

**FOREVER JEWELLERY INC.**

**FIRST REPORT OF RICHTER ADVISORY GROUP INC.,  
IN ITS CAPACITY AS INTERIM RECEIVER AND RECEIVER OF  
FOREVER JEWELLERY INC.**

November 25, 2016

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

BETWEEN:

**SALUS CAPITAL PARTNERS LLC**

Applicant

- and -

**FOREVER JEWELLERY INC.**

Respondent

**APPLICATION UNDER subsections 47 (1) and 243 (1) of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended, and under section 101 of the  
*Courts of Justice Act*, R.S.O. 1990, c. C.43**

**APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended, and under section 101 of the  
*Courts of Justice Act*, R.S.O. 1990, c. C.43**

**FIRST REPORT OF RICHTER ADVISORY GROUP INC.  
IN ITS CAPACITIES AS COURT APPOINTED INTERIM RECEIVER AND RECEIVER OF  
FOREVER JEWELLERY INC.**

November 25, 2016

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## I. INTRODUCTION

1. Richter Advisory Group Inc. ("**Richter**"), was appointed as interim receiver (the "**IR**" or "**Interim Receiver**"), without security, of all of the assets, properties and undertakings (the "**Property**") of Forever Jewellery Inc. ("**FJI**" or the "**Company**"), pursuant to an order (the "**Interim Receivership Order**") of the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated June 27, 2016 (the "**Date of IR Appointment**"). A copy of the Interim Receivership Order is attached hereto as **Appendix "A"**.
2. As set out in the endorsement of the Honourable Mr. Justice Newbould, a copy of which is attached as **Appendix "B"**, the Interim Receivership Order was granted on an ex-parte basis and was made effective only until the initial comeback date set by the Court for June 30, 2016.
3. Upon return before the Court on June 30, 2016, Richter was appointed as receiver (the "**Receiver**"), without security, of all of the Property of Forever Jewellery Inc., pursuant to an order (the "**Receivership Order**") of the Honourable Mr. Justice Wilton-Siegel of the Ontario Superior Court of Justice (Commercial List) dated June 30, 2016 (the "**Date of Appointment**"). A copy of the Receivership Order is attached hereto as **Appendix "C"**.

## II. PURPOSE OF REPORT

4. The purpose of this first report of the IR and Receiver (the "**First Report**") is to:

### Interim Receivership

- a) Provide this Court with certain information pertaining to the interim receivership, including:
  - (i) The activities of the Interim Receiver since the Date of IR Appointment; and
  - (ii) The Interim Receiver's receipts and disbursements for the period from the Date of IR Appointment to June 30, 2016.
- b) Recommend that this Court make an order(s):
  - (i) Approving the actions, activities and conduct of the interim Receiver;
  - (ii) Approving the IR's statement of receipts and disbursements for the period from the Date of IR Appointment to June 30, 2016;
  - (iii) Approving the accounts of the Interim Receiver and its counsel, Fasken Martineau DuMoulin LLP ("**Fasken**");

- (iv) Terminating the interim receivership proceedings, including terminating the Interim Receiver's Charge and the Interim Receiver's Borrowing Charge, as provided for in the Interim Receivership Order, upon the interim Receiver filing a discharge certificate (the "**IR Discharge Certificate**"); and
- (v) Ordering and declaring that Richter has duly and properly discharged its duties, responsibilities and obligations as the interim Receiver of FJI and discharging and releasing the IR from any and all further obligations as interim Receiver of FJI and any and all liability that Richter now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Richter while acting as Interim Receiver, save and except for the Interim Receiver's gross negligence or willful misconduct.

### **Receivership**

- c) Provide this Court with certain information pertaining to the receivership, including:
  - (i) The activities of the Receiver since the Date of Appointment;
  - (ii) Certain matters were raised in materials filed by the Respondent at the hearing of the application for the Receivership Order, on which Justice Wilton-Siegel in his endorsement (a copy of which is attached as **Appendix "D"**) asked the Receiver to report further.
  - (iii) The informal realization process relating to the Company's Property, and the results thereof;
  - (iv) The Receiver's review of the security held by Saius Capital Partners, LLC as lender and agent for other lenders ("**Saius**" or the "**Lender**") in respect of the Property; and
  - (v) The Receiver's statement of receipts and disbursements from the Date of Appointment to November 24, 2016; and
  - (vi) The Receiver's estimate of accrued and unpaid obligations as of the date of this First Report (together, the "**Accrued Obligations**") and the Receiver's estimate of professional fees and disbursements, including those of its counsel, and administrative costs required to complete these receivership proceedings (the "**Remaining Costs**").
- d) Recommend that this Court make an order(s):
  - (i) Approving this First Report including the actions and activities of the Receiver set out herein;
  - (ii) Approving the Receiver's statement of receipts and disbursements from the Date of Appointment to November 24, 2016, and authorizing payment of the interim Receiver's Shortfall (as hereinafter defined);
  - (iii) Approving the accounts of the Receiver and its counsel, as set out in this First Report, and authorizing the Receiver to pay the accounts of the Interim Receiver and its counsel (which amounts are included in the Interim Receiver's Shortfall);

- (iv) Authorizing and directing the Receiver to make an interim distribution to Salus in respect of its secured claim against the Property in the amount of \$200,000;
- (v) Authorizing the Receiver to make such subsequent distributions to Salus as the Receiver determines appropriate, without further order of the Court, provided the aggregate distributions to Salus do not exceed the amount of its secured claim against FJI, and the Receiver maintains sufficient reserves to satisfy the Accrued Obligations and the Remaining Costs (collectively, the "**Outstanding Disbursements**");
- (vi) Authorizing the Receiver to pay the Outstanding Disbursements from the available cash on hand, and any subsequent cash receipts, without further approval of this Court;
- (vii) Approving the accounts of the Receiver and its counsel, as set out in this First Report, and authorizing the Receiver to pay the accounts of the Receiver and its counsel;
- (viii) Authorizing the Receiver to file an assignment in bankruptcy for and on behalf of the Company naming Richter as trustee of FJI's bankrupt estate (the "**Trustee**") and to execute any and all necessary documents to effect such assignment in bankruptcy;
- (ix) Authorizing the Receiver to transfer to the Trustee, upon appointment, the amount of \$15,000 (plus HST) (the "**Administration Deposit**") to provide the necessary funding for the respective professional and other costs incurred by the Trustee in its administration of FJI's bankruptcy proceedings;
- (x) Discharging Richter as Receiver upon completion of the Remaining Matters (as hereinafter defined), including terminating the Receiver's Charge and the Receiver's Borrowing Charge, as provided for in the Receivership Order, and subject to the Receiver filing a discharge certificate (the "**Discharge Certificate**") confirming same with the Court; and
- (xi) Ordering and declaring that, effective upon its discharge as Receiver, Richter has duly and properly discharged its duties, responsibilities and obligations as the Receiver of FJI and discharging and releasing the Receiver from any and all further obligations as Receiver of FJI and any and all liability that Richter now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Richter while acting as Receiver, save and except for the Receiver's gross negligence or willful misconduct.

### III. QUALIFICATIONS

5. In preparing this First Report, Richter has relied upon unaudited financial information, the Company's books and records, financial information prepared by the Company and discussions with management (collectively, the "**Information**"). Richter has reviewed the information for reasonableness, internal consistency, and use in the context in which it was provided, and in consideration of the nature of the evidence provided to this Court, in relation to the relief sought therein. Richter has not, however, audited or otherwise attempted to verify the accuracy or

completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Auditing Standards ("GAAS") pursuant to the Canadian Institute of Chartered Accountants Handbook and, as such, Richter expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information. An examination of the Company's financial forecasts in accordance with the Canadian Institute of Chartered Accountants Handbook has not been performed. Future-oriented financial information reported on or relied upon in this First Report is based on management's assumptions regarding future events; actual results achieved may vary from forecast and such variations may be material.

6. Unless otherwise noted, all monetary amounts contained in this First Report are expressed in Canadian dollars ("CAD").

#### **IV. BACKGROUND AND EVENTS LEADING TO THE APPOINTMENT OF THE RECEIVER**

7. While this First Report summarizes some of the Information set out in the affidavit of Andrew Prunier sworn June 23, 2016 (the "Prunier Affidavit") in support of the appointment of the Interim Receiver and Receiver, for a more detailed explanation of the Company's background and events leading to the appointment of the Interim Receiver and Receiver, readers are directed to the Prunier Affidavit. A copy of the Prunier Affidavit is posted on the Receiver's website at <http://www.richter.ca/en/folder/insolvency-cases/fj/forever-jewellery-inc> (the "Receiver's Website").

##### **Company Overview & Corporate Structure**

8. FJI is a privately-owned Ontario corporation, which operated a wholesale jewellery business. FJI's products (gemstones, precious metals and finished jewellery) were sold through retail networks in Canada and in the United States. FJI is affiliated with J.S.N. Jewellery Inc. ("JSN") and sourced its products from JSN.
9. FJI's business was in the process of winding down, and at the IR Appointment Date only a skeletal staff of employees remained.
10. FJI operated from leased premises located at 132 Jardin Drive, unit 12, Concord, ON (the "Premises").

##### **Causes of Insolvency**

11. FJI began experiencing financial and operational difficulties due to a number of factors, including the following:
  - a) Due to a breakdown in the Utopia relationship, JSN – FJI's sole supplier of product – was unable to service the majority of its customer base and operations, including FJI; and
  - b) Defaults and forbearance termination events under the accommodation agreement executed with Salus on May 16, 2016 (the "Accommodation Agreement"), the obligations of which FJI was a guarantor, as detailed in the Prunier Affidavit.

12. As a result of the above, absent continued support from the Lender, FJI would have been unable to continue to carry on its businesses. As previously outlined in this First Report, in June 2016, Saius sought and obtained the Interim Receivership Order and the Receivership Order pursuant to which, among other things, Richter was appointed as Interim Receiver and Receiver respectively.
13. Subsequent to the execution of the Accommodation Agreement, the financial condition of the borrowers party to the agreement continued to worsen and on August 16, 2016, Richter was appointed as receiver, without security, of all of the assets, properties and undertakings of certain of the borrowers and obligors; JSN, 2373138 Ontario inc., Always & Forever Family Collection Inc., and P.M.R. Inc., GMJ Corp., and J.S.N. Jewellery UK Limited, pursuant to an order of the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (Commercial List), a copy of which is posted on the Receiver's website at <http://www.richter.ca/en/folder/insolvency-cases/jfjsn-jewellery-inc>.

## V. INTERIM RECEIVER AND RECEIVER'S ACTIVITIES SINCE THE DATE OF APPOINTMENT

14. From the Date of IR Appointment to the Date of Appointment, the Interim Receiver's activities have included:
- a) Taking possession of and securing the Premises;
  - b) Contacting the Company's alarm service provider to both delete existing alarm codes and set up new alarm codes for the Interim Receiver;
  - c) Reviewing the cash receipts and disbursements in the Company's bank account; and
  - d) Taking possession of and reviewing the Company's books and records to obtain a better understanding of the Company's financial position and the Property.
15. Since the Date of Appointment, the Receiver's activities have included:
- a) Negotiating with the Landlord (as hereinafter defined) to grant the Receiver continued access to the Premises in order to realize on the Property (discussed further below);
  - b) Freezing the Company's bank account with CIBC and opening up new bank accounts in the name of the Receiver;
  - c) Reviewing FJI's existing insurance coverage and contacting the Company's insurance broker to request that the Receiver be listed as named insured and loss payee on the Company's insurance policies;
  - d) Undertaking a review of the Company's inventory, equipment and other assets, including the identification of property that may be subject to claims pursuant to section 81(1) of the *Bankruptcy and Insolvency Act* (the "BIA");
  - e) Arranging for the continuation of all essential services, including utilities for the Premises. Subsequently, arranging for the cancellation of these same services when the Receiver vacated the Premises;



- f) Arranging for the pick-up and removal from the Premises of third party inventory and books/records;
- g) Meeting with the Company's former employees (the "Former Employees") to advise of, among other things, the Receiver's appointment and the termination of their employment, as provided for in the Receivership Order. The Receiver also informed the Former Employees of their rights and entitlements under the provisions of the *Wage Earner Protection Program Act* ("WEPPA") and the limited priority granted to employee claims for wage arrears in accordance with section 81.4 of the BIA. It should be noted that following its appointment, the Receiver paid (with the Lender's approval) all outstanding wages and/or vacation pay to which the Former Employees were entitled as at the Date of Appointment. Accordingly, the Receiver is not aware of any amounts owing to the Former Employees that would have priority over the Lender, pursuant to section 81.4 of the BIA;
- h) Communicating with the Company's IT service provider to terminate systems access for the Former Employees;
- i) Contacting Canada Revenue Agency ("CRA") to set up a new account (HST) in the name of the Receiver;
- j) Retaining three (3) of the Former Employees as independent contractors, on a temporary basis, to assist in completing various receivership activities, including assisting the Receiver to realize on the Property;
- k) Planning and implementation of an informal inventory realization process, including organizing inventory by lots, compiling inventory listings, supervising inventory viewings by interested parties, selecting the winning bids, and completing inventory sales;
- l) Executing the sale of the Company's intellectual property, namely trademark(s);
- m) Collecting the Company's accounts receivable, and engaging a third party collections agency to assist with same;
- a. Mailing, on July 11, 2016, a copy of the notice and statement of the Receiver pursuant to sections 245(1) and 246(1) of the BIA to the Office of the Superintendent of Bankruptcy and the Company's known creditors;
- n) Responding to calls and enquiries from the Company's creditors, including Former Employees, suppliers and other stakeholders regarding the receivership proceedings;
- o) Communicating with Saius and its counsel in connection with various aspects of the receivership; and
- p) Establishing the Receiver's Website where all materials filed with the Official Receiver and the Court in connection with the receivership proceedings are available in electronic format.

## VI. LANDLORD ISSUES

16. The Interim Receiver attended the Premises on June 27, 2016 to take possession of and secure the Company's Property per the terms of the Interim Receivership Order. This included changing the locks, security codes and safe codes at the Premises.
17. Following its appointment as Receiver, on July 4, 2016 a representative of Richter was approached at the Premises by a man who identified himself as Philip Henriques, a representative of the landlord, Gothen Inc. (the "Landlord"). Mr. Henriques informed the Receiver that the Company was on a monthly tenancy, that the tenancy expired on July 1, 2016, and that the Receiver must vacate the Premises by the close of business on Wednesday, July 6, 2016. Mr. Henriques also instructed the Receiver that all further communications with respect to the Premises should be made through the property manager, Richard Moreno at Greenwin Property Management. The Property at the Premises comprised primarily jewellery inventory, books and records, and furniture, fixtures and equipment ("FF&E"). The Receiver required continued access to and use of the Premises to execute its mandate, but expected that it would be in a position to vacate the Premises before July 31, 2016.
18. In response to the Landlord's statements on July 4, 2016, and following the Receiver's review of the Company's lease documents, the Receiver's legal counsel, Fasken sent a letter by e-mail (c/o Mr. Moreno) and courier (to the Landlord's registered office address) on July 5, 2016 enclosing a copy of the Receivership Order, expressing the Receiver's view that the Company's tenancy continues until the end of July, and seeking confirmation that the Landlord will not interfere with the Receiver's access to and use of the Premises until that time.
19. In its July 5, 2016 letter, the Receiver's legal counsel, Fasken advised that if the Landlord disputed the Receiver's entitlement to access the Premises through the end of July 2016 the Receiver would likely bring an urgent application to the Court for an order granting it access to and use of the Premises, and requested contact information for the Landlord's legal counsel.
20. Given the Landlord's stated intention to deny the Receiver access to the Premises by the close of business on July 6, 2016 and the resulting urgency, the Receiver called Mr. Henriques on his mobile phone in the early evening of July 5, 2016 to ensure that he was aware of the letter from the Receiver's legal counsel. Mr. Henriques responded only that the Receiver would find the locks changed on the morning of Thursday, July 7, 2016.
21. On the morning of July 6, 2016, Fasken again wrote to Mr. Moreno to inform him of the previous evening's discussion between the Receiver and Mr. Henriques and, among other things, that in light of the Landlord's position and refusal to engage in any meaningful dialogue, the Receiver had instructed its legal counsel to prepare court materials for an urgent motion which, should access be denied, the Receiver would seek to have heard as soon as possible (early as the afternoon of July 7, 2016 or the morning of July 8, 2016). In that email, Fasken suggested that the Landlord engage legal counsel so that it may be represented at the motion.

