

2007

S.H. No. 285667

**IN THE MATTER OF:**

*The Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended

- and -

**IN THE MATTER OF:**

A Plan of Compromise or Arrangement of the Applicant, Federal Gypsum Company

FIFTH REPORT OF MONITOR – BDO DUNWOODY GOODMAN ROSEN INC.

January 7, 2008

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## 1. FIFTH REPORT OF THE MONITOR

- 1.1. Pursuant to an Order (“Initial Order”) of the Supreme Court of Nova Scotia (the “Court”) dated September 18, 2007, BDO Dunwoody Goodman Rosen Inc. was appointed as Monitor (“the Monitor”) pursuant to an application of Federal Gypsum Company (“Federal”) for protection under the Companies’ Creditors Arrangement Act (“CCAA”).
- 1.2. During the course of Federal’s CCAA proceeding, there have been a number of Orders and Decisions of Mr. Justice A. David MacAdam who has carriage of the matter in the Court. The Monitor has prepared a summary of these Orders and Decisions, which summary is set out in Exhibit 1 as attached to this present report. The full text of the Orders set out in Exhibit 1 may be viewed on the Monitor’s special website at [www.bdo.ca/fgc](http://www.bdo.ca/fgc).
- 1.3. The purpose of the Monitor’s Fifth Report is primarily twofold. Firstly, to report to the Court on the status of the CCAA proceeding since the filing of the previous report (Fourth Report) with the Court. Secondly, to report to creditors pursuant to Section 11.7(3)(b)(ii) of the CCAA, which report is required to be delivered to creditors not less than seven days before the meeting of creditors called to consider a Plan of Arrangement (“the Plan”), which meeting is scheduled to be held on January 22, 2008.
- 1.4. The Monitor, to date, has prepared and filed four previous reports with the Court as follows:
  - First Report dated September 20, 2007
  - Second Report dated October 14, 2007
  - Third Report dated October 31, 2007
  - Fourth Report dated November 26, 2007

The full text of all four of the above Monitor’s Reports may be found on the Monitor’s special website at [www.bdo.ca/fgc](http://www.bdo.ca/fgc).

- 1.5. Since the preparation of the Monitor’s Fourth Report under date of November 26, 2007, the Monitor advises that primarily its time has been expended in a number of activities which may be generally described as follows:
  - The Monitor has been in continuous contact with and communicated with Mr. Rhyne (Mike) Simpson, Jr. and Michael Simpson, the senior officers of Federal; Maurice Chiasson of Stewart McKelvey, Federal’s counsel; and Carl Holm of Wickwire Holm, counsel to the Monitor. The general nature of these contacts over the past 43 days involved matters regarding the cash flow position and

reporting of Federal, DIP financing issues, matters regarding the Plan of Arrangement, claims of creditors and the Claims Bar Process, and issues related to Court applications and other numerous administrative matters relative to the CCAA proceeding.

- The Monitor has continued to deal with communications with creditors of Federal regarding both their claims outstanding at the filing of the CCAA and their post-filing obligations regarding supply of goods and services to Federal.
- On a weekly basis, the Monitor has reviewed the cash flow materials provided by Federal. In addition to the supporting materials provided by Federal, the Monitor reviews the Variance Analysis and the weekly Cash Flow Report forward. As a result of the review, the Monitor generally communicates with Federal to satisfy inquiries.
- Upon completing the review of the cash flow materials, the Monitor distributes the Variance Analysis and Weekly Cash Flow Forward Reports (“Cash Flow Reports”) to legal counsel for the secured creditors and, in certain cases, the secured creditors directly as well as other parties who have requested same. As a result of this distribution, the Monitor responds to any inquiries raised by the recipients of the Cash Flow Reports.
- The Monitor has attended a meeting with officials of Nova Scotia Business Inc. (“NSBI”) and the Province of Nova Scotia, Office of Economic Development (“OED”) along with their legal counsel and representatives of Federal and its legal counsel. The Monitor has also had communications with officials of NSBI and OED, their counsel, as well as Enterprises Cape Breton Corporation (“ECBC”) and Cape Breton Growth Fund (“CBGF”) and their legal counsel. ECBC and CBGF and their counsel were also present at a meeting with NSBI and OED and their counsel along with the Monitor and Federal and its counsel.
- In establishing the Debtor in Possession (“DIP”) financing with Century Services Inc. (“Century”), and the increase in the DIP financing, the Monitor has had a number of communications with Century, the DIP lender, and its legal counsel.
- The Monitor has attended Court hearings at The Law Courts on Water Street as follows:
  - November 29, 2007 with respect to the Meeting Order and second Comeback Order
  - December 14, 2007 with respect to the Classification Hearing
  - December 20, 2007 with respect to the Claims Bar Extension Order.
- The Monitor attended to preparation of materials in anticipation of each of the hearings referred to above.
- At the time of the November 29 and December 14 hearings, the Monitor held a number of discussions with representatives of the secured creditors and their legal counsel and Federal and its legal counsel with respect to a number of matters, including the Plan, the Claims Bar Process, and DIP financing matters.
- The Monitor and his staff have, since the issuance of the Claims Bar materials as set out in the Claims Bar Order of November 26, 2007, attended to all matters as

required under the Claims Bar Order and the management of claims related thereto, including the additional process set out in the Claims Bar Extension Order of December 20, 2007.

- The Monitor and his staff have, in the past few days, spent considerable time in dealing with the matters as required in the Order of December 14, 2007 (Meeting Order) and the process leading to the calling of the meeting as scheduled for January 22, 2008.
- As a result of the Claims Bar Process, in addition to reviewing the claims filed by creditors, the Monitor has expended considerable time in dealing with disallowed and revised claims and the disputes filed by three creditors and the resolution of those disputes, including communications and meetings with the Claims Officer.
- The Monitor has reviewed various versions of the Plan and undertaken discussions of same with Federal, its legal counsel, and Monitor's counsel related thereto.
- The Monitor has attended to and dealt with a number of other matters and documentation related thereto not otherwise referred to herein.

## 2. CASH FLOW, CASH FLOW PROJECTIONS, AND DEBTOR-IN-POSSESSION (“DIP”) FINANCING

2.1. The Initial Order of September 18, 2007 required the Monitor to review Federal’s cash flow on an ongoing basis. In this regard, the Monitor continues to review the Cash Flow Reports and related materials provided to the Monitor on a weekly basis by Federal. As indicated in previous reports, the Monitor does not audit these reports or materials, but does review them for reasonableness and ensures that the supporting materials agree with the Cash Flow Reports provided. In the Monitor’s Fourth Report under Section 2.1, the Monitor summarized the review procedures that are undertaken on a weekly basis.

2.2. Attached as Exhibit 2 is the Variance Analysis dated December 28, 2007 which relates to the week of December 24 to December 28 inclusive. The comparison in this Variance Analysis is related to the original Cash Flow Projection filed with the Initial Order application in September of 2007. The Variance Analysis is cumulative to December 28, 2007 with the comparison being again to the original budget submitted with the Initial Order.

