

September •, 2010

Dear Sir/Madame:

**1725587 Ontario Inc. (c.o.b. Health and HarMONEY)
and Harmony Club Inc. (“the Companies”)**

On September •, 2010, BDO Canada Limited in its capacity as Receiver and Manager (the “Receiver”) of 1725587 Ontario Inc. (c.o.b. Health and HarMONEY) and Harmony Club Inc., obtained an Order relating to the call for claims procedure for creditor and preferred shareholder claims against the Companies. A copy of the Order of the Ontario Superior Court of Justice • dated September •, 2010 and the Receiver’s First Report is available at www.bdo.ca/healthandharmony.

According to the Companies’ books and records, the Receiver identifies you as a person with a potential claim against the Companies. Accordingly, enclosed please find a Proof of Claim form together with an instruction letter for completing the Proof of Claim. If your claim is based on your purchase of preferred shares in Harmony Club Inc., please also find enclosed a statement setting out the amount of the preferred shares purchased by you based on the Companies’ records. If your claim is an ordinary trade claim, please also find enclosed a statement setting out the amount that is indicated as owing to you based on the Companies’ records.

If you agree that the statement amount accurately reflects the amount of your claim, such amount will be a Proven Claim and you are **not required** to file a Proof of Claim. If you disagree with the amount set out in the statement, you must deliver a Proof of Claim form to BDO Canada Limited, including all supporting documentation, on or before **November •, 2010** (the “Claims Bar Date”) to the Receiver’s address below:

BDO Canada Limited
Receiver and Manager of 1725587 Ontario Inc. (c.o.b. Health and HarMONEY)
and Harmony Club Inc.
123 Front Street W., Suite 1200
Toronto, ON
M5J 2M2

Attention: Gary Cerrato

IF THE RECEIVER DOES NOT RECEIVE FROM YOU ON OR BEFORE THE CLAIMS BAR DATE A PROOF OF CLAIM, YOU WILL BE DEEMED TO HAVE ACCEPTED THE CLAIM AS SET OUT IN YOUR STATEMENT AND IT SHALL BE DEEMED TO BE YOUR PROVEN CLAIM.

Should you have any questions, you may call the Receiver at (416) 865-0210.

BDO Canada Limited

Court-appointed Receiver and Manager of all
of the property, assets and undertaking of
1725587 Ontario Inc. (c.o.b. Health and HarMONEY) and
Harmony Club Inc.

Per: Gary Cerrato
Vice President

INSTRUCTIONS TO CREDITORS

September •, 2010

To: Creditors of 1725587 Ontario Inc. (c.o.b. Health and HarMONEY) and Harmoney Club Inc.

Re: **Claims against 1725587 Ontario Inc. (c.o.b. Health and HarMONEY) and Harmoney Club Inc.**

We enclose in this package the following documents for your review and consideration:

1. Notice to Creditors;
2. blank Proof of Claim form; and
3. (i) if you purchased preferred shares in Harmoney Club Inc., a statement setting out the value of the preferred shares purchased based on the Companies' records; or (ii) if you are an ordinary trade creditor, a statement setting out the amount owing to you based on the Companies' books and records.

A copy of the Order of the Ontario Superior Court of Justice • dated September •, 2010 and the Receiver's First Report can be found at www.bdo.ca/healthandharmony.

The purpose of these materials is to provide you with the documents required to facilitate the determination and settlement of your claims. This instruction letter is provided to assist you in preparing the accompanying Proof of Claim form in a complete and accurate manner.

PROVING OR DISPUTING CLAIMS

Please review all of the enclosed documents carefully.

If you purchased preferred shares in Harmoney Club Inc., the statement setting out the value of the preferred shares purchased specifies the Companies' determination of the amount owing to you with respect to the preferred shares.

If you are an ordinary trade creditor, the statement setting out the amount owed to you specifies the Companies' determination of the amount owing to you in accordance with the Companies' books and records.

If you agree that the statement amount accurately reflects the amount of your claim, such amount will be a Proven Claim and you are not required to file a Proof of Claim.