22. The Receiver began the process of preparing court materials for a motion to gain continued access to the Premises in the event that access was denied by the Landlord, as threatened. On the morning of July 7, 2016 the Receiver found the locks unchanged and was able to gain access to the Premises. Later that afternoon, however, the power was shut off to the Premises, and the Receiver was unsuccessful in restoring power to the Premises through the local power authority. The Receiver also, directly and through its legal counsel, attempted to engage the Landlord in discussions regarding its ongoing occupancy of the Premises to no avail. Despite the power shut-off, the Receiver was able to continue to access the Premises for a period of time until the battery backup on the Company's security system approached exhaustion. During that time the Receiver explored alternatives to continued occupancy of the Premises and ultimately entered into arrangements to move the Property which could be easily removed from the Premises, to alternate locations. The Receiver was, however, forced to abandon certain FF&E including the Company's office furniture and safes (of nominal value). The books and records were moved to the Receiver's offices and the inventory was moved to a dedicated safe in the premises of JSN which, at the time, were under the direction and control of its chief restructuring officer, FAAN Advisors Group Inc. (the "CRO"), who agreed to store these assets on the Receiver's behalf. The Receiver understands that principals of JSN and/or FJI have since established operations at the Premises.

## **VII. ISSUES RAISED BY THE RESPONDENT AT THE RETURN OF THE RECEIVERSHIP APPLICATION**

23. The Respondent did not oppose the making of the Receivership Order. Counsel for the Respondent did appear, however, and filed affidavit materials raising issue with certain of the information contained in the Prunier Affidavit. In his endorsement granting the Receivership Order (attached as **Appendix "B"**) Justice Wiiton-Siegel noted the issues raised by the Respondent and asked the Receiver to report on these issues at a later time. Said issues, and the Receiver's findings thereon, are summarized as follows:

- a) Whether a payment received by FJI from P.M.R. Inc. ("PMR") on May 16, 2016 in the amount of \$174,418.89 was "for no consideration and without any authorization of the CRO", as stated in the Prunier Affidavit. The Receiver understands the Respondent's objection to the statement was two-fold: (i) that the payment from PMR to FJI was made in the ordinary course for goods sold by FJI to PMR; and (ii) that FAAN Advisors Inc. ("FAAN") had not been appointed as CRO of PMR, and its authorization of the payment was not required. This latter point of objection called into question the integrity of a document which was filed in the application materials of the Ben Moss Western Canada Ltd. ("**Ben Moss**") proceedings under the Companies' Creditors Arrangements Act (the "**CCA**"), which indicated that PMR engaged FAAN as CRO on May 1, 2016. The Receiver understands, through a review of the Company's books and records, that PMR had a liability to FJI in an amount that was consistent with the above-mentioned payment, although it could not ascertain the reason for the timing of the payment. The

Receiver reviewed an executed engagement letter dated May 12, 2016 as between FAAN and all entities of JSN, including PMR, the terms of which included the CRO's "authority to direct the operations and management of" the JSN entities. The letter was executed by Joseph Shilon ("Mr. Shilon") on behalf of the JSN entities, including PMR. Based on discussions with FAAN, the Receiver understands that the engagement of a chief restructuring officer over PMR was a requirement for Salus' cooperation in executing the Accommodation Agreement, and was discussed amongst Mr. Shilon, Mr. Shilon's personal counsel, counsel to Ben Moss, Salus and Salus' counsel in negotiations leading up to the execution of the Accommodation Agreement. That characterization of the facts appears to be consistent with the Accommodation Agreement which includes, as a condition precedent (at subsection 4.2(a)(x)), the appointment of a chief restructuring officer over PMR, and, as a condition precedent (at subsection 4.2(a)(z)), that Joseph Shilon not interfere with or exert any authority or control over the conduct of the business of PMR. Nothing has come to light in the books and records of FJI or in the Receiver's administration that would allow it to comment further on the veracity of the appointment letter produced by Ben Moss in its CCAA proceedings or on PMR's authority to make the payment in question without the knowledge of the CRO;

- b) Whether FJI breached the Accommodation Agreement with the Applicant by refusing "to return JSN all the JSN inventory in its possession by no later than May 17, 2016" (in accordance with the condition at subsection 4.2(c) of the Accommodation Agreement), as stated in the Prunier affidavit. The Receiver understands the position of the Respondent was that it had returned all of the inventory to which it was required under the Accommodation Agreement, and noted that the return obligation in the Accommodation Agreement excepted "inventory related to known or recurring orders and a minimal safety stock of certain inventory styles". The Receiver understands, through discussions with the CRO, that FJI returned inventory to JSN in two (2) batches, however prior to the Date of IR Appointment it was also discovered that JSN inventory was still being held by FJI in the amount of approximately \$500,000. Nothing has come to light in the books and records of FJI or in the Receiver's administration of these proceedings that would enable it to shed any light on whether FJI's retention of this amount of inventory constituted a breach of the Accommodation Agreement or fell under the above-mentioned exception;
- c) Whether Mr. Shilon and Gila Shilon had "refused to respond to informational requests or otherwise be transparent in relation to JSN, FJI or any of the other companies", as stated in the Prunier Affidavit. The Receiver is unable to reconcile the information contained in the affidavits filed by the Applicant and the Respondent, and nothing has come to light in the books and records of FJI or in the Receiver's administration of these proceedings that would enable it to shed any light on this issue; and

- d) Whether Mr. Shilon had "removed and/or destroyed molds integral to JSN's business, without any authority or authorization from the CRO to do so", as stated in the Prunier Affidavit. The Receiver understands the Respondent takes the position that the property characterized as "molds" (stated by the Respondent to be rubbers, waxes and concrete forms) in the Prunier Affidavit were not owned by JSN and were destroyed with the permission of the owners. The Receiver notes that the ownership of the "molds" and property of this nature was the subject of a dispute in the JSN receivership proceedings. The settlement is to be addressed before the Court in the JSN proceedings on December 1, 2016. The Receiver filed a report in the JSN proceedings outlining, among other things, the results of its inquiries relating to ownership of "molds", a copy of which is posted on the Receiver's website at <http://www.richter.ca/en/folder/insolvency-cases/i/jsn-jewellery-inc>.

## VIII. REALIZATION PROCESS

24. The Receiver, in consultation with Salus, developed a realization process as a means of monetizing the Company's inventory and fixed assets.
25. The Receiver compiled a list of 37 potential interested parties, encompassing significant players in the jewellery wholesale and precious gemstones sector, and liquidators, including Ben Moss's liquidation sales agent (collectively, the "**Prospective Purchasers**").
26. On or about July 12, 2016, the Receiver distributed to the Prospective Purchasers a detailed inventory listing segregated into two lots (generic inventory ("**Lot 1**"); and customer-specific inventory ("**Lot 2**")) and a fixed asset listing. The Receiver facilitated due diligence efforts by, among other things, scheduling and supervising viewings by six (6) Prospective Purchasers and responding to various enquiries.
27. Six (6) offers to purchase (the "**Offers**") the inventory were received from Prospective Purchasers (the "**Bidders**"). Based on the Offers, the Receiver completed a sale with Simplex Diam, Inc. ("**Simplex**") for Lot 1, and postponed the monetization of Lot 2 pending a response from the customer for which this inventory was originally destined (the "**Lot 2 Customer**"), as a sale through regular sales channels was likely to yield the highest realization. No offers were received for the Company's limited fixed assets in the possession of the Receiver.
28. When a sufficient response was not received from the Lot 2 Customer, the Receiver, in consultation with Salus, negotiated and completed a sale for Lot 2 with Simplex (the highest of the Bidders), representing a modest improvement in value over Simplex's initial offer.
29. The Company's intellectual property, namely trademark(s) (the "**IP**") was not actively marketed owing to its anticipated nominal value in the circumstances. An unsolicited offer was received from one of the Bidders, Corona Jewellery Company Ltd. ("**Corona**"), and was accepted by the Receiver.

30. All inventory and IP sales were completed on an "as is, where is" basis, for an aggregate fixed cash price of \$173,101. As the aggregate consideration was less than the \$1 million threshold outlined in the Receivership Order, no Court approval was sought by the Receiver. Based on the consideration received, Salus is the only creditor with an economic interest in the proceeds, and supported the realization process and resulting sales completed by the Receiver.

## IX. INTERIM RECEIVER AND RECEIVER'S STATEMENTS OF RECEIPTS AND DISBURSEMENTS

31. The Interim Receiver's statement of receipts and disbursements for the period from the Date of IR Appointment to June 30, 2016 (the "IR R&D") is summarized as follows:

<b>Forever Jewellery Inc.</b>		
<b>Statement of Receipts and Disbursements</b>		
<b>For the period June 27, 2016 to June 30, 2016</b>		
		<i>Notes</i>
<b>Receipts</b>	<b>\$ Nil</b>	
<b>Disbursements</b>		
Professional fees - Receiver	\$ 25,798.64	<i>a</i>
Professional fees - Fasken	6,893.50	
GST/HST paid on disbursements	4,369.05	
Operating expenses	915.90	
<b>Total Disbursements</b>	<b>\$ 37,977.09</b>	
<b>Excess Disbursements over Receipts</b>	<b>\$ (37,977.09)</b>	<i>b</i>

Notes:

- a) As detailed in the table above, the professional fees and disbursements of the Interim Receiver, in the amount of \$25,799 (plus \$3,354 in HST) have not yet been paid as of the date of this First Report; and
- b) The interim Receiver's disbursements, including any unpaid disbursements, exceeded the Interim Receiver's receipts by \$37,977 (the "Interim Receiver's Shortfall"). As detailed in a later section to this First Report, the Receiver seeks the authority to pay the interim Receiver's Shortfall from cash on hand with order of this Court.

32. The Receiver's statement of receipts and disbursements for the period from the Date of Appointment to November 24, 2016 (the "R&D") is summarized as follows:

<b>Forever Jewellery Inc.</b>	
<b>Statement of Receipts and Disbursements</b>	
<b>For the period June 30, 2016 to November 24, 2016</b>	
<b>Receipts</b>	
Accounts receivable collections	\$ 275,412.23
Asset realizations - inventory	160,601.00
Cash in bank	29,271.53
Asset realizations - intellectual property	12,500.00
GST/HST collected	1,625.00
Interest earned	135.24
<b>Total Receipts</b>	<b>\$ 479,545.00</b>
<b>Disbursements</b>	
Professional fees - Receiver	\$ 150,827.77
GST/HST paid on disbursements	22,493.18
Contract services	14,549.42
Professional fees - Fasken	13,412.25
Interim receivership costs	8,824.63
Pre-receivership company payroll	6,582.46
Operating expenses	4,025.51
Bank charges and other fees	187.00
<b>Total Disbursements</b>	<b>\$ 220,902.22</b>
<b>Excess Receipts over Disbursements / Cash on Hand</b>	<b>\$ 258,642.78</b>

- a) As detailed in the table above, the Receiver had total receipts of \$479,545 between the Date of Appointment and November 24, 2016, the majority of which relate to accounts receivable collections and the sale of inventory to Simplex. Total disbursements over the same period were \$220,902, and as at November 24, 2016, cash on hand was approximately \$260,000;
- b) Also as detailed in the table above, due to the timing of the Receiver's appointment, certain costs relating to occupancy of the Premises and other administrative costs attributed to both the interim receivership period and the subsequent receivership proceedings, were paid by the Receiver in the interest of expediency and in order to reduce costs;
- c) The Receiver estimates there remains approximately \$26,000 in Accrued Obligations relating primarily to professional fees and disbursements incurred up to the date of this First Report as part of these receivership proceedings. In addition, the Receiver estimates Remaining Costs in the amount of approximately \$60,000, including remaining professional fees and disbursements of the Receiver and its counsel (the "**Remaining Fees and Disbursements**") in the amount of approximately \$40,000 (all excluding HST);
- d) The Receiver seeks authority to pay the Outstanding Disbursements from cash on hand without further order of this Court; and

- e) Upon completion of the Remaining Matters (as hereinafter defined), the Receiver proposes to distribute any residual amounts remaining in its possession, or subsequently collected by the Receiver, to Salus on account of the outstanding secured indebtedness owing by FJI without further order of this Court. As at the date of this First Report, the Receiver anticipates an additional \$50,000 to \$75,000 in net realizations from the remaining accounts receivable.

## **X. CREDITORS**

### **Secured Claims**

33. As previously mentioned in the First Report, the Company is a limited guarantor of the obligations of JSN to Salus as per the Accommodation Agreement. This guarantee is limited to the trade payable balance between JSN and FJI. Per the Company's books and records, at the Date of Appointment this balance was approximately \$803,000. However, upon subsequent review of the balance by representatives of JSN and the Former Employees, it was determined that the reconciled amount of the trade payable as per the Company's books and records was approximately \$1.8 million.

34. The Receiver has obtained an independent, written legal opinion from Fasken with respect to the validity and enforceability of the security granted by FJI in favour of Salus under the laws of the Province of Ontario ("**Ontario Law**"). Fasken has reviewed certain security documents and, subject to customary qualifications, assumptions and limitations included therein, is of the opinion that the security granted by FJI in favour of the Lender under Ontario Law is valid and enforceable in accordance with its terms.

35. The Receiver has, through its counsel, obtained relevant personal property security search results in Ontario. Those searches revealed no registrations other than registrations in favour of Salus.

### **Priority Claims**

36. Salus' security is subject to potential prior charges and security interests or claims in respect of the Property, which include:

- (a) The Interim Receiver's Charge;
- (b) The Interim Receiver's Borrowing Charge;
- (c) The Receiver's Charge;
- (d) The Receiver's Borrowing Charge;
- (e) Deemed trust claims; and



- (f) Statutory claims pursuant to the BIA (the "BIA Claims").

Interim Receiver's Charge

37. The accrued and outstanding fees and disbursements of the interim Receiver and its legal counsel for the period from June 27, 2016 to June 30, 2016 total approximately \$26,000 (excluding HST). The Interim Receiver's Shortfall (inclusive of fees noted above) is contemplated to be paid by the Receiver and the Interim Receivership proceedings terminated, subject to the Court granting the order requested herein. Upon the payment of same and the filing of the IR Discharge Certificate with the Court, the Interim Receiver's Charge will be extinguished.

Interim Receiver's Borrowing Charge

38. Pursuant to paragraph 18 of the Interim Receivership Order, the Interim Receiver was authorized to borrow up to \$50,000, as it considered necessary or desirable. No borrowings were made by the Interim Receiver.

Receiver's Charge

39. As at the date of this First Report, pursuant to paragraph 19 of the Receivership Order, the Receiver and its counsel have received payment for certain of their fees and disbursements incurred as part of the receivership proceedings. As further discussed below, the accrued and outstanding fees and disbursements of the Receiver and its legal counsel for the period ending November 18, 2016 are approximately \$nil. In addition, the Receiver and its counsel have estimated Remaining Fees and Disbursements in the amount of \$40,000 (excluding HST). In order to provide for the Outstanding Disbursements and the Administration Deposit, the Receiver proposes to hold a reserve of approximately \$60,000, subject to the Court granting the order requested by the Receiver as described herein.

