (with power of substitution)

_____ of the _____ of _____

to be the creditor's general proxy in the above matter (excepting only as to the receipt of dividends).

Dated at _____, this _____ day of _____, 20_____.

Name of creditor (print)

Per: _____

Signature

Witness

Instructions for completing proof of claim forms

Every creditor who does not prove his claim is not entitled to share in any distribution. Claims not completed correctly in every respect will be returned.

In completing the attached form, your attention is directed to the marginal notes on the form and to the following requirements:

Proof of Claim:

1. The form must be completed by an individual and not by a corporation. If you are acting for a corporation or other person, you must state the capacity in which you are acting, such as, "Credit Manager", "Treasurer", "Authorized Agent", etc.
2. The person signing the form must have knowledge of the circumstances connected with the claim.
3. The debtor's name and date of the bankruptcy must be filled in and a Statement of Account containing details of the claim must be attached and marked "A". The date at which claims are to be calculated and the correct name of the debtor may be found on the Notice sent to the creditor.
4. The nature of the claim must be indicated by ticking the type of claim which applies, e.g.-

Ticking A indicates the claim is unsecured and

Ticking A(i) indicates that the creditor is not claiming any priority or

Ticking A(ii) indicates the creditor is claiming preferred status under section 136 of the Act. Details to support the priority claim must be set out on an attached schedule.

Ticking B indicates a claim of landlord for disclaimer of a lease under subsection 65.2(4) of the Act. Details to support this claim must be set out on an attached schedule.

Ticking C indicates the claim is secured and the value at which the creditor assesses the security must be inserted. Details of each item of security held should be attached as a separate schedule and submitted with a copy of the chattel mortgage, conditional sales contract, security agreement, etc.

Ticking D indicates that the creditor is a farmer, fisherman or aquaculturist who supplied goods within 15 days prior to the date of receivership or bankruptcy and has not yet been paid for those goods.

Ticking E indicates the claim is against a director under subsection 50(13) of the Act. It is applicable only in the case of a proposal which provides for the compromise of claims against directors. Details to support this claim must be set out on an attached schedule.

5. The person signing the form must indicate (by striking out "is" or "is not") whether the creditor and the debtor are related. Section 4 of the Act defines persons related to a debtor. If the creditor is related by blood or marriage to the debtor, the creditor should consider itself to be a related person. If the debtor is a corporation, a creditor would be related if it was a shareholder or if the creditor was controlled by the same shareholders as the debtor.
6. The person signing the form must provide full details of all payments and credits received from or allowed to the debtor during the period indicated. Leaving a blank will indicate that there were no such payments and credits.
7. In the case of the bankruptcy of an individual, tick one or more of the three boxes in No. 7 as appropriate.
8. The person signing the form must insert the place and date and the signature must be witnessed.

General Proxy:

If it is desired to appoint a proxy, the proxy form must be completed and signed by the creditor; if the creditor is a corporation, the proxy form must be signed in the corporate name (not necessarily by the individual signing the proof of claim form) and the proxy must be witnessed.

If there are any questions in completing the proof of claim, please write or telephone the office of the trustee

Please write or telephone

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