If you are a creditor of the Companies who wishes to dispute the amount set out in the statement, you must complete and provide to the Receiver the following:

- 1 A properly completed Proof of Claim Form. To properly complete the Proof of Claim form you must:
 - Ensure you include your complete name, address, telephone number and account number.
 - The Proof of Claim form must be dated and signed personally by the individual completing it and must also be witnessed.
 - If the individual completing the Proof of Claim is not the creditor himself/herself, but is completing it on behalf of a corporation, he/she must state his/her position or title.
 - If you are an ordinary trade creditor, fill in the amount you believe you are owed under Section A “ORDINARY UNSECURED CLAIM OF \$ ____” or Section B “ORDINARY SECURED CLAIM OF \$ ____”
 - If you are a preferred shareholder and purchased preferred shares in Harmony Club Inc., fill in the amount you believe you are owed under Section C: “PREFERRED SHAREHOLDER CLAIM”.
- 2 Provide satisfactory evidence establishing the different amount claimed. Such evidence must include all calculation performed in order to determine the amount claimed.
- 3 Provide the properly completed Proof of Claim to the Receiver by no later than **November ●, 2010.**
- 4 Retain copies of all documents.

DELIVERY OF INFORMATION

The Proof of Claim should be delivered to the Receiver at the following address:

BDO CANADA LIMITED

Receiver and Manager of 1725587 Ontario Inc. (c.o.b. Health and HarMONEY) and
Harmony Club Inc.
123 Front Street W.
Suite 1200
Toronto, Ontario M5J 2M2
Canada
Attention: Gary Cerrato

Note: If there are any questions in completing the Proof of Claim, please call the Receiver's inquiry line at (416) 865-0210.

Sincerely,

BDO Canada Limited

Court-appointed Receiver and Manager of all
of the property, assets and undertaking of
1725587 Ontario Inc. (c.o.b. Health and HarMONEY)
and Harmony Club Inc.

IN THE MATTER OF THE RECEIVERSHIP OF 1725587 ONTARIO INC. (c.o.b. Health and HarMONEY) and
HARMONEY CLUB INC.

Proof of Claim

(Name of Creditor – Please Print)

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

(Address of Creditor to which Notices should be sent – Please Print)



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

In the matter of the receivership of 1725587 Ontario Inc. (c.o.b. Health and HarMONEY) and Harmony Club Inc. of
Oshawa, Ontario and the claim of _____, creditor.

1. That I am a creditor of 1725587 Ontario Inc. (c.o.b. Health and HarMONEY) and/or Harmony Club Inc.
(or that I am _____ (state position or title) of
_____ (name of creditor or of the representative of the creditor)).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor(s) was, at the date of receivership, namely the 5th day of August, 2010, 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 voucher or other evidence in support of the claim.)
4. (Check and complete appropriate category.)
☐ A. ORDINARY UNSECURED CLAIM OF \$_____
That in respect of this debt, I do not hold any assets of the debtor(s) as security and
(Check as appropriate description.)
☐ Regarding the amount of \$_____, I do not claim the 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. ORDINARY SECURED CLAIM OF \$_____
That in respect of this debt, I hold assets of the debtor(s) 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.)
☐ C. PREFERRED SHAREHOLDER CLAIM \$_____
That I hereby make a claim as a preferred shareholder, 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(s) within the meaning of section 4 of the Act.
6. That the following are the payments that I have received from, and the credits that I have allowed to, the
debtor(s) within three months (or, if the creditor and the debtor(s) 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.)

Dated at _____, this _____ day of _____.

_____. Witness

_____. Creditor

Phone Number: _____

Fax Number: _____

E-mail Address: _____

This Proof of Claim must be provided to and received by the Receiver on or before November ●, 2010, the Claims Bar Date, at the following address:

BDO CANADA LIMITED

Receiver and Manager of 1725587 Ontario Inc. (c.o.b. Health and HarMONEY)
and Harmoney Club Inc.
123 Front Street W.
Suite 1200
Toronto, Ontario M5J 2M2
Canada
Attention: Gary Cerrato