Receiver's Borrowing Charge

40. Pursuant to paragraph 20 of the Receivership Order, the Receiver was authorized to borrow up to \$100,000, as it considered necessary or desirable. As of the date of this First Report, no borrowings were made by the Receiver and no borrowings are anticipated.

Deemed Trust Claims

41. The Receiver understands that FJi made normal course remittances to CRA in connection with source deductions withheld from its employees. Additionally, as the Company had nominal source of revenue leading up to the Date of Appointment, the Receiver understands FJi was not in a payable position with respect to sales taxes at the Date of Appointment. As such, the Receiver is not aware of any amounts that would be subject to a deemed trust in favour of CRA and the Receiver has not been contacted by CRA in connection with same.

BIA Claims

42. As previously mentioned in this First Report, the Receiver paid all outstanding wages and/or vacation pay to which Former Employees were entitled as at the Date of Appointment. Accordingly, the Receiver is not aware of any amounts owing to the Former Employees that would have priority over the Lender, in respect of statutory charges pursuant to section 81.4 of the BIA.

43. Similarly, the Receiver understands that the Company did not provide a registered pension plan for its employees. Accordingly, the Receiver is not aware of any amounts owing to Former Employees pursuant to section 81.6 of the BIA.

#### Unsecured Claims

44. According to the books and records of the Company, the Company owed its unsecured creditors, including affiliated/related parties and trade creditors, approximately \$1.81 million at the Date of Appointment (including the JSN trade payable previously noted in this First Report).

### XI. PROPOSED DISTRIBUTION TO SALUS

45. Subject to this Court's approval, the following summarizes the funds that will remain in the Receiver's possession after the proposed interim distribution to Salus (the "Interim Distribution") is completed:

<b>Forever Jewellery Inc</b>	
<b>Funds Remaining after Interim Distribution to Salus</b>	
<b>As at November 24, 2016</b>	
Cash on Hand	\$ 260,000
Interim Distribution to Salus	\$ (200,000)
Net Reserve	\$ 60,000

a) Other than the claims described above, the Receiver is not aware of any security interests, liens, charges, encumbrances or other rights of third parties that would have priority over Salus' security, with respect to the Property or the proceeds therefrom.

46. The Receiver is of the view that, in order to maximize efficiency, it is appropriate, in addition to seeking approval of the Interim Distribution, to seek the Court's approval to make such subsequent distributions to Salus as the Receiver determines are appropriate, provided the aggregate distributions to Salus do not exceed the indebtedness owing by FJI to Salus, and subject to the Receiver maintaining sufficient reserves to complete the administration of FJI's receivership proceedings, including payment of the Administration Deposit and any Outstanding Disbursements.

47. The Receiver respectfully requests that the Court authorize the Interim Distribution and such subsequent distributions to Salus as the Receiver determines are appropriate.

## **XII. ASSIGNMENT INTO BANKRUPTCY**

48. The Receiver during its preliminary review of the Company's pre-filing transactions and disbursements identified a number of pre-receivership payments totaling approximately \$900,000 that may warrant further review and/or scrutiny given the managerial authority of individual(s) involved, and the quantum and timing of the payments. The Receiver's counsel, at the direction of the Receiver, issued a letter on or about October 6, 2016 to the recipients of certain of the aforementioned payments requesting supporting documentation and explanation for the payments made to them. A response was received to the aforesaid letter from the recipients of the payments, which response effectively stated the basis of the payments made. That response provided little to no reliable supporting information and was not conclusive. The Receiver is requesting an order authorizing it to file an assignment in bankruptcy (the "**Assignment**"), at its discretion, for and on behalf of the Company naming Richter as the trustee in bankruptcy in order that the Trustee may exercise the investigative powers provided to it under the BIA and, if appropriate, to pursue the above-noted transactions;
49. As described below, aside from potential claims relating to the above-noted transactions and a certain amount of outstanding accounts receivable, there are no material assets remaining in the estate as at the date of this First Report. Richter has agreed to act as Trustee, provided that the Administration Deposit is paid in order to fund the statutory requirements of the bankruptcy proceedings. Should the Receiver file the Assignment, Salus has agreed to the payment of the Administration Deposit to the Trustee from the net proceeds eligible to be distributed to Salus by the Receiver.

## **XIII. REMAINING MATTERS TO BE COMPLETED IN THESE PROCEEDINGS**

50. If this Court grants the order requested herein, the Receiver will have completed its duties, statutory or otherwise, except for the following (the "**Remaining Matters**"):
- a) Collecting the Company's remaining accounts receivable, including with the assistance of a third party collection agency, on a commission basis, as the Receiver determines to be appropriate in the circumstances;
  - b) Making an assignment in bankruptcy for and on behalf of the Company, should the Receiver elect to do so, and executing any and all necessary documents to effect such assignment in bankruptcy;
  - c) Paying the Outstanding Disbursements;
  - d) Paying the Administration Deposit, should the Assignment be made;
  - e) Completing and filing the Company's 2015 and 2016 corporate tax returns with CRA;
  - f) Pursuing the potential recovery of any unclaimed HST paid during these proceedings; and

- g) Attending to other administrative matters incidental to these proceedings such as filing the Receiver's report pursuant to section 246(3) of the BIA.

51. Upon the completion of the Remaining Matters, the Receiver will have realized on the Property and completed its statutory duties as well as those duties set out in the Receivership Order or subsequent orders of this Court. Accordingly, the Receiver is of the view that it is appropriate to seek an order of the Court discharging the Receiver upon the filing of a certificate (the "**Certificate of Discharge**") with this Court certifying that all of the Remaining Matters have been completed.

### **Request for Approval of Fees**

52. The Receiver and its counsel have maintained detailed records of their professional time and disbursements since the date of the Interim Receivership Order.

53. The Interim Receiver's professional fees incurred for services rendered from June 27, 2016 to June 30, 2016 amount to \$25,612.50, plus disbursements in the amount of \$186.14 (all excluding HST). These amounts represent professional fees and disbursements not yet approved by the Court. The time spent by the Interim Receiver's professionals is described in the affidavit of Clark Lonergan attached hereto as **Appendix "E"**.

54. The fees of the Interim Receiver's counsel, Fasken, for services rendered from June 27, 2016 to June, 30 2016 total \$6,542.50, plus disbursements in the amount of \$351.00 (all excluding HST). These amounts represent professional fees and disbursements not yet approved by the Court. The time spent by the Fasken professionals is described in the affidavit of Stuart Brotman attached hereto as **Appendix "F"**.

55. The Receiver's professional fees incurred for services rendered from June 30, 2016 to November 18, 2016 amount to \$150,129.75, plus disbursements in the amount of \$698.02 (all excluding HST). These amounts represent professional fees and disbursements not yet approved by the Court. The time spent by the Interim Receiver's professionals is described in the affidavit of Clark Lonergan attached hereto as **Appendix "G"**.

56. The fees of the Receiver's counsel, Fasken, for services rendered from June 30, 2016 to September 30, 2016 total \$12,964.00, plus disbursements in the amount of \$448.25 (all excluding HST). These amounts represent professional fees and disbursements not yet approved by the Court. The time spent by the Fasken professionals is described in the affidavit of Stuart Brotman attached hereto as **Appendix "F"**.

57. The Receiver has reviewed Fasken's accounts and has determined that the services have been duly authorized and duly rendered and that the charges are reasonable given the circumstances.

58. In addition to the fees incurred by the Receiver and its counsel noted above, and on the assumption that there are no delays, disputes or unforeseen developments in connection with these proceedings, including the within motion, and the performance of the Remaining Matters, the Receiver has estimated Remaining Fees and Disbursements in the

amount of \$40,000 as follows: (i) \$15,000 for the Receiver and (ii) \$25,000 for its counsel (all amounts excluding HST). These amounts represent the Receiver's best estimate of the reasonable professional and legal fees required to complete the administration of these proceedings up to the effective date of discharge.

#### **XIV. RECOMMENDATIONS**

59. To the best of the Receiver's knowledge and belief, all duties of the Receiver, as set out in the Receivership Order and subsequent orders of this Court, will be completed upon payment of the interim Receiver's Shortfall, the Interim Distribution, the Outstanding Disbursements and the Administration Deposit, and completion of the Remaining Matters.

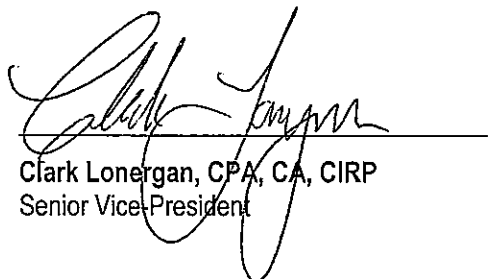
60. Based on the foregoing, the Receiver respectfully recommends that the Court issue an order(s):

- (a) Approving the First Report and the actions, activities and conduct of Interim Receiver and Receiver set out therein;
- (b) Approving the IR R&D and the R&D, and authorizing the payment of the Interim Receiver's Shortfall;
- (c) Authorizing the Receiver to make an assignment in bankruptcy, at its discretion, for and on behalf of the Company naming Richter as trustee in bankruptcy, and to execute any and all necessary documents to effect such assignment in bankruptcy;
- (d) Authorizing and directing the Receiver, should the Assignment be made, to pay the Administration Deposit to the Trustee, from proceeds in the Receiver's possession;
- (e) Authorizing the Receiver to make the interim Distribution and authorizing the Receiver, at its discretion, to distribute any residual amounts remaining in its possession to Saius provided the aggregate distributions to Saius do not exceed the amount of its secured claim against FJI, and after the payment of the Outstanding Disbursements and the Administration Deposit;
- (f) Approving the accounts of the Interim Receiver, the Receiver and Fasken, including the Remaining Fees and Disbursements, as set out in this First Report;
- (g) Terminating the Interim Receivership proceedings, including terminating the Interim Receiver's Charge and the Interim Receiver's Borrowing Charge, as provided for in the Interim Receivership Order, upon the Interim Receiver filing the IR Discharge Certificate with the Court;

- (h) Discharging the Receiver upon completion of the Remaining Matters, including terminating the Receiver's Charge and the Receiver's Borrowing Charge, as provided for in the Receivership Order, and subject to the Receiver filing the Discharge Certificate confirming the same with the Court; and
- (i) Ordering and declaring that, effective upon its discharge as Interim Receiver and Receiver respectively, Richter has duly and properly discharged its duties, responsibilities and obligations as the Interim Receiver and Receiver of FJI and discharging and releasing Richter from any and all further obligations as Interim Receiver and Receiver of FJI and any and all liability that Richter now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Richter while acting as Interim Receiver and Receiver, save and except for the Interim Receiver's or the Receiver's gross negligence or willful misconduct.


All of which is respectfully submitted on the 25<sup>th</sup> day of November, 2016.

Richter Advisory Group Inc.  
in its capacity as Interim Receiver and Receiver of Forever Jewellery Inc.  
and not in its personal capacity



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Clark Lonergan, CPA, CA, CIRP  
Senior Vice-President



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Katherine Forbes, CPA, CA  
Vice-President

# Tab A



*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR. ) MONDAY, THE 27<sup>TH</sup>  
JUSTICE NEWBOULD ) DAY OF JUNE, 2016

BETWEEN:

SALUS CAPITAL PARTNERS, LLC

Applicant

and

FOREVER JEWELLERY INC.

Respondent

APPLICATION UNDER SUBSECTIONS 47(1) AND 243(1) OF THE  
*BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS  
AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*,  
R.S.O. 1990, c. C.43, AS AMENDED

**ORDER**  
(appointing Interim Receiver)

THIS APPLICATION made by Salus Capital Partners, LLC ("Salus") for an Order pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Richter Advisory Group Inc. ("Richter") as interim receiver (in such capacity, the "Interim Receiver") without security, of all of the assets, undertakings and properties of Forever Jewellery Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Andrew Prunier sworn June 23, 2016 and the exhibits thereto and on hearing the submissions of counsel for Salus and counsel for the Interim Receiver and no one else appearing and on reading the consent of Richter to act as the Interim Receiver,

#### APPOINTMENT

1. THIS COURT ORDERS that, pursuant to section 47(1) of the BIA and section 101 of the CJA, Richter is hereby appointed Interim Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

#### INTERIM RECEIVER'S POWERS

2. THIS COURT ORDERS that the Interim Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Interim Receiver is hereby expressly empowered and authorized to do any of the following where the Interim Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any proceeds, receipts and disbursements arising out of or from the Property;
- (b) to preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocation of Property to safeguard it, the engaging of independent security personnel and the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Interim Receiver's powers and duties, including without limitation those conferred by this Order;

- (d) to report to, meet with and discuss with such affected Persons (as defined below) as the Interim Receiver deems appropriate on all matters relating to the Property and the interim receivership, and to share information, subject to such terms as to confidentiality as the Interim Receiver deems advisable and including, without limitation, the Court-appointed Monitor in the *Companies' Creditors Arrangement Act* proceedings of Ben Moss Jewellers Western Canada Ltd. and Faan Advisors Group Inc. in its capacity as Chief Restructuring Officer of JSN Jewellery Inc. and its affiliates;
- (e) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Interim Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE INTERIM RECEIVER**

3. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Interim Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Interim Receiver, and shall deliver all such Property to the Interim Receiver upon the Interim Receiver's request.

4. **THIS COURT ORDERS** that all Persons shall forthwith advise the Interim Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Interim Receiver or permit the

Interim Receiver to make, retain and take away copies thereof and grant to the Interim Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Interim Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

5. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Interim Receiver for the purpose of allowing the Interim Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Interim Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Interim Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Interim Receiver with all such assistance in gaining immediate access to the information in the Records as the Interim Receiver may in its discretion require including providing the Interim Receiver with instructions on the use of any computer or other system and providing the Interim Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE INTERIM RECEIVER**

6. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Interim Receiver except with the written consent of the Interim Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

7. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Interim Receiver or with leave of this Court and any and all Proceedings currently under way against or

in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

8. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Interim Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Interim Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Interim Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Interim Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH THE INTERIM RECEIVER**

9. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Interim Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

10. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Interim Receiver, and that the Interim Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Interim Receiver in accordance with normal payment

practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Interim Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

11. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

#### **EMPLOYEES**

12. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor. The Interim Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Interim Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

13. **THIS COURT ORDERS** that nothing herein contained shall require the Interim Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations

thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Interim Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Interim Receiver shall not, as a result of this Order or anything done in pursuance of the Interim Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### LIMITATION ON THE INTERIM RECEIVER'S LIABILITY

14. **THIS COURT ORDERS** that the Interim Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Interim Receiver by section 14.06 of the BIA or by any other applicable legislation.

#### INTERIM RECEIVER'S ACCOUNTS

15. **THIS COURT ORDERS** that the Interim Receiver and counsel to the Interim Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Interim Receiver and counsel to the Interim Receiver shall be entitled to and are hereby granted a charge (the "Interim Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Interim Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

16. **THIS COURT ORDERS** that the Interim Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Interim Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

17. **THIS COURT ORDERS** that prior to the passing of its accounts, the Interim Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Interim Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **FUNDING OF THE INTERIM RECEIVERSHIP**

18. **THIS COURT ORDERS** that the Interim Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$50,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Interim Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Interim Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Interim Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. **THIS COURT ORDERS** that neither the Interim Receiver's Borrowings Charge nor any other security granted by the Interim Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

20. **THIS COURT ORDERS** that the Interim Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "A"** hereto (the "**Interim Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

21. **THIS COURT ORDERS** that the monies from time to time borrowed by the Interim Receiver pursuant to this Order or any further order of this Court and any and all Interim



Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Interim Receiver's Certificates.

