

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

BANK OF MONTREAL  
Applicant

- AND -

CPI PLASTICS GROUP LIMITED, CPI PLASTICS GROUP (CANADA) LTD.,  
CPI PLASTICS GROUP, INC., CRILA INVESTMENTS INC.  
and CRILA PLASTICS INDUSTRIES, INC.

Respondents

**FIRST SUPPLEMENTARY REPORT TO THE FIFTH REPORT OF DELOITTE & TOUCHE  
INC. IN ITS CAPACITY AS INTERIM RECEIVER AND RECEIVER AND MANAGER OF  
CPI PLASTICS GROUP LIMITED, CPI PLASTICS GROUP (CANADA) LTD.,  
CPI PLASTICS GROUP, INC., CRILA INVESTMENTS INC.  
and CRILA PLASTICS INDUSTRIES, INC.**

**May 26, 2009**

1. This is a supplementary report (the "Supplementary Report") to the Receiver's fifth report dated April 30, 2009 (the "Fifth Report") previously filed with the Ontario Superior Court of Justice (Commercial List) (the "Court") in view of the Receiver's motion for an interim distribution to be heard by the Court on May 27, 2009 (the "Interim Distribution Motion").
2. On May 4, 2009, the Receiver served on the service list its motion record, including the Fifth Report, for the Receiver's Interim Distribution Motion. The motion record was then filed with the Court.
3. At paragraph 16 of its Fifth Report, the Receiver informed the Court that it was not aware of any opposition to the distribution of proceeds from the sale of the assets of CPI Plastics Group Limited, CPI Plastics Group (Canada) Ltd., CPI Plastics Group, Inc. Crila Investments Inc. and Crila Plastics Industries, Inc. (collectively, "CPI") to CPI's senior creditor, Bank of Montreal ("BMO").
4. In its Fifth Report, the Receiver advised that is was aware of a claim of approximately US\$23,000 that may be asserted at the time of the Interim Distribution Motion by a former customer of CPI, Goldec Distributors ("Goldec").
5. Based on the information in the possession of the Receiver at the time of writing the Fifth Report, namely:
  - (i) that the funds paid by Goldec were paid to CPI prior to the appointment of the Receiver;
  - (ii) that the funds were not paid, nor held, in trust but were rather deposited directly in CPI's general bank account and used by CPI in the course of its business;
  - (iii) that CPI never placed with its supplier the order for the goods that Goldec intended to buy; and
  - (iv) that CPI was never in possession of the goods but rather that they would be shipped directly to Goldec from CPI's supplier in China;

the Receiver was of the view that Goldec's claim was an unsecured pre-receivership claim for goods, and in light of the substantial shortfall that BMO would be suffering, no funds would be available for the payment of such claim.

6. On May 21, 2009, Goldec served a responding motion record (containing an affidavit but no notice of motion), followed by a factum and brief of authorities of May 22, 2009.
7. The Receiver believes that the issue being raised by Goldec is essentially one of priority between Goldec's and BMO's entitlement to an amount of approximately U.S.\$23,000.
8. The Receiver does not intend to take a position on the issue of priority. The Receiver notes however that, to the best of its knowledge, the facts as stated in the Fifth Report and in paragraph 5 above, continue to be true and unchanged as at the date of this Supplementary Report.

9. The Receiver also notes that, as stated in the Fifth Report, it anticipates additional realizations approximating Cdn.\$4.4 to \$5.2 million, after payment of the interim distribution to BMO, should such distribution be authorized by the Court.
10. The Receiver understands that BMO intends to respond to Goldec's assertions.

Dated the 26<sup>th</sup> day of May, 2009.

RESPECTFULLY SUBMITTED,



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Paul van Eyk, CA-CIRP, CA-IFA  
Senior Vice-President

Deloitte & Touche Inc.

In its capacity as Interim Receiver and Receiver and Manager of  
CPI Plastics Group Limited, CPI Plastics Group (Canada) Ltd.

CPI Plastics Group, Inc., Crila Investments Inc. and Crila Plastics Industries, Inc.  
and not in its personal capacity.

**BANK OF MONTREAL**  
Applicant

and

**CPI PLASTICS GROUP LIMITED, et al**  
Respondents

Court File No: 09-CL-7934

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Proceeding commenced at Toronto

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CPI PLASTICS GROUP (CANADA) LTD., CPI PLASTICS  
GROUP, INC., CRILA INVESTMENTS INC. AND  
CRILA PLASTICS INDUSTRIES, INC.**

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capacity as interim receiver and receiver and  
manager of the Respondents