2.3. Attached as Exhibit 3 is the Weekly Cash Flow Report on a go-forward basis. This Weekly Cash Flow Report includes the actual results up to December 28, 2007 with projections thereafter through to February 1, 2008.

2.4. As at December 28, 2007, the Monitor advises that Federal has indicated to it that the following information regarding certain working capital accounts is as follows:

• Accounts receivable trade	\$ 896,236.99
• Accounts payable for post-filing suppliers	18,187.72
• Finished goods inventory	393,453.21
• Raw materials inventory	657,843.02

2.5 The Monitor makes the following observations with respect to the Variance Analysis (Exhibit 2):

- Cumulative cash receipts are \$457,184 less (or worse) than the original budget.
- Cumulative cash outflow is \$643,350 less (or better) than the original budget.
- Cumulative net cash flow is \$186,166 better than overall Cash Flow projected by Federal.
- The sales of wallboard product on a cumulative basis are \$1,237,395 less than budget.

- Notwithstanding that sales are significantly under target, Federal has done a good job in managing its direct costs of manufacturing which have resulted in the significant better actual net Cash Flow position versus projection.
- Direct manufacturing costs are \$421,389 less than projected.
- The DIP financing as at December 28, 2007 was \$444,548 which is significantly less than the amount projected due to the lesser sales and related manufacturing activity.
- Notwithstanding that the accounts payable for post-filing suppliers as at December 28, 2007 was reported as \$18,187.72, known accounts payable missed during the Christmas break were \$13,036.49, meaning that total post-filing accounts payable as at December 28, 2007 should have been reported as \$31,224.21. The missed payables related to Monitor's accounts and Monitor's counsel's accounts, all of which have since been paid by Federal.

2.6 As indicated in Exhibit 2, the DIP financing as at December 28, 2007 was \$444,548. A review of the Weekly Cash Flow Forward as adjusted for actuals to November 23, 2007 reveals that the projected DIP financing level at December 28, 2007 was estimated to be \$688,083, rising to \$911,848 in the week of January 11, 2008 and hence the request for the increase in DIP financing which was granted by the Court in the Order issued on December 14, 2007. Due to the lesser sales activities and related strong expense management by Federal, the DIP actually required did not increase to the planned level at December 28, 2007.

### **3. PROFESSIONAL FEES SUBJECT TO THE ADMINISTRATION CHARGE**

- 3.1. The Initial Order of September 18, 2007 provided for an Administration Charge with respect to the reasonable fees and costs of the Monitor, Monitor's counsel, and Federal's counsel. The Administration Charge as set out in Paragraph 31 of the Initial Order is not to exceed \$300,000 without further Order of the Court. It is the Monitor's understanding, in consultation with legal counsel, that the \$300,000 amount is not a cap on the specified professional fees, but rather an amount as it relates to such professional fees subject to the Administration Charge which may be unpaid at any particular point in time.
- 3.2. In order to facilitate the DIP financing with Century, the Monitor, Monitor's counsel, and Federal's counsel agreed that for the purposes of priority as against the DIP financing, an amount of \$75,000 of an Administration Charge would rank in priority to the DIP financing with the remaining amount of \$225,000 ranking as subordinate to the Century DIP financing.
- 3.3. Attached as Exhibit 4 is a schedule reflecting the details of the professional fees subject to the Administration Charge as billed and paid to December 31, 2007. Exhibit 4 indicates those professional fees that are billed in total to December 31, 2007 and those which remain unpaid as at the date of this report, to the extent they are known by the Monitor. Since the commencement of the CCAA proceeding, it has been the practice of the professionals whose fees are subject to the Administration Charge to bill such fees to Federal on a weekly basis and, generally speaking, those fees are paid by Federal in the week following.
- 3.4. The Monitor has now recalculated the impact that the DIP financing and Administrative Charge will have as against the secured creditor positions. Using the balances of the secured creditor obligations as reported by those creditors in compliance with the Claims Bar Process, the Monitor submits as Exhibit 5, the revised calculation of the secured creditor percentages as those creditors would participate in the allocation of DIP and Administration Charges. The Monitor observes that there is no significant variation in this recalculation from the percentages previously reflected in earlier Monitor's Reports.



#### **4. STATUS OF PLAN OF ARRANGEMENT (“THE PLAN”) UNDER COMPANIES’ CREDITORS ARRANGEMENT ACT (“CCAA”)**

- 4.1. In its application made in support of the second Comeback Hearing and Meeting Order heard before Mr. Justice MacAdam on November 29, 2007 which resulted in the Court Order of December 14, 2007, Federal filed a form of Plan. It was acknowledged at the time that the Plan would be fluid, primarily as it related to the interests of the government term lenders, being NSBI, OED, ECBC, and CBGF.
- 4.2. Subsequent to the November 29, 2007 hearing, the Monitor, Federal, and Federal’s counsel met with the government term lenders and, as a result, after a passage of a number of days, Federal received written communications from the counsels to the government term lenders as to their positions. There have been continued discussions, communications, and negotiations which may lead to further amendments to the Plan as it affects the government term lenders.
- 4.3. The Meeting Order issued on December 14, 2007 provided for the Meeting Materials as defined in the Order and to consist of the following documents to be sent to proved creditors:
  - Notice of Meeting to Creditors
  - The Plan
  - The Monitor’s Report on the Plan
  - Form of Proxy/Voting Letter for Creditors
  - Instructions to Creditors on the Completion of the Proxy/Voting Letter
  - Copy of the Meeting Order
- 4.4. Included in the Meeting Materials is the form of the Plan as it exists as at the date of this present report. As indicated, the Monitor understands there may be some amendments applied to the Plan before it is voted upon at the meeting scheduled for January 22, 2008, but the Monitor further understands that such amendments would primarily relate to the participation of the government term lenders. If there are any other amendments made to the Plan which would affect the rights of creditors in any other class of creditors, then the Monitor believes that such amendments would likely only enhance the recovery to that class of creditor as opposed to being detrimental to their respective interests.
- 4.5. The Plan envisages that creditors be divided into various classes and that each class will vote separately on the Plan at a meeting of creditors held pursuant to Sections 4 and 5 of the CCAA. For each class to approve the Plan, the plurality required is two-

thirds of the creditors present and voting in each class and the majority in number of the creditors present and voting in each class at the meeting of creditors.