#### SERVICE AND NOTICE

22. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<@>'.

23. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Interim Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

#### GENERAL

24. **THIS COURT ORDERS** that the Interim Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

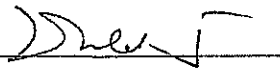
25. **THIS COURT ORDERS** that nothing in this Order shall prevent the Interim Receiver from acting as a BIA section 243(1) receiver or as a trustee in bankruptcy of the Debtor.

26. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Interim Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Interim Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Interim Receiver and its agents in carrying out the terms of this Order.

27. **THIS COURT ORDERS** that the Interim Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Interim Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.


28. **THIS COURT ORDERS** that the Salus shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Salus' security or, if not so provided by the Salus' security, then on a substantial indemnity basis to be paid by the Interim Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

29. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Interim Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

  
\_\_\_\_\_

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

JUN 27 2016

PER / PAR: 

SCHEDULE "A"

INTERIM RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Richter Advisory Group Inc., the interim receiver (the "Interim Receiver") of the assets, undertakings and properties of Forever Jewellery Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 27<sup>th</sup> day of June, 2016 (the "Order") made in an action having Court file number CV-16-~~\*~~-00CL, has received as such Interim Receiver from the holder of this certificate (the "Lender") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Interim Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of ~~\*~~ per cent above the prime commercial lending rate of Bank of ~~\*~~ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Interim Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Interim Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Interim

Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Interim Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Interim Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2016.

**RICHTER ADVISORY GROUP INC.**, solely  
in its capacity as Interim Receiver of the  
Property, and not in its personal capacity

Per: \_\_\_\_\_

Name:

Title:

SALUS CAPITAL PARTNERS, LLC

and

FOREVER JEWELLERY INC.

Court File No. CV-16-11439-00CL

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
Proceedings commenced at Toronto

INTERIM RECEIVERSHIP ORDER

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Toronto, Ontario  
M5J 2T9

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*Lawyers for Salus Capital Partners, LLC*

# Tab B

SALUS CAPITAL PARTNERS, LLC

and

FOREVER JEWELLERY INC.

June 27, 2016

(Short title of proceeding)

Court File No. CV-16-11439-00CL

June 27/16

The relief is granted on an *ex parte* basis. I am advised the order will be served on interested parties. The initial crossback date is June 30/16 for  $\frac{1}{2}$  hours before written - signed.

*DSB*

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST  
PROCEEDINGS COMMENCED AT TORONTO

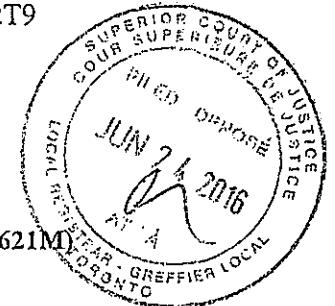
APPLICATION RECORD  
(Application returnable June 27, 2016)

(VOLUME I OF II)

AIRD & BERLIS LLP  
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M5J 2T9

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Lawyers for Salus Capital Partners, LLC

**TAB C**



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR. ) THURSDAY, THE 30<sup>TH</sup>  
JUSTICE WILTON-SIEGEL ) DAY OF JUNE, 2016

BETWEEN:



**SALUS CAPITAL PARTNERS, LLC**

Applicant

and

**FOREVER JEWELLERY INC.**

Respondent

**APPLICATION UNDER SUBSECTIONS 47(1) AND 243(1) OF THE  
*BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS  
AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*,  
R.S.O. 1990, c. C.43, AS AMENDED**

**ORDER  
(appointing Receiver)**

**THIS APPLICATION** made by Salus Capital Partners, LLC ("**Salus**") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Richter Advisory Group Inc. ("**Richter**") as receiver (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and properties of Forever Jewellery Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Andrew Prunier sworn June 23, 2016 and the exhibits thereto, and on hearing the submissions of counsel for Salus and counsel for Richter in its capacity as ~~Court-appointed~~ interim receiver of the Debtor (the "Interim Receiver") and proposed Receiver and counsel for the Respondent and on reading the consent of Richter to act as the Receiver,

*and on reading the respondent's application record*  
*Attw 5*

#### SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the notice of application and the application record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

#### APPOINTMENT

2. **THIS COURT ORDERS** that, pursuant to section 243(1) of the BIA and section 101 of the CJA, Richter is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

#### RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel and the taking of physical inventories;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transactions, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable and including, without limitation, the Court-appointed Monitor in the *Companies' Creditors Arrangement Act* proceedings of Ben Moss Jewellers Western Canada Ltd. and Faan Advisors Group Inc. in its capacity as Chief Restructuring Officer of JSN Jewellery Inc. and its affiliates;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; *and*
- ~~(r) to make an assignment in bankruptcy for and on behalf of the Debtor and execute any and all necessary documents to effect such assignment in bankruptcy, and~~ *MS*
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant

immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least

seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH THE RECEIVER**

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.



## **EMPLOYEES**

14. **THIS COURT ORDERS** that the Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

15. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

## **LIMITATION ON THE RECEIVER'S LIABILITY**

16. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

## RECEIVER'S ACCOUNTS

17. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

## FUNDING OF THE RECEIVERSHIP

20. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or

otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

23. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **SERVICE AND NOTICE**

24. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL <http://www.richter.ca/en/folder/insolvency-cases/f/forever-jewellery-inc>

25. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as

last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

**GENERAL**

26. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

27. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a BIA section 243(1) receiver or as a trustee in bankruptcy of the Debtor.

28. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

29. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

30. **THIS COURT ORDERS** that the Salus shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Salus' security or, if not so provided by the Salus' security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

31. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

*W. Chan - dt J.*

---

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

JUN 30 2016

PER / PAR: *[Signature]*

## SCHEDULE "A"

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Richter Advisory Group Inc., solely in its capacity as the receiver (the "Receiver") of the assets, undertakings and properties of Forever Jewellery Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the <\*> day of <\*>, 2016 (the "Order") made in an action having Court file number CV-16-<\*>-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of <\*> per cent above the prime commercial lending rate of Bank of <\*> from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2016.

**RICHTER ADVISORY GROUP INC.**, solely  
in its capacity  
as Receiver of the Property, and not in its  
personal capacity

Per: \_\_\_\_\_

Name:

Title:

SALUS CAPITAL PARTNERS, LLC

and

FOREVER JEWELLERY INC.

Court File No. CV-16-11439-00CL

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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
Proceedings commenced at Toronto

---

**RECEIVERSHIP ORDER**

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**AIRD & BERLIS LLP**  
Brookfield Place  
181 Bay Street, Suite 1800  
Toronto, Ontario  
M5J 2T9

**Sam Babe (LSUC #49498B)**  
Tel: 416-865-7718  
Fax: 416-863-1515  
Email: [sbabe@airdberlis.com](mailto:sbabe@airdberlis.com)

**Miranda Spence (LSUC #60621M)**  
Tel: 416-865-3414  
Fax: 416-863-1515  
Email: [mspence@airdberlis.com](mailto:mspence@airdberlis.com)

*Lawyers for Salus Capital Partners, LLC*



# **Tab D**

SALUS CAPITAL PARTNERS, LLC

and

FOREVER JEWELLERY INC.

June 27, 2016

(Short title of proceeding)

Court File No. CV-16-11439-00CL

June 27/16

On relief is granted on an ex parte basis. I am advised the order is to be served on interested parties. The initial court date is June 30/16 for 1/2 hour before Wether - Sidel I.

DSI

June 30/16

- S. Babe for the applicant
- S. Brotman for the Receiver
- C. Chang for the respondent

The respondent has filed a responding application now addressing three ~~one~~ matters which it believes were inaccurately stated in the affidavit in my support of the interim receivership motion which was granted on an ex parte basis. The applicant raise matters on which the Receiver will report in a subsequent report.

While the issue of the timing of the payment relative to the appointment of the CRO is disputed between the parties, I cannot conclude

26524126.1

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST  
PROCEEDINGS COMMENCED AT TORONTO

APPLICATION RECORD  
(Application returnable June 27, 2016)

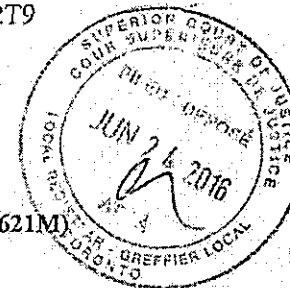
(VOLUME I OF II)

AIRD & BERLIS LLP  
Brookfield Place  
181 Bay Street, Suite 1800  
Toronto, Ontario  
M5J 2T9

Sam Babe (LSUC #49498B)  
Tel: 416-865-7718  
Fax: 416-863-1515  
Email: sbabe@airdberlis.com

Miranda Spence (LSUC #60621M)  
Tel: 416-865-3414  
Fax: 416-863-1515  
Email: mspence@airdberlis.com

Lawyers for Salus Capital Partners, LLC



that the applicant comes before the Court with "unclean hands"  
the evidence before the Court.

The applicant seeks a ~~final~~ <sup>final</sup> order regarding  
the receivership. The respondent ~~does not~~ does not  
oppose that order. The evidence establishes that,  
in addition to the default pertaining to the P.M.R.  
payment to F.I., there are other financial defaults  
and a performance default of the other Obligors which,  
given the relationship of the debtor to such Obligors,  
support the ~~repeal~~ <sup>repeal</sup> appointment of a receiver.  
Accordingly, order to go on the form  
attached.

Wilson - J.

# **Tab E**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**APPLICATION UNDER SUBSECTIONS 47(1) AND 243 (1) OF THE BANKRUPTCY AND INSOLVENCY ACT,  
R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990. C.  
C43, AS AMENDED**

**AND IN THE MATTER OF THE INTERIM RECEIVERSHIP OF  
FOREVER JEWELLERY INC.**


**AFFIDAVIT OF CLARK LONERGAN**

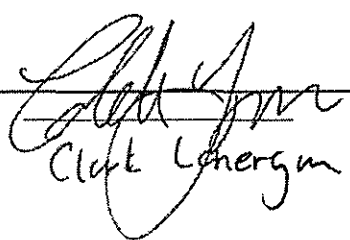
I, **CLARK LONERGAN**, of the Town of Richmond Hill, in the Province of Ontario, **MAKE OATH AND SAY** that:

1. I am a Senior Vice President of Richter Advisory Group Inc. ("Richter") and, as such, I have knowledge of the matters hereinafter deposed to except where stated to be on information and belief, and where so stated, I verily believe it to be true.
2. By order (the "Appointment Order") of the Honourable Mr. Justice Wilton-Siegel of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated June 27, 2016 (the "Date of Appointment"), Richter Advisory Group Inc. ("Richter") was appointed interim receiver (the "Interim Receiver") of all of the assets, undertakings and properties (the "Property") of Forever Jewellery Inc. ("FJI" or the "Company"), pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.
3. Pursuant to the Appointment Order, the Interim Receiver has provided services and incurred disbursements, in the amount of \$25,612.50 and \$186.14 (all excluding HST), respectively, in the period from the Date of Appointment to June 30, 2016 (the "Period") with respect to services provided. Attached hereto and marked as Exhibit "A" to this my Affidavit is a summary of all invoices rendered by the Interim Receiver on a periodic basis during the Period (the "Accounts").
4. True copies of the Accounts, which include a fair and accurate description of the services provided along with hours and applicable rates claimed by the Interim Receiver, are attached as Exhibit "B" to this my Affidavit.

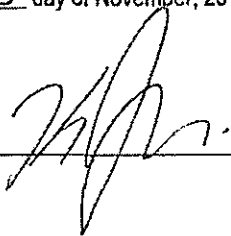
5. In the course of performing its duties pursuant to the Appointment Order, the Interim Receiver's staff has expended a total of 80.1 hours during the Period. Attached as Exhibit "C" to this my Affidavit is a schedule setting out a summary of the individual staff involved in the administration of the interim receivership and the hours and applicable rates claimed by the Interim Receiver for the Period. The average hourly rate billed by the Interim Receiver during the Period is \$319.76.
6. The Interim Receiver requests that this Court approve its Accounts for the Period, in the total amount of \$25,798.64 (excluding HST) for services rendered and recorded during the Period.
7. Fasken Martineau DuMoulin LLP ("Fasken"), as independent legal counsel to the Interim Receiver, have provided legal services to the Interim Receiver, rendered services throughout these proceedings in a manner consistent with the instructions of the Interim Receiver and has prepared an affidavit with respect to the services rendered during the Period. The Interim Receiver has reviewed the invoices rendered by Fasken during the Period.
8. As there are no remaining matters in the administration of the interim receivership, I estimate that fees and disbursements from July 1, 2016 to the termination of the interim receivership proceeding will be \$nil, including the fees and disbursements of legal counsel.
9. To the best of my knowledge, the rates charged by the Interim Receiver and Fasken are comparable to the rates charged for the provision of similar services by other accounting and law firms in downtown Toronto.
10. I verily believe that the fees and disbursements incurred by the Interim Receiver and Fasken are fair and reasonable in the circumstances.
11. This Affidavit is sworn in connection with a motion for an Order of this Court to, among other things, approve the fees and disbursements of the Interim Receiver and those of its legal counsel and for no improper purpose.

SWORN BEFORE ME at the City of )  
Dallas in the State of Texas )  
 This 25 day of November 2016 )

  
 \_\_\_\_\_  
 KIBBEN JACKSON  
 2900 - 55th BURBANK ST.  
 VAN COUVER, BC V6C 0A3

  
 \_\_\_\_\_  
 Clerk Lehergun

This is Exhibit "A" referred to in the Affidavit of  
Clark Lonergan, sworn before me this  
25 day of November, 2016



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Exhibit "A"


Richter Advisory Group Inc.  
IN THE MATTER OF THE INTERIM RECEIVERSHIP

Re: Forever Jewellery Inc.  
Statement of Accounts  
For the Period from June 27, 2016 to June 30, 2016

<u>Invoice</u>	<u>Date of invoice</u>	<u>Fees</u>	<u>Disbursements</u>	<u>HST</u>	<u>Total</u>
20401326	November 4, 2016	25,612.50	186.14	3,353.82	29,152.46
		<u>25,612.50</u>	<u>186.14</u>	<u>3,353.82</u>	<u>29,152.46</u>



This is Exhibit "B" referred to in the Affidavit of  
Clark Lonergan, sworn before me this  
25 day of November, 2016



---

# RICHTER

Richter Advisory Group Inc., Receiver re: Forever Jewellery Inc.  
181 Bay Street, Suite 3320  
Toronto, ON M5J 2T3

Date: 11/04/2016  
Invoice No.: 20401326  
Engagement No.: 2020609  
Payment Terms: Due on Receipt

---

Professional services rendered to October 28, 2016			\$ 25,612.50
Disbursements			186.14
			<hr/>
<b>Sub-Total</b>			25,798.64
GST/HST #885435842 RT0001			3,353.82
			<hr/>
<b>Total Due</b>	CAD		<b>\$ 29,152.46</b>

T. 416.488.2346

Richter Advisory Group Inc.  
181 Bay St., Suite 3320  
Bay Wellington Tower  
Toronto ON M5J 2T3  
[www.richter.ca](http://www.richter.ca)

Toronto, Montreal



Invoice No.: 20401326  
Date: 11/04/2016



---

Fees

Name	Hours	Rate	Amount
Adam Sherman	1.00	\$ 525.00	\$ 525.00
Clark Lonergan	16.00	625.00	10,000.00
Dale Millstein	30.20	350.00	10,570.00
Jack Bradshaw	31.00	135.00	4,185.00
Soazig Bourguine	1.90	175.00	332.50
	<u>80.10</u>		<u>\$ 25,612.50</u>

