

COURT FILE NO CV-13-10009-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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 JOHN
FORSYTH SHIRT COMPANY LTD., FORSYTH HOLDINGS, INC.
AND FORSYTH OF CANADA, INC.

SUPPLEMENTARY REPORT OF THE
SECOND REPORT DATED MAY 17, 2013
BDO CANADA LIMITED
IN ITS CAPACITY AS MONITOR OF
THE APPLICANTS UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*

DATED MAY 30, 2013

1. PURPOSE


- 1.1 All defined terms herein are as presented in the Second Report of the Monitor dated May 17, 2013.
- 1.2 The purpose of this Supplementary Report dated May 29, 2013 is to provide this Honourable Court with information in respect of:
- (a) recent amendments to the Plan requested by the largest unsecured creditor, Manunion; and
 - (b) a modification of the disclaimer presented in the Second Report.

2. RECENT AMENDMENTS TO THE PLAN

- 2.1 Though Manunion had indicated their support for the financial terms of the Plan, they had concerns over the uncertainty of the 50% future profits defined as EBDAT and certain other matters. To address these concerns the following amendments were proposed and agreed to by the Companies:
- (a) An increase to EBDAT for compensation to senior management in excess of 10% over the prior year's amount was doubled;
 - (b) The default rate of interest on the Promissory Note was increased to the greater of 5% and the prevailing rate charged by the Companies' senior lender; and
 - (c) The reporting of the EBDAT calculation is to be within 60 days of the fiscal year-end.

3. **DISCLAIMER**

3.1 Paragraph 12 of the Second Report is replaced with the following:

BDO has relied upon the financial records and statements of Forsyth, as well as other information supplied by management, accountants, auditors and financial advisors to Forsyth. Our procedures and enquiries did not constitute an audit or review engagement. The Monitor's Second Report is intended solely for the use of the Court and the stakeholders in and for this proceeding. ~~BDO assumes no responsibility or liability for loss or damage occasioned by any party as a result of the circulation, publication, re-production or use of the Monitor's Second Report beyond the purpose for which it was intended.~~ 

All of which is respectfully submitted this 30th day of May, 2013.

BDO CANADA LIMITED

Per:



Blair F. Davidson, CA, CIRP, CBV
President