- 4.6. Paragraph 3.3 of the Plan contemplates six classes of creditors, and Paragraph 3.4 of the Plan indicates the proposal as made by Federal to each of the classes in terms of the recovery under the Plan to that class of creditor.
- 4.7. Attached as Exhibit 6 is a schedule of the Proofs of Claim filed pursuant to the Claims Bar Process with the Monitor. Except for any claims from post-September 18, 2007 creditors, Exhibit 6 represents those creditors who are eligible to vote on the Plan and any amendments to the Plan as may be made up to the time the vote is taken at the meeting of creditors.
- 4.8. The amount of each Proof of Claim accepted in Exhibit 6 reflects the amount as is claimed by the applicable creditor or as has been revised and subsequently accepted pursuant to the Claims Bar Process.
- 4.9. The Monitor notes that under the Claims Bar Order granted on November 26, 2007, claims were to be filed with the Monitor by December 12, 2007. Subsequently, on December 20, 2007, the Monitor obtained a further Claims Bar Order which extended the time for receipt of claims by the Monitor to December 21, 2007. The time period for the filing of any disputes to the Monitor's revisions or disallowances of claims filed by creditors under both Claims Bar Orders has now expired and, therefore, the amounts reflected in Exhibit 6 as the accepted amounts for creditors' claims are fixed for the purpose of voting.
- 4.10. The Monitor advises that the three disputes were filed in time pursuant to the Claims Bar Process. Two disputes have been dealt with and are resolved, subject to any revival rights as have been agreed. The third dispute will be dealt with by the Claims Officer.
- 4.11. The Monitor advises that pursuant to the Meeting Order arising out of the November 29, 2007 hearing and issued on December 14, 2007, the Monitor has undertaken all of the necessary processes and procedures defined in the said Order. Of particular note, the Monitor advises that pursuant to Paragraph 8 of the Meeting Order, the Monitor has caused the Notice to Creditors, in substantially the form attached in the said Order, to be published for a period of two business days in the Cape Breton Post, the Globe & Mail (national edition), and each and all editions of the Halifax Chronicle Herald. Further, the Monitor, as permitted by Paragraph 11 of the Meeting Order, will be (on January 7, 2008) distributing the Meeting Materials by ordinary mail to those creditors who have proved their claims pursuant to the Claims Bar Process.

- 4.12. The Monitor advises This Honorable Court and the creditors that the Monitor is of the view that Federal is acting and continues to act in good faith and with due diligence in using its best efforts in the preparation of the Plan which has now been filed with This Honorable Court and is being distributed to creditors who have proved their claims under the Claims Bar Process.
- 4.13. The Monitor continues to be of the view that on an operational basis, Federal continues to make a positive contribution in its business performance notwithstanding adverse economic and business conditions over which it has no control. The cash flow has been managed by way of Federal's production being geared to its underperforming sales levels and, therefore, the net cash flow has not been impacted in a significant adverse way in comparison to the initial cash flow projections.
- 4.14. The Monitor notes that pursuant to Paragraph 23 of the Meeting Order, in order for creditors to vote on the Plan in their appropriate class, creditors must file their Proxy and Voting Letter with the Monitor by 5:00 p.m., Halifax time, on or before January 18, 2008. The Monitor has discretion to extend this time to accept Proxies up to the commencement of the meeting or any adjournment thereof.
- 4.15. As previously indicated, the Monitor has distributed in the Meeting Materials a form of Proxy and Voting Letter to which is attached a Schedule 1 (Proven Claims Schedule) which the Monitor has completed for each specific creditor advising as to the accepted amount of each claim for the purpose of voting on the Plan and the class in which the said amount may vote.
- 4.16. A critical factor in Federal being able to execute any Plan which is approved by creditors and the Court is the new post-approval financing. In this regard, the Monitor understands from Federal that one financing offer has been received and is being considered and another one may be received shortly for consideration.

## 5. RECOMMENDATIONS

- 5.1. It is the recommendation of the Monitor that the Plan as issued as part of the Meeting Materials provides a reasonable recovery to all creditor classes in the difficult financial circumstances in which Federal finds itself.
- 5.2. The Monitor believes that Federal is diligently committed to the Plan and is highly motivated to ensure its success. As you will note from Exhibit 6, Federal's shareholders have invested in excess of \$7.6 million of their own funds in Federal's operations and, therefore, they are an integral part of ensuring a successful Plan.
- 5.3. The Monitor recommends to all classes of creditor that they vote in favor of the Plan as submitted by Federal, or as may be amended, to the betterment of creditor interests prior to the vote being taken. The Monitor is of the view that if the Plan or any amendments to the Plan do not receive the required statutory majority of the creditors voting in each class, then the Plan will fail and the opportunity for all classes of creditors to receive a recovery which would be equal to that proposed in the Plan will be lost and the likely resultant recovery will be less than the Plan. In the case of the unsecured creditor class, should the Plan fail to receive the required statutory majority of creditors voting in each class or failure to receive the sanction of the Court, then it is not likely that there will be any recovery to unsecured creditors in any other subsequent scenario.
- 5.4. Where the Plan receives the approval of the required statutory majority of creditors voting in each class, a hearing before the Court (Sanction Hearing) has been scheduled for 9:30 a.m., Halifax time, on January 29, 2008 at which time the Monitor will be recommending to This Honorable Court that it sanction the Plan.

Dated at Halifax, Nova Scotia this 7th day of January, 2008.

Respectfully submitted

**BDO DUNWOODY GOODMAN ROSEN INC.**  
Court-Appointed Monitor in the CCAA Proceeding of  
Federal Gypsum Company

Paul G. Goodman, FCA, FCIRP, FIIC  
*President*

**EXHIBIT 1**

**FEDERAL GYPSUM COMPANY  
SCHEDULE OF ORDERS AND DECISIONS  
ARISING OUT OF CCAA PROCEEDING  
(FROM SEPTEMBER 14, 2007 TO JANUARY 27, 2008)**

<b><u>Date of Hearing</u></b>	<b><u>Date Order Issued</u></b>	<b><u>Nature of Order (Main Purpose(s))</u></b>
1. September 18, 2007	September 18, 2007	Initial Order - CCAA effective - Stay of Proceedings to October 18, 2007 - Monitor appointed
2. September 24, 2007	September 27, 2007	First Debtor in Possession ("DIP") Financing Order - Monitor's First Report approved - DIP financing established at maximum of \$350,000 - Conditions for DIP established
3. October 18, 2007	October 23, 2007	First Comeback Order - Stay of Proceedings extended to November 29, 2007, subject to November 5, 2007 DIP hearing - Time to file a Plan of Arrangement extended to November 29, 2007
4. November 5, 2007	November 26, 2007	Second DIP Order - DIP financing established at lesser of \$1,500,000 or amount permitted by Century Services Inc. ("Century") formula - Terms for Century DIP established - Maximum DIP draw permitted to be \$475,000
5. November 22, 2007	November 26, 2007	Claims Bar Order - Establishes the Claims Bar Process - Provides guidance with respect to forms, etc.
6. November 29, 2007	December 14, 2007	Meeting Order/Second Comeback Order - Extends Stay of Proceedings to

<b><u>Date of Hearing</u></b>	<b><u>Date Order Issued</u></b>	<b><u>Nature of Order (Main Purpose(s))</u></b>
		January 29, 2008 - Acknowledges filing of a Plan of Arrangement - Increases permitted maximum DIP draw to \$925,000 - Establishes date and process for the giving of notice and holding a meeting of creditors - Provides guidance on forms, etc. - Provides for the Meeting Package
7. December 14, 2007	Note 1	Classification Decision - Royal Bank of Canada to be put in a class by itself with respect to its operating loan - Claim of Black & McDonald Limited to be included in unsecured creditor class
8. December 20, 2007	December 20, 2007	Claims Bar Extension Order - Permits late filing of claims to December 21, 2007 - Establishes timing changes for other matters related to change in Claims Bar date as extended

NOTE 1: To date of this present report, there has been no Order issued arising from Justice MacAdam's oral decision on December 14, 2007 regarding the two claims classification matters.