Disbursements

---

Disbursements			\$ 186.14
			<u>\$ 186.14</u>

Invoice No.: 20401326  
Date: 11/04/2016



---

**Fee and Disbursement Details**

Date	Name and Description	Hours	Rate	Amount
06/27/2016	Soazig Bourgine File set up, website posting, review of order, email to N. Francis-Campbell, discussion with D. Millstein.	1.00	\$ 175.00	\$ 175.00
06/27/2016	Clark Lonergan Attendance at court, taking possession, changing locks, inventory review and analysis, discussions with employees, lender update, etc.	6.00	625.00	3,750.00
06/27/2016	Adam Sherman Conference call with Aird & Berlis and A&M re appointment, next steps, etc. Discussions with Richter team. Emails from Aird & Berlis.	1.00	525.00	525.00
06/27/2016	Dale Millstein Served FJI with Court Order. Secured FJI premises. Commenced inventory count of vaults. Organized security monitoring for the night. Changed key access to the premises and vault combinations.	6.70	350.00	2,345.00
06/27/2016	Jack Bradshaw Accompanied Clark to court to receive interim receivership order, went to business to notify management and begin interim receivership	9.00	135.00	1,215.00
06/28/2016	Soazig Bourgine Ascend set up, email to D. Millstein.	0.30	175.00	52.50
06/28/2016	Clark Lonergan Employee meetings, cash review, asset listing, lease review, fixed asset listing, dealing with security company, payables review, booking keeping update, lender update, etc.	6.00	625.00	3,750.00
06/28/2016	Dale Millstein Concluded FJI vault inventory count. Changed master alarm code. Reviewed inventory returns. Reviewed inventory listing for material discrepancies. Prepared operations tracking workbook. Reviewed collections, disbursements and shipments.	8.00	350.00	2,800.00
06/28/2016	Jack Bradshaw Took stock of complete backroom inventory, both the display items and files.	7.00	135.00	945.00
06/29/2016	Soazig Bourgine Email to C. Lonergan.	0.10	175.00	17.50
06/29/2016	Soazig Bourgine Website posting of Application Record and Endorsement.	0.50	175.00	87.50

Invoice No. 20401326  
Date: 11/04/2016



Date	Name and Description	Hours	Rate	Amount
06/29/2016	Clark Lonergan Asset review, cash receipts review, update Lender re: the same, employee matters, etc.	4.00	625.00	2,500.00
06/29/2016	Dale Millstein Obtained requested financial information. Updated operations tracking workbook. Reviewed shipments, disbursements and collections. Provided update to Bank.	7.50	350.00	2,625.00
06/29/2016	Jack Bradshaw Completed list of stock items and organized it, as well a a floor plan, into a spreadsheet.	7.00	135.00	945.00
06/30/2016	Dale Millstein Prepared operations tracking workbook. Reviewed collections, disbursements and shipments. Froze outgoing payments for CIBC account. Deposited post-dated cheques into RBC Trust account. Reviewed lease. Called landlord. Prepared termination letters.	8.00	350.00	2,800.00
06/30/2016	Jack Bradshaw Went through past bank statements and financial reports to find concerning transfers, contacted various parties (security, property management) to notify of receivership, created preliminary budget.	8.00	135.00	1,080.00
<b>Fees Total</b>		<b>80.10</b>		<b>\$ 25,612.50</b>

Date	Name and Description	Hours	Rate	Amount
06/27/2016	Disbursements Travel (airfare, accomodation, meals), Mileage, Postage, Photocopy, Courier, etc.			\$ 186.14

Invoice No.: 20401326  
Date: 11/04/2016



---

**Remittance Form**

Richter Advisory Group Inc., Receiver re: Forever Jewellery Inc.  
181 Bay Street, Suite 3320  
Toronto, ON M5J 2T3

---

**Invoice Summary**

<b>Sub-Total</b>		<b>\$ 25,798.64</b>
GST/HST #885435842 RT0001		3,353.82
<b>Total Due</b>	<b>CAD</b>	<b>\$ 29,152.46</b>

---

**Payment Options**

**Wire Transfer** Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2  
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR  
Email payment details, including invoice number and amount paid to:  
ClientService@richter.ca

**Cheques** Payable to: Richter Advisory Group Inc.  
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

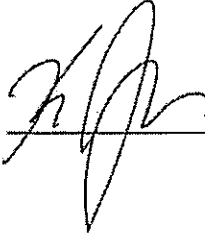
Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca

T. 416.488.2345

Richter Advisory Group Inc.  
181 Bay St., Suite 3320  
Bay Wellington Tower  
Toronto ON M5J 2T3  
www.richter.ca

Toronto, Montreal

This is Exhibit "C" referred to in the Affidavit of  
Clark Lonergan, sworn before me this  
25 day of November, 2016



---

ONTARIO SUPERIOR COURT OF JUSTICE  
 IN THE MATTER OF THE INTERIM RECEIVERSHIP  
 Re: Forever Jewellery Inc.

Time Summary  
 June 27, 2016 to June 30, 2016

Time Summary and applicable rates

	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Adam Sherman	1.00	525.00	525.00
Clark Lonergan	16.00	625.00	10,000.00
Dale Millstein	30.20	350.00	10,570.00
Jack Bradshaw	31.00	135.00	4,185.00
Soazig Bourguine	1.90	175.00	332.50
	<u>80.10</u>		<u>25,612.50</u>
Total			<u>25,612.50</u>
Average Hourly Amount			<u>319.76</u>



# **Tab F**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

BETWEEN:

SALUS CAPITAL PARTNERS, LLC

Applicant

- and -

FOREVER JEWELLERY INC.

Respondent

APPLICATION UNDER SUBSECTIONS 47(1) AND 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

AFFIDAVIT OF STUART BROTMAN  
(Affirmed November 25, 2016)

I, Stuart Brotman, lawyer, of the City of Toronto, in the Province of Ontario, AFFIRM AND SAY:

1. I am a Partner in the law firm of Fasken Martineau DuMoulin LLP (“**Fasken Martineau**”), solicitors to Richter Advisory Group Inc. in its capacity as the Court-appointed interim receiver (in such capacity the “**Interim Receiver**”) and receiver (in such capacity, the “**Receiver**”), of all of the assets, undertakings and properties of Forever Jewellery Inc. (the “**Debtor**”), acquired for or used in relation to a business carried on by the Debtor. Accordingly, I have knowledge of the matters hereinafter deposed to.
2. Attached hereto as **Exhibit “A”** are true copies of the Statements of Account of Fasken Martineau in respect of services rendered to the Interim Receiver for the period from

June 22, 2016 to June 30, 2016 (the “**Interim Receivership Period**”), and for services rendered to the Receiver for the period from July 1, 2016 through September 30, 2016 (the “**Receivership Period**”). During those periods, the total fees incurred were \$19,506.50 plus disbursements of \$799.25 and applicable taxes of \$2,639.76, for an aggregate amount of \$22,945.51.

3. As set out in the following chart, 8.7 hours were incurred by Fasken Martineau, for the Interim Receivership Period:

Name	Total Hours	Hourly Rate (\$)
Stuart Brotman	7.70	775
Natasha De Cicco	1.0	575
TOTAL:	8.7	

4. As set out in the following chart, 21.3 hours were incurred by Fasken Martineau, for the Receivership Period:

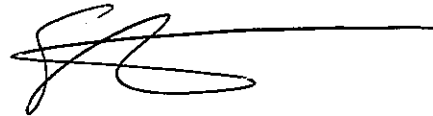
Name	Total Hours	Hourly Rate (\$)
Stuart Brotman	10.6	775
Natasha De Cicco	7	575
Dylan Chochla	0.1	410
Stephanie Real	1.3	260
Adam Simon	2.3	150
TOTAL:	21.3	

5. The activities detailed in the attached statements of account accurately reflect the services provided by Fasken Martineau and the rates charged are at the standard hourly rates of those individuals at the firm at the time they were incurred.

6. During the periods reflected herein, Fasken Martineau has been paid \$19,506.50 on account of fees, \$799.25 on account of disbursements, and \$2639.76 on account of applicable taxes, for an aggregate amount of \$22,946.51.

7. I affirm this affidavit in support of a motion for, *inter alia*, approval of the fees and disbursements of Fasken Martineau.

AFFIRMED BEFORE ME at the City of )  
Toronto, in the Province of Ontario, )  
this 25<sup>th</sup> day of November, 2016 )



STUART BROTMAN



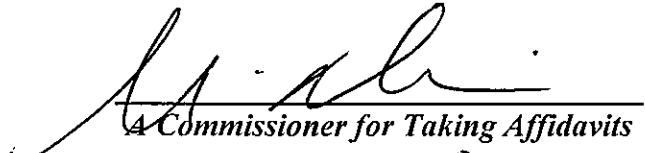
A Commissioner for taking affidavits, etc.

NATASHA DECICCO

***THIS IS EXHIBIT "A"***

***Referred to in this Affidavit of***

***Stuart Brotman affirmed before me this  
25<sup>th</sup> day of November, 2016***

  
A Commissioner for Taking Affidavits  
NATASITA DE CICCO

Fasken Martineau DuMoulin LLP  
Barristers and Solicitors  
Patent and Trade-mark Agents

Bay Adelaide Centre  
333 Bay Street, Suite 2400  
P.O. Box 20  
Toronto, Ontario M5H 2T6  
Canada

+ 1 416 366 8381 General  
+ 1 416 364 7813 Fax  
1 800 268 8424 Toll-free

fasken.com



**Richter Advisory Group Inc.**  
**181 Bay Street**  
**Suite 3320**  
**Bay Wellington Tower**  
**Toronto ON M5J 2T3**

July 13, 2016  
Invoice #: 1029594  
HST #: 87937 6127 RT0001

Attention: Clark Lonergan

**Matter Number: 300245.00003**  
**Matter: Forever Jewellery Inc.**  
**Responsible Professional: Stuart Brotman**

**For Professional Services rendered through June 30, 2016 as described in the attached memorandum**

Total Fees	\$ 6,542.50
Total Disbursements	351.00
Total Taxes	896.16
<b>Total Amount Owing This Bill</b>	<b>CAD \$ 7,789.66</b>

Fasken Martineau DuMoulin LLP

A handwritten signature in black ink, appearing to be 'Stuart Brotman', written over a horizontal line.

Per: Stuart Brotman  
E.&O.E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 0.8% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

SCOTIABANK, 20 Queen Street West, 4<sup>th</sup> Floor, Toronto, Ontario, M5H 3R3  
Account Name: Fasken Martineau DuMoulin LLP  
CAD\$ Account No: 476961041614, Transit No. 47696 Bank ID: 002  
SWIFT code: NOSCCATT

Please send a payment notice to [credits@fasken.com](mailto:credits@fasken.com)

Fasken Martineau DuMoulin LLP  
Barristers and Solicitors  
Patent and Trade-mark Agents  
  
Bay Adelaide Centre  
333 Bay Street, Suite 2400  
P.O. Box 20  
Toronto, Ontario M5H 2T6  
Canada

+ 1 416 366 8381 General  
+ 1 416 364 7813 Fax  
1 800 268 8424 Toll-free  
  
fasken.com



**Richter Advisory Group Inc.**  
**181 Bay Street**  
**Suite 3320**  
**Bay Wellington Tower**  
**Toronto ON M5J 2T3**

July 13, 2016  
Invoice #: 1029594  
HST #: 87937 6127 RT0001

Attention: Clark Lonergan

### FEE MEMORANDUM

---

**Matter Number: 300245.00003**  
**Matter: Forever Jewellery Inc.**  
**Responsible Professional: Stuart Brotman**

06/22/2016	Telephone call from C. Lonergan; Telephone call with K. Rosenstein; Reviewing background materials; Stuart Brotman	0.70 hrs.	\$ 542.50
06/23/2016	Reviewing draft affidavit; Exchange of emails with S. Babe and K. Rosenstein regarding same and court application; Exchange of emails with C. Lonergan; Stuart Brotman	0.70 hrs.	\$ 542.50
06/24/2016	Reviewing draft orders received; E-mail to S. Babe regarding comments on draft interim receivership order; Attendance on call with C. Lonergan, S. Babe and K. Rosenstein regarding same and hearing schedule; Stuart Brotman	0.80 hrs.	\$ 620.00
06/27/2016	Preparation for and attendance at court hearing; Reviewing e-mails from C. Lonergan and S. Babe; Reviewing update email from C. Lonergan and exchange of emails regarding same; Stuart Brotman	2.30 hrs.	\$ 1,782.50
06/28/2016	Reading application record re: appointment of Richter as interim receiver. Natasha De Clcco	1.00 hrs.	\$ 575.00
06/28/2016	Reviewing e-mail update on progress of receivership and further exchange of emails regarding same; Stuart Brotman	0.20 hrs.	\$ 155.00
06/29/2016	Exchange of emails with S. Babe; Stuart Brotman	0.10 hrs.	\$ 77.50

**Matter Number: 300245.00003**  
**Matter: Forever Jewellery Inc.**  
**Responsible Professional: Stuart Brotman**

Page 3  
Invoice #: 1029594

06/29/2016	Reviewing court materials received and exchange of emails regarding same; Stuart Brotman	0.40 hrs.	\$ 310.00
06/30/2016	Preparation for and attendance at court; Exchange of emails with client regarding lease and occupancy; Stuart Brotman	2.50 hrs.	\$ 1,937.50

**Professional Summary**

<u>Professional</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
Stuart Brotman	Partner	775.00	7.70	5,967.50
Natasha De Cicco	Counsel	575.00	1.00	575.00
	Total		8.70	CAD \$ 6,542.50



Matter Number: 300245.00003  
Matter: Forever Jewellery Inc.  
Responsible Professional: Stuart Brotman

Page 4  
Invoice #: 1029594

Our Fees		\$ 6,542.50	
HST		850.53	
Total Fees Including Taxes			<u>\$ 7,393.03</u>
<b>Disbursements</b>			
<u>Taxable</u>			
06/27/16	Lasercopy	301.00	
06/30/16	LPIC Levy - Civil Litigation Law Pro Levy -	50.00	
Total Disbursements		351.00	
HST		45.63	
Total Disbursements Including Taxes			<u>396.63</u>
<b>Total Fees, Disbursements and Taxes</b>			<u><b>CAD \$ 7,789.66</b></u>

<b>Tax Summary</b>			
HST		896.16	
Total Taxes Included in This Bill		896.16	



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Toronto, Ontario M5H 2T6  
Canada

fasken.com



Richter Advisory Group Inc.  
181 Bay Street  
Suite 3320  
Bay Wellington Tower  
Toronto ON M5J 2T3

September 13, 2016  
Invoice #: 1045108  
HST #: 87937 6127 RT0001

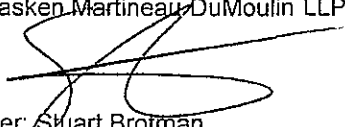
Attention: Clark Lonergan

Matter Number: 300245.00003  
Matter: Forever Jewellery Inc.  
Responsible Professional: Stuart Brotman

For Professional Services rendered through July 31, 2016 as described in the attached memorandum

Total Fees	\$ 9,970.50
Total Disbursements	302.75
Total Taxes	1,335.53
<b>Total Amount Owning This Bill</b>	<b>CAD \$ 11,608.78</b>

Fasken Martineau DuMoulin LLP

  
Per: Stuart Brotman  
E.&O.E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 0.8% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

SCOTIABANK, 20 Queen Street West, 4<sup>th</sup> Floor, Toronto, Ontario, M5H 3R3  
Account Name: Fasken Martineau DuMoulin LLP  
CAD\$ Account No: 476961041614, Transit No. 47696 Bank ID: 002  
SWIFT code: NOSCCATT