NOTE: 2 All of the above Orders may be viewed in their entirety on the Monitor's special website at [www.bdo.ca/fgc](http://www.bdo.ca/fgc).

**EXHIBIT 2****FEDERAL GYPSUM COMPANY  
VARIANCE ANALYSIS  
DECEMBER 28, 2007**

	Week Ending:		
	12/28/2007		
	Projected	Actual	Variance
<hr/>			
<b>Cash Receipts</b>			
A/R Receipts		75,956.96	75,956.96
<b>Expenses</b>			
Freight	35,807.90		35,807.90
Leases		663.71	(663.71)
Direct Costs			
Salaries/Wages	57,600.00	49,975.91	7,624.09
Employee Benefits			-
Raw Materials			
Paper			-
Gypsum			-
Others			-
Utilities			
Natural Gas			-
Electricity			-
Water			-
Contracted Services			-
Insurance - Property/Casualty			-
Manufacturing Supplies			-
Repair Supplies			-
Total Direct Costs	57,600.00	49,975.91	7,624.09
Selling Expenses			
Salaries/Wages	10,000.00	10,000.00	-
Travel	1,000.00		1,000.00
Vehicle	1,000.00		1,000.00
Meals & Entertainment	1,500.00		1,500.00
Telephone	350.00		350.00
Total Selling Expenses	13,850.00	10,000.00	3,850.00
General & Administrative Expenses			
Professional Fees			
Legal	10,000.00		10,000.00
Accounting			-
Consulting	10,000.00		10,000.00
Contracted Services	2,500.00		2,500.00
Travel	7,500.00		7,500.00

Vehicle	500.00		500.00
Meals & Entertainment	500.00		500.00
Insurance - Receivables	5,500.00		5,500.00
Pstge/XprssMail	200.00		200.00
Office Supplies	500.00		500.00
Telephone	4,000.00		4,000.00
Bank Charges	3,750.00		3,750.00
Janitorial Exp	1,500.00		1,500.00
DIP Fees and Interest	753.90		753.90
HST	79,499.71		79,499.71
Occupancy Taxes			-
Property Taxes			-
<b>Total General &amp; Admin Expenses</b>	<b>126,703.61</b>	<b>-</b>	<b>126,703.61</b>
<b>Total Selling, General &amp; Admin Expenses</b>	<b>140,553.61</b>	<b>10,000.00</b>	<b>130,553.61</b>
<b>Total Cash Outflow</b>	<b>233,961.51</b>	<b>60,639.62</b>	<b>173,321.89</b>
<b>NET CASH FLOW</b>	<b>(233,961.51)</b>	<b>15,317.34</b>	<b>249,278.85</b>
<b>ACCOUNTS PAYABLE</b>			
<b>DIP FINANCING</b>			
<b>CASH BALANCE</b>			
<hr/>			
<b>REVENUE</b>	<b>264,825.69</b>	<b>116.74</b>	<b>(264,708.95)</b>



**Period to Date:**  
**12/28/2007**

Projected	Actual	Variance
2,186,777.55	1,729,593.36	(457,184.19)
385,517.22	268,515.56	117,001.66
48,000.00	44,326.50	3,673.50
494,400.00	466,286.96	28,113.04
16,500.00	20,289.54	(3,789.54)
55,000.00	12,200.57	42,799.43
186,000.00	74,500.00	111,500.00
149,811.55	78,200.26	71,611.29
230,000.00	178,221.86	51,778.14
230,000.00	144,835.06	85,164.94
13,000.00	10,925.80	2,074.20
16,000.00	24,865.31	(8,865.31)
49,648.52	30,481.18	19,167.34
31,500.00	17,839.52	13,660.48
63,000.00	54,824.85	8,175.15
1,534,860.07	1,113,470.91	421,389.16
105,000.00	84,915.10	20,084.90
4,000.00	12,942.11	(8,942.11)
4,000.00	10,750.93	(6,750.93)
11,000.00	17,915.53	(6,915.53)
1,400.00	332.56	1,067.44
125,400.00	126,856.23	(1,456.23)
190,000.00	209,538.38	(19,538.38)
10,000.00	-	10,000.00
95,000.00	118,057.33	(23,057.33)
60,000.00	103,013.16	(43,013.16)
30,000.00	24,953.96	5,046.04

2,000.00	1,791.39	208.61
2,000.00	828.05	1,171.95
20,500.00	11,526.50	8,973.50
800.00	2,157.31	(1,357.31)
2,000.00	3,184.63	(1,184.63)
16,000.00	5,656.07	10,343.93
15,000.00	2,321.48	12,678.52
6,000.00	-	6,000.00
25,842.97	52,947.58	(27,104.61)
178,509.57	14,934.64	163,574.93
-	-	-
-	-	-
<hr/> 653,652.55	<hr/> 550,910.48	<hr/> 102,742.07
779,052.55	677,766.71	101,285.84
2,747,429.83	2,104,079.68	643,350.15
(560,652.29)	(374,486.32)	186,165.97
	(18,187.72)	
	444,548.44	
	51,874.40	
<hr/> 3,028,175.38	<hr/> 1,790,779.69	<hr/> (1,237,395.69)

## EXHIBIT 3

**FEDERAL GYPSUM COMPANY  
WEEKLY CASH FLOW  
December 28, 2007**

<b>Week</b>	<b>21-Sep-07</b>	<b>28-Sep-07</b>	<b>5-Oct-07</b>	<b>12-Oct-07</b>	<b>19-Oct-07</b>	<b>26-Oct-07</b>	<b>2-Nov-07</b>	<b>9-Nov-07</b>	<b>16-Nov-07</b>
<b>Cash Receipts</b>									
A/R Receipts	144,281.59	28,738.59	306,443.30	13,220.73	197,578.28	58,323.76	150,932.15	35,473.24	30,525.85
<b>Expenses</b>									
Freight	7,446.50	32,683.59	12,089.50	12,114.33	14,362.16	13,687.00	19,523.49	10,938.96	19,518.22
Leases		663.71	10,597.49	962.89	1,961.76	663.71	10,597.49	1,182.63	2,294.64
<b>Direct Costs</b>									
Salaries/Wages			116,661.16		56,299.79		53,142.74	12,000.00	52,339.45
Employee Benefits			6,318.14			150.00	5,892.11	450.00	150.00
<b>Raw Materials</b>									
Paper						1,603.32		10,597.25	
Gypsum		7,500.00	12,000.00		10,000.00	10,000.00		5,000.00	5,000.00
Others		9,937.90	2,500.00		32,519.70				
<b>Utilities</b>									
Natural Gas		8,037.73	9,973.43	10,000.00	9,764.00	24,713.00	14,488.50	18,678.00	9,428.00
Electricity		24,000.00	12,000.00	12,000.00	12,047.95	12,000.00	12,000.00	12,000.00	12,513.61
Water									10,925.80
Contracted Services		3,192.00			3,706.49			3,660.45	
Insurance - Property/Casualty					12,393.09		5,695.00		
Manufacturing Supplies	399.00		862.22		4,273.98		1,823.00	1,047.33	1,150.84
Repair Supplies		3,718.01	15,479.41	250.79	3,844.60	3,943.11	2,565.89	13.11	7,909.77
<b>Total Direct Costs</b>	399.00	56,385.64	175,794.36	22,250.79	144,849.60	52,409.43	95,607.24	63,446.14	99,417.47
<b>Selling Expenses</b>									
Salaries/Wages	5,000.00		14,630.58		5,000.00		10,000.00	10,284.52	10,000.00
Travel			3,191.38		2,680.96		1,602.72		
Vehicle					1,451.38		3,557.07		989.92
Meals & Entertainment / Other					1,510.87	2,451.00	440.50	2,258.85	3,955.12
Telephone									332.56
<b>Total Selling Expenses</b>	5,000.00	-	17,821.96	-	10,643.21	2,451.00	15,600.29	12,543.37	15,277.60
<b>General &amp; Administrative Expenses</b>									
<b>Professional Fees</b>									
Legal		50,000.00	5,147.36		14,529.33	6,660.98	20,675.55	20,404.90	18,931.16
Accounting									
Consulting		25,000.00	14,051.18	4,164.42	6,717.79	5,632.74	4,511.65	9,922.22	7,299.42
Contracted Services			49,023.04	486.21	37,551.77	4,937.88		2,898.97	2,877.01
Travel		689.71	2,321.24		2,442.63	2,236.03	1,055.20		5,546.47
Vehicle			1,126.48				420.35		
Meals & Entertainment					346.92	90.00		62.13	
Insurance - Receivables					5,143.76				
Postage/Exprs/Mail			302.50		197.80		241.42	130.56	88.81
Office Supplies			959.96		119.14	352.29	169.32	412.39	15.01
Telephone			977.48		1,962.16		1,064.19		642.27
Bank Charges		145.06	648.59	9.76	55.04	417.21	94.06	120.22	
Janitorial Exp									
DIP Fees and Interest						5,000.00			
HST		9,383.93							
Occupancy Taxes									
Property Taxes									
<b>Total General &amp; Admin Expenses</b>	-	85,218.72	74,557.83	4,860.39	89,066.34	25,329.13	28,231.74	33,951.39	35,400.15
<b>Total Selling, General &amp; Admin Expe</b>	5,000.00	85,218.72	92,379.79	4,860.39	79,709.55	27,780.13	43,832.03	46,494.76	50,677.75
<b>Total Cash Outflow</b>	12,845.50	174,287.95	290,861.14	39,988.40	240,883.07	94,540.27	169,560.25	122,062.49	171,908.08
<b>NET CASH FLOW</b>	131,436.09	(145,549.36)	15,582.16	(26,767.67)	(43,304.79)	(36,216.51)	(18,628.10)	(86,589.25)	(141,382.23)
<b>DIP FINANCING</b>		14,113.27	(1,468.89)	25,298.78	88,603.57	104,820.08	123,448.18	210,037.43	351,419.66
<b>Current Assets</b>	2,480,146.82	2,468,932.96	2,487,676.12	2,393,133.41	2,405,484.06	2,263,192.90	2,262,965.05	2,181,601.31	2,281,673.61

23-Nov-07	30-Nov-07	7-Dec-07	14-Dec-07	21-Dec-07	28-Dec-07	4-Jan-08	11-Jan-08	18-Jan-08	25-Jan-08	1-Feb-08
165,712.53	52,902.54	197,769.74	21,950.31	249,783.79	75,956.96	191,058.37		314,531.90	104,843.97	116,376.14
37,801.47	17,673.77	40,759.55	11,189.65	18,727.37		34,284.39	44,004.18	44,004.18	44,004.18	44,004.18
	10,609.07	1,834.76	332.88	1,961.76	663.71	12,000.00		3,000.00		12,000.00
	54,220.12	9,139.48	62,508.31		49,975.91	12,000.00	60,000.00		60,000.00	
		5,070.24	1,618.76	640.29		5,600.00				
5,000.00	5,000.00	5,000.00		10,000.00		15,000.00	20,000.00	11,000.00	20,000.00	11,000.00
28,757.81				4,484.85		9,813.20	13,084.26	20,000.00	13,084.26	20,000.00
11,816.40	11,894.40	12,000.00	25,360.00	12,068.40		22,500.00	30,000.00	30,000.00	30,000.00	30,000.00
12,000.00	12,000.00		273.50	12,000.00		18,000.00	24,000.00	24,000.00	24,000.00	24,000.00
							5,000.00			
1,300.50			13,005.87			1,600.00	1,600.00		1,600.00	1,600.00
				12,393.09				12,412.13		
212.00			8,071.15			2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
	2,700.00		12,033.23	2,366.93		7,500.00	7,500.00	7,500.00	7,500.00	7,500.00
59,086.71	85,814.52	31,209.72	122,870.82	53,953.56	49,975.91	94,413.20	163,684.26	120,496.39	158,684.26	109,684.26
	10,000.00		10,000.00		10,000.00		25,000.00		10,000.00	
			4,262.97	1,204.08						1,000.00
			2,234.47	2,518.09						3,000.00
	1,424.53		4,720.30	1,154.36					684.00	1,500.00
										350.00
-	11,424.53	-	21,217.74	4,876.53	10,000.00	-	25,000.00	-	10,684.00	5,850.00
9,273.45	6,584.07		43,545.74	13,785.84		10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
5,238.41	9,286.10		15,007.68	11,225.72		5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
	2,545.58		5,238.28			3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
			4,961.72	3,153.38						7,500.00
			244.56							500.00
			329.00							500.00
			6,382.74							6,000.00
			1,196.22							200.00
			1,156.52							500.00
			1,009.97							4,000.00
348.29	172.59	125.64		185.00						3,750.00
		4,639.03	43,308.55			1,509.67	1,385.08	2,403.07	1,891.68	1,500.00
				5,550.71						2,410.30
										32,229.85
14,860.15	18,588.34	4,764.67	122,380.98	33,900.65	-	19,509.67	19,385.08	20,403.07	19,891.68	77,090.25
14,860.15	30,012.87	4,764.67	143,598.72	38,777.18	10,000.00	19,509.67	44,385.08	20,403.07	30,575.68	82,940.25
111,748.33	144,110.23	78,568.70	277,992.07	113,419.87	60,639.62	160,207.25	252,073.52	187,903.64	233,264.13	248,628.70
53,964.20	(91,207.69)	119,201.04	(256,041.76)	136,363.92	15,317.34	30,851.12	(252,073.52)	126,628.26	(128,420.16)	(132,252.55)
297,455.46	388,663.15	269,462.11	525,503.87	389,139.55	373,822.61	342,971.49	595,045.01	468,416.75	596,836.91	729,089.46
2,219,199.46	2,238,224.86	2,242,528.41	2,317,177.82	2,331,572.81	2,261,204.42	2,173,805.04	2,114,566.83	2,289,868.72	2,161,638.70	2,232,096.62