Please send a payment notice to [credits@fasken.com](mailto:credits@fasken.com)

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181 Bay Street  
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Toronto ON M5J 2T3

September 13, 2016  
Invoice #: 1045108  
HST #: 87937 6127 RT0001

Attention: Clark Lonergan

FEE MEMORANDUM

Matter Number: 300245.00003  
Matter: Forever Jewellery Inc.  
Responsible Professional: Stuart Brotman

07/04/2016	Correspondence with S. Brotman re GOTHEN INC. Ontario Corporate Profile Report. Adam Simon	0.20 hrs.	\$ 30.00
07/04/2016	Reviewing e-mail from C. Lonergan and attached employee termination letter; Reviewing receivership order; E-mail to C. Lonergan regarding same; Telephone call with C. Lonergan regarding same; Revising draft letter; E-mail to C. Lonergan attaching same; Telephone call from D. Millstein regarding tenancy issue; Reviewing materials received from D. Millstein regarding same; Telephone call with C. Lonergan, K. Rosenstein and S. Babe regarding same; Dictating letter to landlord; E-mail to client regarding same; Reviewing and revising draft receivership contractor engagement letter; Further exchange of emails with client; Stuart Brotman	1.70 hrs.	\$ 1,317.50
07/05/2016	Reviewing revised draft consultant engagement; E-mail to C. Lonergan regarding same; Reviewing client comments on draft landlord letter; Revising same; Reviewing exchange of emails between C. Lonergan and K. Rosenstein; Telephone call from C. Lonergan; Exchange of emails with D. Millstein; Further revisions to draft landlord letter; Reviewing e-mail from D. Millstein; Attendance on call with D. Millstein and C. Lonergan regarding landlord issue; Telephone call to C. Chang; Stuart Brotman	1.70 hrs.	\$ 1,317.50
07/06/2016	Telephone call with C. Lonergan regarding premises; E-mail to property manager; Further telephone call with C. Lonergan; Reviewing draft receiver's report; Revising draft receiver's report; E-mail to C. Lonergan and D. Millstein regarding same; Further telephone calls and emails with client regarding premises; Reviewing comments received from client on draft report; Conference with D. Chochla regarding possible court application; Stuart Brotman	2.90 hrs.	\$ 2,247.50



**Matter Number: 300245.00003**  
**Matter: Forever Jewellery Inc.**  
**Responsible Professional: Stuart Brotman**

07/07/2016	Office conference with S. Brotman re: background and proposed bailment arrangements; reviewing precedents re: same. Natasha De Cicco	0.50 hrs.	\$ 287.50
07/07/2016	Exchange of emails with C. Lonergan and D. Millstein regarding landlord issue; Stuart Brotman	0.20 hrs.	\$ 155.00
07/07/2016	Telephone call with C. Lonergan; E-mail to property manager; Exchange of emails regarding storage of jewellery at alternate premises and related issues; Conference with N. De Cicco regarding same and preparation of storage agreement; Further telephone call with C. Lonergan; Exchange of emails with C. Lonergan; Exchange of emails with N. De Cicco; Stuart Brotman	0.80 hrs.	\$ 620.00
07/08/2016	Arranging for corporate searches re J.S.N. JEWELLERY INC. for N. De Cicco; Correspondence re same. Adam Simon	0.30 hrs.	\$ 45.00
07/08/2016	Various emails to and from C. Lonergan and S. Brotman re: bailment agreement between JSN Jewellery Inc. and Forever Jewellery Inc.; preparing to draft and drafting same; conference call with C. Lonergan and S. Brotman re: same. Natasha De Cicco	2.80 hrs.	\$ 1,610.00
07/08/2016	Attendance on call with N. De Cicco and C. Lonergan regarding revised draft storage letter; Reviewing comments on same; Reviewing further correspondence regarding same; Reviewing estimated liquidation analysis; Reviewing realization plan; Stuart Brotman	0.60 hrs.	\$ 465.00
07/08/2016	Reviewing draft storage letter; Exchange of emails with C. Lonergan regarding same; Exchange of emails with N. De Cicco regarding same; Stuart Brotman	0.50 hrs.	\$ 387.50
07/11/2016	Reviewing notice and statement of receiver received; Stuart Brotman	0.10 hrs.	\$ 77.50
07/12/2016	Reviewing PPSA(ON) search for JSN Jewellery Inc.; email to C. Lonergan re: suggested creditor acknowledgments and confirming instructions to file a PPSA(ON) registration against JSN Jewellery Inc. in favour of Forever Jewellery Inc. Natasha De Cicco	0.40 hrs.	\$ 230.00

Matter Number: 300245.00003  
Matter: Forever Jewellery Inc.  
Responsible Professional: Stuart Brotman

07/12/2016	Telephone call with C. Lonergan regarding reporting and next steps; Stuart Brotman	0.20 hrs.	\$ 155.00
07/13/2016	Reviewing file; email to S. Real re: PPSA(ON) registration against JSN Jewellery inc. in favour of Forever Jewellery Inc. Natasha De Cicco	0.30 hrs.	\$ 172.50
07/13/2016	Prepared PPSA financing statement per N. De Cicco; forwarded same to N. De Cicco for review and approval. Electronically filed financing statement; confirmed filing. Stephanie Real	0.60 hrs.	\$ 156.00
07/14/2016	Arranging for PPSA searches re J.S.N. JEWELLERY INC. for S. Real; Correspondence re same. Adam Simon	0.20 hrs.	\$ 30.00
07/14/2016	Preparing Salus creditor acknowledgment re: JSN bailment; email correspondence with C. Lonergan re: same. Natasha De Cicco	0.40 hrs.	\$ 230.00
07/14/2016	Ordered post registration PPSA search per N. De Cicco. Stephanie Real	0.20 hrs.	\$ 52.00
07/15/2016	Organizing and delivering ON PPSA Searches re J.S.N. Jewellery Inc. to S. Real. Adam Simon	0.20 hrs.	\$ 30.00
07/15/2016	Email to C. Lonergan re: copy of PPSA(ON) registration. Natasha De Cicco	0.10 hrs.	\$ 57.50
07/15/2016	Provided confirmation of PPSA filing to N. De Cicco. Reviewed verification statement to verify information recorded on same. Reviewed post registration search to confirm PPSA filing. Prepared and sent notice to debtor s. 46(6). Prepared and sent report memorandum to N. De Cicco re: PPSA registration. Stephanie Real	0.50 hrs.	\$ 130.00
07/17/2016	Reviewing e-mail from K. Rosenstein regarding status update; Stuart Brotman	0.10 hrs.	\$ 77.50
07/22/2016	Arranging for corporate searches re FOREVER JEWELLERY INC. for N. De Cicco; Correspondence re same. Adam Simon	0.40 hrs.	\$ 60.00

**Matter Number: 300245.00003**  
**Matter: Forever Jewellery Inc.**  
**Responsible Professional: Stuart Brotman**

Page 5  
Invoice #: 1045108

07/25/2016	Organizing and delivering ON PPSA Searches re Forever Jewellery Inc. to S. Brotman.		
	Adam Simon	0.20 hrs.	\$ 30.00

Matter Number: 300245.00003  
Matter: Forever Jewellery Inc.  
Responsible Professional: Stuart Brotman

Page 6  
Invoice #: 1045108

Professional Summary

<u>Professional</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
Stuart Brotman	Partner	775.00	8.80	6,820.00
Natasha De Cicco	Counsel	575.00	4.50	2,587.50
Stephanie Real	Paralegal	260.00	1.30	338.00
Adam Simon	Paralegal	150.00	1.50	225.00
	Total		16.10	CAD \$ 9,970.50



Matter Number: 300245.00003  
 Matter: Forever Jewellery Inc.  
 Responsible Professional: Stuart Brotman

Our Fees	\$ 9,970.50
HST	1,296.17
Total Fees Including Taxes	\$ 11,266.67

**Disbursements**

Taxable

07/04/16	Lasercopy	1.00
07/04/16	Articles/Filing Fees GOTHEN INC. - DTD	15.00
07/05/16	Lasercopy	8.00
07/05/16	Lasercopy	0.50
07/07/16	Lasercopy	0.75
07/08/16	Lasercopy	0.25
07/08/16	Lasercopy	5.25
07/08/16	Articles/Filing Fees J.S.N. JEWELLERY INC. -	63.00
07/11/16	Lasercopy	0.50
07/12/16	Lasercopy	0.50
07/13/16	Lasercopy	7.25
07/13/16	PPSA Registration J.S.N. JEWELLERY INC. - Order	28.00
07/14/16	Articles/Filing Fees J.S.N. JEWELLERY INC. -	15.00
07/14/16	Lasercopy	0.50
07/14/16	Lasercopy	0.25
07/15/16	Lasercopy	1.25
07/18/16	Lasercopy	1.25
07/19/16	Lasercopy	7.25
07/20/16	Lasercopy	6.00
07/20/16	Lasercopy	9.50
07/22/16	Lasercopy	0.25
07/22/16	Articles/Filing Fees FOREVER JEWELLERY INC. -	63.00
07/22/16	Articles/Filing Fees FOREVER JEWELLERY INC. -	23.00
07/22/16	Articles/Filing Fees FOREVER JEWELLERY INC. -	45.00
07/26/16	Lasercopy	0.25
07/29/16	Lasercopy	0.25
Total Disbursements		302.75
HST		39.36

Matter Number: 300245.00003  
Matter: Forever Jewellery Inc.  
Responsible Professional: Stuart Brotman

Page 8  
Invoice #: 1045108

Total Disbursements Including Taxes	<u>342.11</u>
<b>Total Fees, Disbursements and Taxes</b>	<b><u>CAD \$ 11,608.78</u></b>

**Tax Summary**

HST	<u>1,335.53</u>
<b>Total Taxes Included in This Bill</b>	<b><u>1,335.53</u></b>



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Toronto, Ontario M5H 2T6  
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Richter Advisory Group Inc.  
181 Bay Street  
Suite 3320  
Bay Wellington Tower  
Toronto ON M5J 2T3

September 23, 2016  
Invoice #: 1048362  
HST #: 87937 6127 RT0001

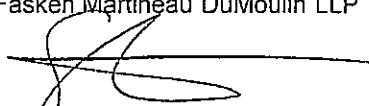
Attention: Clark Lonergan

Matter Number: 300245.00003  
Matter: Forever Jewellery Inc.  
Responsible Professional: Stuart Brotman

For Professional Services rendered through August 31, 2016 as described in the attached memorandum

Total Fees	\$ 2,290.00
Total Disbursements	4.75
Total Taxes	298.32
<b>Total Amount Owing This Bill</b>	<b>CAD \$ 2,593.07</b>

Fasken Martineau DuMoulin LLP

  
Per: Stuart Brotman  
E.&O.E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 0.8% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

SCOTIABANK, 20 Queen Street West, 4<sup>th</sup> Floor, Toronto, Ontario, M5H 3R3  
Account Name: Fasken Martineau DuMoulin LLP  
CADS Account No: 476961041614, Transit No. 47696 Bank ID: 002  
SWIFT code: NOSCCATT

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Richter Advisory Group Inc.  
181 Bay Street  
Suite 3320  
Bay Wellington Tower  
Toronto ON M5J 2T3

September 23, 2016  
Invoice #: 1048362  
HST #: 87937 6127 RT0001

Attention: Clark Lonergan

### FEE MEMORANDUM

---

**Matter Number: 300245.00003**  
**Matter: Forever Jewellery Inc.**  
**Responsible Professional: Stuart Brotman**

08/04/2016	Exchange of emails with C. Lonergan and K. Forbes regarding sale of inventory without vesting order; Considering issues regarding same; E-mail to N. De Cicco regarding review of draft bill of sale; Stuart Brotman	0.50 hrs.	\$ 387.50
08/05/2016	Reviewing and commenting on form of bill of sale; email to K. Forbes re: same; drafting form of consent. Natasha De Cicco	1.00 hrs.	\$ 575.00
08/08/2016	Reviewing, revising and finalizing draft template bill of sale and consent; circulating same to and telephone call with K. Forbes. Natasha De Cicco	0.40 hrs.	\$ 230.00
08/11/2016	Email to K. Forbes re: transfer of IP. Natasha De Cicco	0.20 hrs.	\$ 115.00
08/25/2016	Reviewing and responding to email from K. Forbes re: Corona bill of sale; telephone call with C. Lonergan re: same. Natasha De Cicco	0.50 hrs.	\$ 287.50
08/26/2016	Email correspondence re: Corona sale; revising and circulating draft assignment agreement. Natasha De Cicco	0.30 hrs.	\$ 172.50
08/26/2016	Telephone call with C. Lonergan regarding potential pursuit of pre-filing payments; Exchange of emails with client and Aird & Berlis regarding same; Stuart Brotman	0.40 hrs.	\$ 310.00



Matter Number: 300245.00003  
Matter: Forever Jewellery Inc.  
Responsible Professional: Stuart Brotman

08/29/2016	Email from A. Zimmerman re: IP assignment agreement; email to C. Lonergan and K. Forbes re: same. Natasha De Cicco	0.10 hrs.	\$ 57.50
08/30/2016	Telephone call with S. Graff, Stuart Brotman	0.20 hrs.	\$ 155.00

Matter Number: 300245.00003  
Matter: Forever Jewellery Inc.  
Responsible Professional: Stuart Brotman

Page 4  
Invoice #: 1048362

Professional Summary

<u>Professional</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
Stuart Brotman	Partner	775.00	1.10	852.50
Natasha De Cicco	Counsel	575.00	2.50	1,437.50
	Total		<u>3.60</u>	<u>CAD \$ 2,290.00</u>

Matter Number: 300245.00003  
Matter: Forever Jewellery Inc.  
Responsible Professional: Stuart Brotman

Page 5  
Invoice #: 1048362

Our Fees	\$ 2,290.00	
HST	297.70	
Total Fees Including Taxes		<u>\$ 2,587.70</u>
<b>Disbursements</b>		
<u>Taxable</u>		
08/05/16 Lasercopy	3.50	
08/05/16 Lasercopy	1.25	
Total Disbursements	4.75	
HST	0.62	
Total Disbursements Including Taxes		<u>5.37</u>
<b>Total Fees, Disbursements and Taxes</b>		<u><b>CAD \$ 2,593.07</b></u>

<b>Tax Summary</b>		
HST	298.32	
Total Taxes Included in This Bill	298.32	





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Richter Advisory Group Inc.  
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October 21, 2016  
Invoice #: 1055757  
HST #: 87937 6127 RT0001

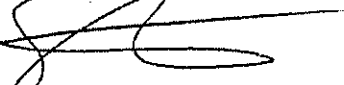
Attention: Clark Lonergan

Matter Number: 300245.00003  
Matter: Forever Jewellery Inc.  
Responsible Professional: Stuart Brotman

For Professional Services rendered through September 30, 2016 as described in the attached memorandum

Total Fees	\$ 703.50
Total Disbursements	140.75
Total Taxes	109.75
<b>Total Amount Owning This Bill</b>	<b>CAD \$ 954.00</b>

Fasken Martineau DuMoulin LLP

  
Per: Stuart Brotman  
E.&O.E.