**CCAA OF  
FEDERAL GYPSUM COMPANY  
DETAILS OF PROFESSIONAL FEES SUBJECT TO ADMINISTRATION CHARGE  
REVISED AS AT JANUARY 7, 2008**

<u>Supplier</u>	<u>Period</u>	<u>Total Invoices Including Disbursements and HST</u>	<u>Payments</u>	<u>Balance Unpaid</u>
<b>BDO Dunwoody Goodman Rosen Inc. (Monitor)</b>				
- First account	Sept 11/07 – Sept 30/07	\$ 14,051.18	\$ 14,051.18	\$ 0
- Second account	Oct 1/07 – Oct 7/07	4,164.42	4,164.42	0
- Third account	Oct 8/07 – Oct 14/07	6,717.79	6,717.79	0
- Fourth account	Oct 15/07 – Oct 21/07	5,632.74	5,632.74	0
- Fifth account	Oct 22/07 – Oct 28/07	4,511.65	4,511.65	0
- Sixth account	Oct 29/07 – Nov 4/07	9,922.22	9,922.22	0
- Seventh account	Nov 5/07 – Nov 11/07	7,299.42	7,299.42	0
- Eighth account	Nov 12/07 – Nov 18/07	5,238.41	5,238.41	0
- Ninth account	Nov 19/07 – Nov 25/07	9,286.10	9,286.10	0
- Tenth account	Nov 26/07 – Dec 2/07	9,818.76	9,818.76	0
- Eleventh account	Dec 3/07 – Dec 9/07	5,188.92	5,188.92	0
- Twelfth account	Dec 10/07 – Dec 16/07	11,225.72	11,225.72	0
- Thirteenth account	Dec 17/07 – Dec 23/07	7,526.85	7,526.85	0
- Fourteenth account	Dec 24/07 – Dec 31/07	3,214.34	3,214.34	0
Subtotal (Notes 1 & 2)		<u>103,798.52</u>	<u>103,798.52</u>	<u>0</u>
<b>Wickwire Holm (Counsel to the Monitor)</b>				
- First account	Sept 18/07 – Sept 30/07	5,147.36	5,147.36	0
- Second account	Oct 1/07 – Oct 10/07	4,468.80	4,468.80	0
- Third account	Oct 13/07 – Oct 19/07	6,660.98	6,660.98	0
- Fourth account	Oct 22/07 – Oct 26/07	5,298.72	5,298.72	0
- Fifth account	Oct 27/07 – Nov 4/07	6,088.38	6,088.38	0
- Sixth account	Nov 5/07 – Nov 11/07	10,539.30	10,539.30	0
- Seventh account	Nov 13/07 – Nov 16/07	3,399.97	3,399.97	0
- Eighth account	Nov 19/07 – Nov 25/07	6,584.07	6,584.07	0
- Ninth account	Nov 26/07 – Nov 30/07	3,750.60	3,750.60	0
- Tenth account	Dec 1/07 – Dec 8/07	2,798.48	2,798.48	0
- Eleventh account	Dec 10/07 – Dec 16/07	4,304.36	4,304.36	0
- Twelfth account	Dec 14/07 – Dec 21/07	5,509.64	5,509.64	0
- Thirteenth account	Dec 27/07 – Dec 31/07	1,342.93	1,342.93	0
Subtotal (Note 1)		<u>65,893.59</u>	<u>65,893.59</u>	<u>0</u>

<u>Supplier</u>	<u>Period</u>	<u>Total Invoices Including Disbursements and HST</u>	<u>Payments</u>	<u>Balance Unpaid</u>
<u>Stewart McKelvey (Note 1)</u> <u>(Counsel to FGC)</u>				
- First account (allocated)	Sept 1/07 – Sept 30/07	35,323.28	35,323.28	0
- Second account	Oct 1/07 – Oct 28/07	15,376.83	15,376.83	0
- Third account	Oct 24/07 – Nov 4/07	14,316.52	14,316.52	0
- Fourth account	Nov 8/07 – Nov 15/07	5,873.48	5,873.48	0
- Fifth account	Nov 5/ 07 – Nov 26/07	17,817.23	17,817.23	0
- Sixth account	Nov 27/07 – Nov 30/07	10,502.74	10,502.74	0
- Seventh account	Dec 3/07 – Dec 7/07	8,676.69	8,676.69	0
- Eighth account	Dec 5/07 – Dec 16/07	9,481.48	0	9,481.48
- Ninth account	Dec 14/07 – Dec 31/07	1,813.12	0	1,813.12
Subtotal (Notes 1 & 2)		119,181.37	107,886.77	11,294.60
Grand Totals		<u>\$ 288,873.48</u>	<u>\$ 277,578.88</u>	<u>\$ 11,294.60</u>

NOTE 1: The above amounts include time charges, disbursements, and HST.

NOTE 2: The Monitor's accounts include substantial disbursements for advertising as required by the Claims Bar Order.

NOTE 3: The eighth and ninth accounts of Federal's legal counsel may be paid, but the Monitor is not aware of such at the writing of this report.

**EXHIBIT 5**

**FEDERAL GYPSUM COMPANY**  
**CCAA – INITIAL ORDER - SEPTEMBER 18, 2007**  
**CALCULATION OF SECURED CREDITOR PERCENTAGES**  
**(REVISED AS AT JANUARY 7, 2008)**

	<b>Amount O/S Sept 18/07 (Note 1)</b>	<b>Creditor %</b>
Royal Bank of Canada		
Loan	\$ 533,400	3.08
Lease	<u>297,778</u>	<u>1.72</u>
	<u>831,178</u>	4.80
Cape Breton Growth Corporation	5,178,767	29.88
Enterprise Cape Breton Corporation	1,806,311	10.42
Nova Scotia Business Inc.	6,567,594	37.89
Nova Scotia - Office of Economic Development	2,873,018	16.58
Ford Credit Canada Limited		
Re Taurus	11,289	
Re F150	13,860	
Re F500	<u>34,513</u>	
	<u>59,662</u>	0.34
National Leasing Group Inc.	9,604	0.05
CIT Financial	<u>8,421</u>	<u>0.04</u>
<b>TOTALS</b>	<b><u>\$ 17,334,555</u></b>	<b>100%</b>

**Note 1:**

Amounts of secured creditor claims are as at September 18, 2007 for the purpose of reflecting the allocation of DIP advances and Administration Charge to the respective secured creditor interests. The amounts are as reported by creditors in their filing under the Claims Bar Process.

Federal Gypsum Company  
Proofs of Claim Filed Pursuant To Claims Bar Process

Name of Creditor (By Class)	Amount on Federal's Claim List	Date Claim Received by Monitor	Amount Claimed (General)	Amount Claimed (Subsequent)	Notice of Allowance	Notice of Disallowance/ Revision	Amount Accepted	Comments
<b><u>OPERATING LENDER</u></b>								
1 Royal Bank of Canada	\$530,000.00	12-Dec-07	\$585,051.61	\$ -	14-Dec-07	17-Dec-2007	\$533,399.93	Notice of Dispute - Resolved
<b>TOTAL OPERATING LENDER</b>	<b>530,000.00</b>		<b>585,051.61</b>				<b>533,399.93</b>	
<b><u>STATUTORY CLAIMS</u></b>								
2 Municipality of County of Richmond	37,527.42	05-Dec-07	99,493.33		05-Dec-07		99,493.33	
<b>TOTAL STATUTORY CLAIMS</b>	<b>37,527.42</b>		<b>99,493.33</b>				<b>99,493.33</b>	
<b><u>TERM LENDERS</u></b>								
3 Cape Breton Growth Fund Corporation	5,000,000.00	12-Dec-07	5,178,767.12		14-Dec-07		5,178,767.12	
4 Enterprise Cape Breton Corporation	1,750,000.00	12-Dec-07	1,806,311.64		14-Dec-07		1,806,311.64	
5 Nova Scotia Business Inc.	6,451,747.55	12-Dec-07	6,567,593.76		14-Dec-07		6,567,593.76	
6 Office of Economic Development	2,845,231.73	12-Dec-07	2,873,017.78		14-Dec-07		2,873,017.78	
<b>TOTAL TERM LENDERS</b>	<b>16,046,979.28</b>		<b>16,425,690.30</b>				<b>16,425,690.30</b>	

**EXHIBIT 6**



Federal Gypsum Company  
 Proofs of Claim Filed Pursuant To Claims Bar Process

Name of Creditor (By Class)	Amount on Federal's Claim List	Date Claim Received by Monitor	Amount Claimed (General)	Amount Claimed (Subsequent)	Notice of Allowance	Notice of Disallowance/ Revision	Amount Accepted	Comments
<b>LEASE LENDERS</b>								
7 CIT Financial	8,060.30	10-Dec-07	8,421.54			10-Dec-2007	8,421.54	Notice of Dispute
8 First Union Rail Corporation	not on Fed's List	21-Dec-07	1,293,936.80			12-Dec-2007	1,293,936.80	Dec.20/07 Order
9 Ford Credit Canada Ltd.	36,445.45	21-Dec-07	34,512.92		21-Dec-07		34,512.92	
10 Ford Credit Canada Ltd.	16,380.26	21-Dec-07	13,860.22		21-Dec-07		13,860.22	
11 Ford Credit Canada Ltd.	12,633.75	21-Dec-07	11,288.96		21-Dec-07		11,288.96	
12 National Leasing Group Inc.	9,172.93	05-Dec-07	9,604.67		10-Dec-07		9,604.67	
13 Nova Scotia Business Inc.	0.00	12-Dec-07				19-Dec-2007	0.00	Notice of Dispute Re Rental Resolved Conditionally
14 Royal Bank of Canada	414,813.00	12-Dec-07	287,777.85		17-Dec-07		287,777.85	
<b>TOTAL LEASE LENDERS</b>	<b>497,305.69</b>		<b>1,669,402.96</b>	<b>0.00</b>			<b>1,669,402.96</b>	

Federal Gypsum Company  
 Proofs of Claim Filed Pursuant To Claims Bar Process

Name of Creditor (By Class)	Amount on Federal's Claim List	Date Claim Received by Monitor	Amount Claimed (General)	Amount Claimed (Subsequent)	Notice of Allowance	Notice of Disallowance/ Revision	Amount Accepted	Comments
<b><u>SHAREHOLDERS OF THE COMPANY</u></b>								
15 Blue Thunder Construction Limited	1,088,200.00	21-Dec-07	1,088,200.00			21-Dec-2007	1,088,200.00	Dec. 20/07 Order - Related Creditor
16 Federal Gypsum Inc.	6,151,800.00	12-Dec-07	6,342,402.00		12-Dec-07		6,342,402.00	Related Creditor
17 Rhyne Simpson Jr.	180,077.00	12-Dec-07	205,433.23		12-Dec-07		205,433.23	Related Creditor
<b>TOTAL SHAREHOLDERS CLAIMS</b>	<b>7,420,077.00</b>		<b>7,636,035.23</b>				<b>7,636,035.23</b>	

Federal Gypsum Company  
Proofs of Claim Filed Pursuant To Claims Bar Process

Name of Creditor (By Class)	Amount on Federal's Claim List	Date Claim Received by Monitor	Amount Claimed (General)	Amount Claimed (Subsequent)	Notice of Allowance	Notice of Disallowance/ Revision	Amount Accepted	Comments
<b><u>UNSECURED CREDITORS</u></b>								
18 ADM Systems Engineering Ltd.	117,740.13	07-Dec-07	117,740.13		07-Dec-07		117,740.13	
19 Arntek Limited	25,357.01	07-Dec-07	25,357.01		07-Dec-07		25,357.01	
20 Anderson Electric Controls Inc.	49,164.24	21-Dec-07	41,791.00			12/17/2007	40,638.65	Dec.20/07 Order
21 Atlantic Controls Limited	7,395.57	17-Dec-07	7,395.56		20-Dec-07		7,395.56	Dec.20/07 Order
22 BJ Electric Motor & Control Ltd.	15,594.43	20-Dec-07	15,594.43		20-Dec-07		15,594.43	Dec.20/07 Order
23 B&N Distributors Ltd.	3,207.94	28-Nov-07	3,207.94		30-Nov-07		3,207.94	
24 Black and MacDonald Limited	1,123,363.95	12-Dec-07	1,919,150.87			17-Dec-07	1,919,150.87	Court Decision of Dec.14/07
25 Bronia Transport Ltd.	0.00	03-Dec-07	1,526.40		06-Dec-07		1,526.40	
26 Breton Petroleum	1,459.08	28-Nov-07	2,171.52		30-Nov-07		2,171.52	
27 C&B Industrial Supplies Limited	8,199.78	11-Dec-07	8,199.78		12-Dec-07		8,199.78	
28 Canada Revenue Agency	24,000.00	29-Nov-07	24,000.00		06-Dec-06		24,000.00	
29 Canadawide Scientific Ltd.	2,801.95	30-Nov-07	2,801.95		03-Dec-07		2,801.95	
30 Causeway Electrical Supplies Ltd.	21,705.89	03-Dec-07	21,705.89		03-Dec-07		21,705.89	
31 Canadian National Railway	878,416.56	14-Dec-07	773,164.25		21-Dec-07		774,767.54	Dec. 20/07 Order
32 Complete Packaging Systems Inc.	13,035.39	03-Dec-07	13,035.39		03-Dec-07		13,035.39	
33 Corps of Commissioners	6,324.84	03-Dec-07	11,296.01			03-Dec-07	8,866.99	