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181 Bay Street  
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Bay Wellington Tower  
Toronto ON M5J 2T3

October 21, 2016  
Invoice #: 1055757  
HST #: 87937 6127 RT0001

Attention: Clark Lonergan

### FEE MEMORANDUM

---

**Matter Number: 300245.00003**  
**Matter: Forever Jewellery Inc.**  
**Responsible Professional: Stuart Brotman**

09/01/2016	Reviewing file regarding certain pre-filing payments; Telephone call with C. Lonergan regarding same; Dictating letter to I. Buso and B. Buso; Stuart Brotman	0.70 hrs.	\$ 542.50
09/12/2016	Arranging for corporate searches re Forever Jewellery Inc. for D. Chochla; Correspondence re same. Adam Simon	0.40 hrs.	\$ 60.00
09/12/2016	Instructions to A. Simon re: corporate searches for security review memorandum. Dylan Chochla	0.10 hrs.	\$ 41.00
09/13/2016	Correspondence with D. Chochla re corporate searches for Forever Jewellery Inc. et al.; Arranging for additional corporate searches re same. Adam Simon	0.40 hrs.	\$ 60.00

Matter Number: 300245.00003  
Matter: Forever Jewellery Inc.  
Responsible Professional: Stuart Brotman

Page 3  
Invoice #: 1055757

Professional Summary

<u>Professional</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
Stuart Brotman	Partner	775.00	0.70	542.50
Dylan Chochla	Associate	410.00	0.10	41.00
Adam Simon	Paralegal	150.00	0.80	120.00
	Total		1.60	CAD \$ 703.50

Matter Number: 300245.00003  
Matter: Forever Jewellery Inc.  
Responsible Professional: Stuart Brotman

Page 4  
Invoice #: 1055757

<b>Our Fees</b>		<b>\$ 703.50</b>
HST		91.46
<b>Total Fees Including Taxes</b>		<b>\$ 794.96</b>
<b>Disbursements</b>		
<u>Taxable</u>		
09/08/16	Lasercopy	0.25
09/12/16	Lasercopy	0.25
09/12/16	Articles/Filing Fees FOREVER JEWELLERY INC. -	15.00
09/12/16	Articles/Filing Fees FOREVER JEWELLERY INC. -	125.00
09/23/16	Lasercopy	0.25
<b>Total Disbursements</b>		<b>140.75</b>
HST		18.29
<b>Total Disbursements Including Taxes</b>		<b>159.04</b>
<b>Total Fees, Disbursements and Taxes</b>		<b>CAD \$ 954.00</b>

<b>Tax Summary</b>		
HST		109.75
<b>Total Taxes Included in This Bill</b>		<b>109.75</b>

**SALUS CAPITAL PARTNERS, LLC**

Applicant

- and -

**FOREVER JEWELLERY INC.**

Respondent

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**Proceedings commenced in Toronto**

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**AFFIDAVIT OF STUART BROTMAN  
(APPROVAL OF FEES)**

---

**FASKEN MARTINEAU DUMOULIN LLP**

Barristers and Solicitors  
333 Bay Street, Suite 2400  
Bay Adelaide Centre, Box 20  
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**Stuart Brotman (LSUC# 43430D)**

Tel: 416 865 5419  
Fax: 416 364 7813  
sbrotman@fasken.com

**Dylan Chochla (LSUC# 62137I)**

Tel: 416 868 3425  
Fax: 416 364 7813  
dchochla@fasken.com

Lawyers for the Court-appointed Interim Receiver/  
Receiver, Richter Advisory Group Inc.

# Tab G

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

APPLICATION UNDER SUBSECTIONS 47(1) AND 243 (1) OF THE BANKRUPTCY AND INSOLVENCY ACT,  
R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990. C.  
C43, AS AMENDED

AND IN THE MATTER OF THE RECEIVERSHIP OF  
FOREVER JEWELLERY INC.

AFFIDAVIT OF CLARK LONERGAN


I, **CLARK LONERGAN**, of the Town of Richmond Hill, in the Province of Ontario, **MAKE OATH AND SAY** that:

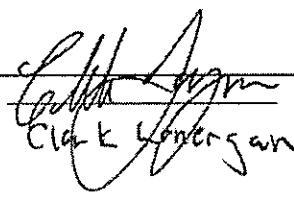
1. I am a Senior Vice President of Richter Advisory Group Inc. ("**Richter**") and, as such, I have knowledge of the matters hereinafter deposed to except where stated to be on information and belief, and whereso stated, I verily believe it to be true.
2. By order (the "**Appointment Order**") of the Honourable Mr. Justice Wilton-Siegel of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated June 30, 2016 (the "**Date of Appointment**"), Richter Advisory Group Inc. ("**Richter**") was appointed receiver (the "**Receiver**") of all of the property, assets and undertakings (the "**Property**") of Forever Jewellery Inc. ("**FJI**" or the "**Company**"), pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.
3. Pursuant to the Appointment Order, the Receiver has provided services and incurred disbursements, in the amount of \$150,129.75 and \$698.02 (all excluding HST), respectively, in the period from the Date of Appointment to November 18, 2016 (the "**Period**") with respect to services provided. Attached hereto and marked as Exhibit "A" to this my Affidavit is a summary of all invoices rendered by the Receiver on a periodic basis during the Period (the "**Accounts**").
4. True copies of the Accounts, which include a fair and accurate description of the services provided along with hours and applicable rates claimed by the Receiver, are attached as Exhibit "B" to this my Affidavit.




5. In the course of performing its duties pursuant to the Appointment Order, the Receiver's staff has expended a total of 436.55 hours during the Period. Attached as Exhibit "C" to this my Affidavit is a schedule setting out a summary of the individual staff involved in the administration of the receivership and the hours and applicable rates claimed by the Receiver for the Period. The average hourly rate billed by the Receiver during the Period is \$343.90.
6. The Receiver requests that this Court approve its Accounts for the Period, in the total amount of \$150,827.77 (excluding HST) for services rendered and recorded during the Period.
7. Fasken Martineau DuMoulin LLP ("Fasken"), as independent legal counsel to the Receiver, have provided legal services to the Receiver, rendered services throughout these proceedings in a manner consistent with the instructions of the Receiver and has prepared an affidavit with respect to the services rendered in the period from the Date of Appointment to September 30, 2016 (the "Counsel's Period"). The Receiver has reviewed the invoices rendered by Fasken during the Counsel's Period.
8. The Receiver's fees and disbursements for the period from November 19, 2016 to the completion of all work relating to the receivership proceedings will be calculated and billed at the standard rates currently in effect. Barring unforeseen circumstances, I estimate that the Receiver's fees and disbursements to the completion of the receivership proceedings will not exceed \$40,000 (excluding HST), including the fees and disbursements of legal counsel for the period from October 1, 2016 to completion of the proceedings.
9. To the best of my knowledge, the rates charged by the Receiver and Fasken are comparable to the rates charged for the provision of similar services by other accounting and law firms in downtown Toronto.
10. I verily believe that the fees and disbursements incurred by the Receiver and Fasken are fair and reasonable in the circumstances.
11. This Affidavit is sworn in connection with a motion for an Order of this Court to, among other things, approve the fees and disbursements of the Receiver and those of its legal counsel and for no improper purpose.

SWORN BEFORE ME at the City of  
 Dallas, in the state of Texas  
 This 25 day of November, 2016

  
 \_\_\_\_\_  
 KIBBEN JACKSON  
 2900-550 Burrard St.  
 VANCOUVER, BC V6C 0A3

  
 \_\_\_\_\_  
 2 Clark Longeman

This is Exhibit "A" referred to in the Affidavit of  
Clark Loneran, sworn before me this  
25 day of November, 2016



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Exhibit "A"


**Richter Advisory Group Inc.  
IN THE MATTER OF THE RECEIVERSHIP**

**Re: Forever Jewellery Inc.  
Statement of Accounts**

**For the Period from June 30, 2016 to November 18, 2016**

<u>Invoice</u>	<u>Date of invoice</u>	<u>Fees</u>	<u>Disbursements</u>	<u>HST</u>	<u>Total</u>
20401133	August 12, 2016	77,617.75	239.25	10,121.41	87,978.41
20401185	September 16, 2016	21,537.25	118.79	2,815.29	24,471.33
20401309	November 1, 2016	19,693.75	182.03	2,583.85	22,459.63
20401378	November 21, 2016	31,281.00	157.95	4,087.06	35,526.01
		<u>150,129.75</u>	<u>698.02</u>	<u>19,607.61</u>	<u>170,435.38</u>

This is Exhibit "B" referred to in the Affidavit of  
Clark Loneran, sworn before me this  
25 day of November, 2016



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# RICHTER

Richter Advisory Group Inc., Receiver re: Forever Jewellery Inc.  
181 Bay Street, Suite 3320  
Toronto, ON M5J 2T3

Date: 09/16/2016  
Invoice No.: 20401185  
Engagement No.: 2020614  
Payment Terms: Due on Receipt

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Professional services rendered to August 31, 2016	\$ 21,537.25
Disbursements	118.79
<b>Sub-Total</b>	<u>21,656.04</u>
GST/HST #885435842 RT0001	2,815.29
<b>Total Due</b>	<u>CAD \$ 24,471.33</u>

T. 416.488.2345

Richter Advisory Group Inc.  
181 Bay St., Suite 3320  
Bay Wellington Tower  
Toronto ON M5J 2T3  
[www.richter.ca](http://www.richter.ca)

Toronto, Montreal



Invoice No.: 20401185  
Date: 09/16/2016



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**Fees**

<b>Name</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Adam Sherman	0.50	\$ 525.00	\$ 262.50
Angellique Jenkins	29.50	135.00	3,982.50
Ann Stremski	0.60	175.00	105.00
Caleigh Smith	6.00	285.00	1,710.00
Carol O'Donnell	8.10	285.00	2,308.50
Clark Lonergan	5.55	625.00	3,468.75
Dale Millstein	6.90	350.00	2,415.00
Jack Bradshaw	12.00	135.00	1,620.00
Katherine Forbes	8.50	525.00	4,462.50
Pascale Lareau	2.70	175.00	472.50
Patrick Lareau	0.30	350.00	105.00
Soazig Bourguine	1.00	135.00	135.00
Soazig Bourguine	2.80	175.00	490.00
	<hr/>		
	84.45		\$ 21,537.25

**Disbursements**

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Disbursements			\$ 118.79
			<hr/>
			\$ 118.79

Invoice No.: 20401186  
Date: 09/16/2016



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**Fee and Disbursement Details**

Date	Name and Description	Hours	Rate	Amount
08/01/2016	Carol O'Donnell Post stop payment in Ascend, email to C. Lonergan.	0.20	\$ 285.00	\$ 57.00
08/02/2016	Carol O'Donnell Prepare deposits in Ascend. Contact bank for banking transactions.	0.30	285.00	85.50
08/02/2016	Dale Millstein Conducted final FJI inventory count for shipment.	5.00	350.00	1,750.00
08/02/2016	Jack Bradshaw AR collection calls/emails, responding to Zale enquirles about orders.	2.00	135.00	270.00
08/03/2016	Carol O'Donnell Prepare deposit, scan and save.	0.20	285.00	57.00
08/03/2016	Soazig Bourgine JSN Jewellery URL set up. Draft of WEPPA Notice.	0.70	175.00	122.50
08/03/2016	Dale Millstein Prepared and sent back goods originally returned and legally owned by Fifth Avenue. Ensured shipping insurance was appropriate. Obtained signed release and indemnity agreement.	0.40	350.00	140.00
08/03/2016	Angellque Jenkins Bank account analysis.	4.00	135.00	540.00
08/03/2016	Jack Bradshaw AR collection calls/emails.	2.00	135.00	270.00
08/03/2016	Jack Bradshaw AR collection calls/emails, finding and matching unlabelled inventory listing to price list on server.	0.50	135.00	67.50
08/04/2016	Patrick Lareau Review WEPPA and discussion with A. Stremski.	0.30	350.00	105.00
08/04/2016	Carol O'Donnell Review bank reconciliation.	0.10	285.00	28.50
08/04/2016	Ann Stremski Prepare employee information forms for Service Canada.	0.60	175.00	105.00
08/04/2016	Katherine Forbes Bill of sale for prospective inventory purchase and communcations with counsel.	0.50	525.00	262.50
08/04/2016	Soazig Bourgine Email to A. Sherman re. WEPPA Notice.	0.10	175.00	17.50

Invoice No.: 20401185  
Date: 09/16/2016



Date	Name and Description	Hours	Rate	Amount
08/04/2016	Dale Millstein Contacted Bell Canada to return modem. Called York-Simco to return mailing machine.	0.80	350.00	280.00
08/04/2016	Angelique Jenkins Bank account analysis.	1.00	135.00	135.00
08/04/2016	Jack Bradshaw AR collection calls/emails.	2.50	135.00	337.50
08/05/2016	Katherine Forbes Phone call with WK Chan to discuss outstanding AR balance. Dealings with interested parties on FJI inventory and IP, internal discussions and discussions with Salus, GB re: same.	1.00	525.00	525.00
08/05/2016	Katherine Forbes Dealings with interested parties on FJI inventory and IP, internal discussions and discussions with Salus, GB re: same.	2.30	525.00	1,207.50
08/05/2016	Soazig Bourgine Preparation of supporting documents (POC, forms, personalized table), labels.	1.00	175.00	175.00
08/05/2016	Clark Lonergan Inventory realization update, AR review and update, etc.	1.25	625.00	781.25
08/05/2016	Angelique Jenkins Bank account analysis.	6.00	135.00	810.00
08/05/2016	Jack Bradshaw AR follow ups.	3.00	135.00	405.00
08/07/2016	Katherine Forbes Correspondence with potential purchaser of inventory, and C. Lonergan re same.	0.30	525.00	157.50
08/08/2016	Katherine Forbes Email and phone call with prospective purchasers, review of new bid, etc. Sending bill of sale.	1.00	525.00	525.00
08/08/2016	Soazig Bourgine Affidavit finalization. WEPPA notice mailed to employees.	0.90	175.00	157.50
08/08/2016	Adam Sherman Review and revise WEPPA notice, including emails with Richter team.	0.50	525.00	262.50
08/08/2016	Angelique Jenkins Bank account analysis.	3.50	135.00	472.50
08/08/2016	Jack Bradshaw AR calls/emails, depositing AR cheques, updating tracker.	2.00	135.00	270.00



Invoice No.: 20401185  
 Date: 08/16/2016



Date	Name and Description	Hours	Rate	Amount
08/09/2016	Carol O'Donnell Update deposits, scan and save. Email D. Millstein copy of bank statement. Email to bank to obtain August transactions. Email GL to D. Millstein.	1.50	285.00	427.50
08/09/2016	Katherine Forbes IP offer to purchase. Inventory sales, including schedule to bill of sale and emails with purchaser.	1.40	525.00	735.00
08/09/2016	Soazig Bourgine Email to K. Forbes re: new appointment of receivership.	0.10	175.00	17.50
08/09/2016	Angellique Jenkins Bank account analysis.	0.50	135.00	67.50
08/10/2016	Carol O'Donnell Prepare cheque.	0.10	285.00	28.50
08/10/2016	Katherine Forbes Customer call - WK Chan, and customer payment schedule and settlement letter review.	0.60	525.00	315.00
08/11/2016	Carol O'Donnell Verify with bank for wire transfers. Enter deposits.	0.30	285.00	85.50
08/11/2016	Katherine Forbes WK Chan letter - review.	0.20	525.00	105.00
08/12/2016	Carol O'Donnell Prepare cheques. Verify bank for wire transfer. Emails to C. Lonergan.	0.30	285.00	85.50
08/12/2016	Soazig Bourgine Finalization of Affidavit of Mailing, efilling of OSB.	0.50	135.00	67.50
08/12/2016	Clark Lonergan Realization update and update for Lender, WK Chan letter, etc.	1.40	625.00	875.00
08/12/2016	Dale Millstein Contacted R. Moreno (Greenwin – Landlord Property Manager) re: refund owed.	0.20	350.00	70.00
08/12/2016	Caleigh Smith Sale process - Lot #1.	4.00	285.00	1,140.00
08/15/2016	Pascale Lareau Bank reconciliation.	0.20	175.00	35.00
08/15/2016	Carol O'Donnell Prepare cheque, scan and save. Receipt of stop payment, scan email to K. Forbes and C. Lonergan, Enter into Ascend.	0.50	285.00	142.50