Federal Gypsum Company  
Proofs of Claim Filed Pursuant To Claims Bar Process

Name of Creditor (By Class)	Amount on Federal's Claim List	Date Claim Received by Monitor	Amount Claimed (General)	Amount Claimed (Subsequent)	Notice of Allowance	Notice of Disallowance/ Revision	Amount Accepted	Comments
34 Davis Controls	5,290.91	12-Dec-07	5,290.91		14-Dec-07		5,290.91	
35 DMJ Associates LLC	28,647.31	10-Dec-07	53,929.72			17-Dec-07	53,153.85	
36 Dryer Design Incorporated	53,072.54	05-Dec-07	49,562.27		07-Dec-07		49,562.27	
37 EB Engineered Panels & Controls Inc.	4,480.00	17-Dec-07	4,480.00		21-Dec-07		4,480.00	Dec. 20/07 Order
38 ED MacKinnon Trucking Ltd.	7,524.00	28-Nov-07	10,032.00		30-Nov-07		10,032.00	
39 Atlantic Canada Opportunities Agency	500,000.00	11-Dec-07	440,791.93		12-Dec-07		440,791.93	
40 Fire Stop Enterprises Ltd.	3,958.97	19-Dec-07	3,958.97		20-Dec-07		3,958.97	Dec. 20/07 Order
41 FMF Flexible Machining & Fabrication	8,649.66	12-Dec-07	9,649.65			12-Dec-07	8,649.66	
42 General Freight Carriers LP	7,038.40	04-Dec-07	7,038.40		04-Dec-07		7,038.40	
43 Gil Soucy Trucking Ltd.	4,575.00	10-Dec-07	31,941.50		11-Dec-07		31,941.50	
44 GM MacDonald Welding Ltd.	20,842.15	18-Dec-07	20,842.15		20-Dec-07		20,842.15	Dec. 20/07 Order
45 G&M Insulation and Siding Ltd.	16,393.84	10-Dec-07	16,692.01		11-Dec-07		16,692.01	
46 Handy Chemicals	16,867.44	06-Dec-06	16,867.44		06-Dec-07		16,867.44	
47 Hart Industries Inc.	17,469.78	13-Dec-07	15,782.94		21-Dec-07		15,782.94	Dec. 20/07 Order
48 Henry Company	22,323.43	12-Dec-07	18,004.24			14-Dec-07	17,246.06	
49 J. Podsedley & Sons Eng & Drftg	4,501.38	04-Dec-07	3,991.26		04-Dec-07		3,991.26	
50 John Brodeurs Machine Company Ltd	153,189.10	10-Dec-07	334,663.35			12-Dec-07	150,774.05	
51 K&T Transport Ltd.	18,080.77	04-Dec-07	21,260.77		05-Dec-07		21,260.77	

Federal Gypsum Company  
Proofs of Claim Filed Pursuant To Claims Bar Process

Name of Creditor (By Class)	Amount on Federal's Claim List	Date Claim Received by Monitor	Amount Claimed (General)	Amount Claimed (Subsequent)	Notice of Allowance	Notice of Disallowance/ Revision	Amount Accepted	Comments
52 Katz, Robert	3,756.41	12-Dec-07	3,322.15		14-Dec-07		3,322.15	
53 Land and Sea Instrumentation Limited	784,376.21	12-Dec-07	998,446.75		14-Dec-07		998,446.75	
54 L&B Electric Ltd.	2,000.00	29-Nov-07	2,000.00		30-Nov-07		2,000.00	
55 Laurentian Energy Corporation Inc.	65,977.50	11-Dec-07	65,997.50		11-Dec-07		65,997.50	
56 Maddocks Engineered Machinery Inc.	7,706.17	11-Dec-07	7,706.17		11-Dec-07		7,706.17	
57 Maritime Inn Port Hawkesbury	1,161.70	17-Dec-07	1,389.62		20-Dec-07		1,389.62	Dec. 20/07 Order
58 Northern Ohio Controls Corporation	57,363.81	21-Dec-07	54,119.20			21-Dec-2007	54,119.20	Dec. 20/07 Order
59 Nova Construction Company Ltd.	7,209.48	10-Dec-07	52,650.96		12-Dec-07		52,650.96	
60 Nova Scotia Power Inc.	193,407.11	12-Dec-07	146,858.84		14-Dec-07		146,858.84	
61 Pegasus Design Associates	31,475.60	21-Dec-07	30,885.88		21-Dec-07		30,885.88	Dec. 20/07 Order
62 PBB Global Logistics Inc.	3,763.96	10-Dec-07	6,176.77			11-Dec-07	4,083.11	
63 PF Collins Customs Broker	26,166.95	12-Dec-07	26,166.95		12-Dec-07		26,166.95	
64 Propiastex Industries Inc.	1,013.72	03-Dec-07	1,013.72		03-Dec-07		1,013.72	
65 Quality Belt Maintenance Inc.	35,767.15	12-Dec-07	33,676.15		11-Dec-07		33,676.15	
66 Rammentor Strategic Consulting	14,134.12	Dec 12, 207	16,300.05		14-Dec-07		16,300.05	
67 R.E.M. Transport Ltd.	3,689.00	04-Dec-07	7,378.00		04-Dec-07		7,378.00	
68 Steelmac Limited	3,121.80	12-Dec-07	3,121.80		14-Dec-07		3,121.80	

Federal Gypsum Company  
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Name of Creditor (By Class)	Amount on Federal's Claim List	Date Claim Received by Monitor	Amount Claimed (General)	Amount Claimed (Subsequent)	Notice of Allowance	Notice of Disallowance/ Revision	Amount Accepted	Comments
69 Steepjack Services	18,585.36	10-Dec-07	18,585.36		11-Dec-07		18,585.36	
70 Stepan Canada Ir	2,654.90	11-Dec-07	2,654.90		11-Dec-07		2,654.90	
71 Stewart McKevey	47,090.16	12-Dec-07	48,288.83		14-Dec-07		48,288.83	
72 Strait Supplies	38,807.34	11-Dec-07	70,995.99			18-Dec-07	52,414.81	
73 Sweetwater Marine and Welding Inc.	18,541.91	19-Dec-07	16,432.54		20-Dec-07		16,432.54	
74 Superior Cleaning Service Ltd.	3,009.60	10-Dec-07	3,009.60		11-Dec-07		3,009.60	
75 Superior Propane	3,019.79	20-Dec-07	5,871.45		21-Dec-07		5,871.45	Dec. 20/07 Order
76 Tidal Transportation Inc.	33,554.90	19-Dec-07	35,086.60		20-Dec-07		35,086.60	Dec. 20/07 Order
77 Univar Canada Ltd.	7,280.48	08-Dec-07	7,280.48		06-Dec-07		7,280.48	
78 Vaughan Controls Inc.	266,963.38	17-Dec-07	304,512.62			20-Dec-07	243,215.94	Dec. 20/07 Order
79 Weig Karton	1,659,990.29	12-Dec-07	1,576,234.22			17-Dec-07	1,567,855.78	
80 Wilfs Demolition & Salvage Ltd.	7,940.45	10-Dec-07	9,488.00		11-Dec-07		9,488.00	
<b>TOTAL UNSECURED CREDITORS</b>	<b>6,540,220.71</b>		<b>7,608,570.74</b>	<b>0.00</b>			<b>7,329,817.36</b>	
<b>TOTAL OF ALL CLASSES</b>	<b>\$31,072,110.10</b>		<b>\$34,024,244.17</b>	<b>\$0.00</b>			<b>\$33,693,839.11</b>	