Invoice No.: 20401185  
Date: 09/16/2016



Date	Name and Description	Hours	Rate	Amount
08/15/2016	Clark Lonergan Update of realization analysis, review of AR update, follow up regarding inventory with Zales.	1.40	625.00	875.00
08/15/2016	Caleigh Smith Sale of FJ lots / pick up of bank statements and cheque copies at CIBC branch.	2.00	285.00	570.00
08/16/2016	Carol O'Donnell Prepare deposit, scan and save. Prepare cheques.	0.40	285.00	114.00
08/16/2016	Katherine Forbes Correspondence with prospective purchaser of trademark.	0.20	525.00	105.00
08/18/2016	Carol O'Donnell Update deposits, misc. administration.	0.90	285.00	256.50
08/19/2016	Carol O'Donnell Prepare deposit, scan and save.	0.20	285.00	57.00
08/19/2016	Soazig Bourguine Finalization of Affidavit, affidavit faxed to OSB.	0.50	135.00	67.50
08/22/2016	Carol O'Donnell Verify bank for transactions. Update and email GL to D. Millstein.	0.40	285.00	114.00
08/22/2016	Angelique Jenkins Bank account analysis.	1.00	135.00	135.00
08/23/2016	Carol O'Donnell Prepare deposit, scan and save.	0.20	285.00	57.00
08/24/2016	Carol O'Donnell Update stop payment, scan, save and email to Toronto staff.	0.20	285.00	57.00
08/24/2016	Katherine Forbes Sale of IP.	0.50	525.00	262.50
08/24/2016	Clark Lonergan Update on AR, inventory listing with purchaser, IP sale, etc.	1.50	625.00	937.50
08/26/2016	Pascale Lareau Call Revenue Canada for GST number information.	0.60	175.00	105.00
08/26/2016	Angelique Jenkins Bank account analysis.	5.50	135.00	742.50
08/29/2016	Pascale Lareau Call Revenue Canada concerning GST number.	0.40	175.00	70.00
08/29/2016	Carol O'Donnell	0.70	285.00	199.50

Invoice No.: 20401185  
 Date: 09/16/2016



Date	Name and Description	Hours	Rate	Amount
08/29/2016	Verify bank for wire transfers, emails with K. Forbes regarding GST and wire transfer. Enter and scan several deposits. Katherine Forbes	0.50	525.00	262.50
08/29/2016	Finalizing IP transaction and communications with purchaser. Angelique Jenkins	6.00	135.00	810.00
08/30/2016	Bank account analysis. Pascale Lareau	1.50	175.00	262.50
08/30/2016	Discussion with Revenue Canada for GST number and acces code. Carol O'Donnell	1.30	285.00	370.50
08/30/2016	Discussions with A. Sherman and K. Forbes regarding WEPPA. Verify WEPP schedule. Angelique Jenkins	2.00	135.00	270.00
08/31/2016	Bank account analysis. Carol O'Donnell	0.30	285.00	85.50
08/31/2016	Prepare deposits, scan and save. Dale Millstein	0.50	350.00	175.00
	Prepared A/R listing for collections. Updated A/R for postdated cheques received.			
<b>Fees Total</b>		<b>84.45</b>		<b>\$ 21,537.25</b>
<b>Date</b>	<b>Name and Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
08/30/2016	Disbursements			\$ 118.79
<b>Disbursements Total</b>				<b>\$ 118.79</b>

Invoice No.: 20401185  
Date: 09/16/2016



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**Remittance Form**

Richter Advisory Group Inc., Receiver re: Forever Jewellery Inc.  
181 Bay Street, Suite 3320  
Toronto, ON M5J 2T3

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**Invoice Summary**

Sub-Total		\$ 21,656.04
GST/HST #885436842 RT0001		2,815.29
Total Due	GAD	\$ 24,471.33

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**Payment Options**

**Wire Transfer** Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2  
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR  
Email payment details, including invoice number and amount paid to:  
ClientService@richter.ca

**Cheques** Payable to: Richter Advisory Group Inc.  
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

**Inquiries:** please call our general line 416.488.2345 or e-mail ClientService@richter.ca

T. 416.488.2345

Richter Advisory Group Inc.  
181 Bay St., Suite 3320  
Bay Wellington Tower  
Toronto ON M5J 2T3  
www.richter.ca

Toronto, Montreal

Richter Advisory Group Inc., Receiver re: Forever Jewellery Inc.  
181 Bay Street, Suite 3320  
Toronto, ON M5J 2T3

Date: 11/01/2016  
Invoice No.: 20401309  
Engagement No.: 2020614  
Payment Terms: Due on Receipt

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Professional services rendered to October 28, 2016		\$ 19,693.75
Disbursements		182.03
		<hr/>
<b>Sub-Total</b>		19,875.78
GST/HST #885435842 RT0001		2,583.85
		<hr/>
<b>Total Due</b>	<b>CAD</b>	<b>\$ 22,459.63</b>

T. 416.488.2345

Richter Advisory Group Inc.  
181 Bay St., Suite 3320  
Bay Wellington Tower  
Toronto ON M5J 2T3  
[www.richter.ca](http://www.richter.ca)

Toronto, Montreal



Invoice No.. 20401309  
Date: 11/01/2016

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Fees

Name	Hours	Rate	Amount
Adam Sherman	0.50	\$ 525.00	\$ 262.50
Ann Stremski	0.70	175.00	122.50
Caleigh Smith	5.50	285.00	1,567.50
Carol O'Donnell	9.00	285.00	2,565.00
Clark Lonergan	14.65	625.00	9,156.25
Dale Millstein	1.00	350.00	350.00
Katherine Forbes	9.70	525.00	5,092.50
Pascale Lareau	3.20	175.00	560.00
Soazig Bourgine	0.10	175.00	17.50

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Disbursements	44.35		\$ 19,693.75
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Disbursements			\$ 182.03
			<hr/>
			\$ 182.03

Invoice No.: 20401309  
Date: 11/01/2016

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**Fee and Disbursement Details**

Date	Name and Description	Hours	Rate	Amount
09/01/2016	Pascale Lareau Updated WEPPA schedule with payment received by Service Canada.	0.40	\$ 175.00	\$ 70.00
09/01/2016	Carol O'Donnell Prepare cheque. Misc. administration.	1.40	285.00	399.00
09/01/2016	Katherine Forbes AR collection-related activities, review of WEPPA calculation, execution of IP sale, communications with purchaser, banking activities, etc.	1.10	525.00	577.50
09/01/2016	Clark Lonergan Update on AR, related party payment review, etc.	0.75	625.00	468.75
09/02/2016	Carol O'Donnell Update accounting, prepare bank reconciliation, misc. administration.	1.40	285.00	399.00
09/02/2016	Katherine Forbes Review of outstanding AR and transfer of accounts to contractor for collection, including internal discussions with D. Millstein.	1.10	525.00	577.50
09/06/2016	Pascale Lareau Preparation GST declaration summary for June, July and August 2016, journal entries for deposit received Aug. 25, 2016.	0.80	175.00	140.00
09/06/2016	Katherine Forbes Review of GL and GST calculation.	0.50	525.00	262.50
09/06/2016	Clark Lonergan AR update date, inventory sales discussion re: remaining Signet inventory, Itria Buso discussion, etc.	1.45	625.00	906.25
09/06/2016	Dale Millstein Received FJI A/R cheque. Deposit cheque.	0.20	350.00	70.00
09/06/2016	Caleigh Smith AR status update with Michel & discussion with Brian on Zales inventory.	2.00	285.00	570.00
09/07/2016	Pascale Lareau HST declaration for June to August 2016, bank reconciliation.	0.50	175.00	87.50
09/07/2016	Katherine Forbes Review gst returns, counsel invoice, etc.	0.80	525.00	420.00
09/07/2016	Dale Millstein	0.30	350.00	105.00

Invoice No.: 20401309  
 Date: 11/01/2016

Date	Name and Description	Hours	Rate	Amount
	Processed FJI Insurance cheque requisition. Facilitated payment for FJI insurance. Provided customers with invoice support for account balances.			
09/08/2016	Ann Stremski Prepare cheques; communications with D. Millstein.	0.40	175.00	70.00
09/08/2016	Adam Sherman Review/approve July bank reconciliation. Review/sign cheques, including discussion with Richter team.	0.30	525.00	157.50
09/12/2016	Ann Stremski Administration re cheques.	0.30	175.00	52.50
09/12/2016	Soazig Bourgine Purchase order request for redirection of mail.	0.10	175.00	17.50
09/13/2016	Pascale Lareau Journal entry for deposit.	0.20	175.00	35.00
09/14/2016	Carol O'Donnell Enter NSF cheque, email to K. Forbes and D. Millstein. Review GST forms discuss with P. Lareau.	0.40	285.00	114.00
09/15/2016	Carol O'Donnell Verify bank, update GL, email GL to C. Lonergan.	0.50	285.00	142.50
09/16/2016	Carol O'Donnell Review of GL with D. Millstein. Enter stop payment, email to Toronto. Misc administration.	1.20	285.00	342.00
09/16/2016	Katherine Forbes Internal discussions re: accounting.	0.20	525.00	105.00
09/21/2016	Carol O'Donnell Prepare deposits, scan and save.	0.20	285.00	57.00
09/22/2016	Carol O'Donnell Prepare deposit, scan and save. Email to C. Lonergan with trial balance. Prepare cheque for fees.	0.50	285.00	142.50
09/22/2016	Clark Lonergan Inventory sale, realization update, preferences examination.	3.75	625.00	2,343.75
09/22/2016	Adam Sherman Review and approve bank rec for August 2016, including discussion with Richter team.	0.20	525.00	105.00
09/23/2016	Carol O'Donnell Scan and enter deposits.	0.20	285.00	57.00



Invoice No.: 20401309  
 Date: 11/01/2016

Date	Name and Description	Hours	Rate	Amount
09/23/2016	Katherine Forbes Review bill of sale for Zales inventory sale.	0.20	525.00	105.00
09/26/2016	Carol O'Donnell Verify bank for wire transfers. Email C. Lonergan, misc. administration.	0.30	285.00	85.50
09/26/2016	Clark Lonergan AR follow up, completion of inventory sale with Simplex, follow up on preference letter, realization analysis, etc.	1.75	625.00	1,093.75
09/26/2016	Dale Millstein Tracked cheques received.	0.50	350.00	175.00
09/27/2016	Carol O'Donnell Verify bank for wire transfers, update deposits. Emails and misc. administration.	1.10	285.00	313.50
09/27/2016	Katherine Forbes Planning, review of AR collections commission agreement.	0.50	525.00	262.50
09/27/2016	Caleigh Smith AR agency letter and follow up on AR status.	0.50	285.00	142.50
09/28/2016	Carol O'Donnell Input deposit for Sept 27. Scan and save.	0.20	285.00	57.00
09/28/2016	Carol O'Donnell Input deposit for Sept 28, scan and save.	0.10	285.00	28.50
09/30/2016	Katherine Forbes Sale of inventory - reconciling items and correspondence with purchaser, C. Smith.	0.50	525.00	262.50
09/30/2016	Caleigh Smith Review onsite to identify pieces missing from Zales lot. Internal discussions regarding reconciling items for Zales lot.	0.50	285.00	142.50
10/05/2016	Pascale Lareau Bank reconciliation.	0.20	175.00	35.00
10/07/2016	Carol O'Donnell Update deposit, scan and save.	0.20	285.00	57.00
10/11/2016	Pascale Lareau Preparation GST document for Revenue Canada Audit.	0.60	175.00	105.00
10/11/2016	Carol O'Donnell Prepare cheque.	0.20	285.00	57.00
10/11/2016	Katherine Forbes Accounting items, payments.	0.30	525.00	157.50
10/12/2016	Clark Lonergan Realization update, preference analysis and update, remaining packaging/books and records review, etc.	1.45	625.00	906.25

Invoice No.: 20401309  
 Date: 11/01/2016

Date	Name and Description	Hours	Rate	Amount
10/13/2016	Carol O'Donnell Reivew GST Documents and forward to K. Forbes.	0.20	285.00	57.00
10/14/2016	Carol O'Donnell Review of bill of sales for HST audit. Email to K. Forbes regarding invoice for sales.	0.30	285.00	85.50
10/14/2016	Katherine Forbes HST selected audit procedures - response to inquiry.	0.40	525.00	210.00
10/18/2016	Clark Lonergan Account receivable update, Buso letter update, books and records review, etc.	2.25	625.00	1,406.25
10/20/2016	Carol O'Donnell Prepare deposit, scan and save.	0.20	285.00	57.00
10/21/2016	Pascale Lareau Working on GST calculation.	0.30	175.00	52.50
10/21/2016	Katherine Forbes Follow-up re: HST audit.	0.10	525.00	52.50
10/24/2016	Pascale Lareau GST Declaration for the period of September 2016.	0.20	175.00	35.00
10/25/2016	Carol O'Donnell Prepare GL and banking transactions and email to C. Lonergan.	0.40	285.00	114.00
10/25/2016	Clark Lonergan Bankruptcy analysis, preparing lender update, AR review, etc.	1.75	625.00	1,093.75
10/28/2016	Katherine Forbes Lender update, court report outline, discussions with C. Lonergan and A. Sherman re: R&D statements.	4.00	525.00	2,100.00
10/28/2016	Clark Lonergan Lender update, reviewable transactions review, etc.	1.50	625.00	937.50
10/28/2016	Caleigh Smith AR tracking updates.	2.50	285.00	712.50
<b>Fees Total</b>		<b>44.35</b>		<b>\$ 19,693.75</b>
<b>Date</b>	<b>Name and Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
10/01/2016	Disbursements Travel (airfare, accommodation, meals), Mileage, Postage, Photocopy, Courier, etc.			\$ 182.03

Invoice No. 20401309  
Date: 11/01/2016

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Date	Name and Description	Hours	Rate	Amount
Disbursements Total				\$ 182.03

Invoice No.: 20401309  
Date: 11/01/2016

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**Remittance Form**

Richter Advisory Group Inc., Receiver re: Forever Jewellery Inc.  
181 Bay Street, Suite 3320  
Toronto, ON M5J 2T3

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**Invoice Summary**

Sub-Total		\$ 19,875.78
GST/HST #885435842 RT0001		2,583.85
<b>Total Due</b>	<b>CAD</b>	<b>\$ 22,459.63</b>

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**Payment Options**

**Wire Transfer** Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2  
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT USD  
Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR  
Email payment details, including invoice number and amount paid  
to: [ClientService@richter.ca](mailto:ClientService@richter.ca)

**Cheques** Payable to: Richter Advisory Group Inc.  
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

**Inquiries:** please call our general line 416.488.2345 or e-mail [ClientService@richter.ca](mailto:ClientService@richter.ca)

T. 416.488.2345

Richter Advisory Group Inc.  
181 Bay St., Suite 3320  
Bay Wellington Tower  
Toronto ON M5J 2T3  
[www.richter.ca](http://www.richter.ca)

# RICHTER

Richter Advisory Group Inc., Receiver re: Forever Jewellery Inc.  
181 Bay Street, Suite 3320  
Toronto, ON M6J 2T3

Date: 11/21/2016  
Invoice No.: 20401378  
Engagement No.: 2020614  
Payment Terms: Due on Receipt

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Professional services rendered to November 18, 2016	\$ 31,281.00
Disbursements	157.95
<b>Sub-Total</b>	<b>31,438.95</b>
GST/HST #885435842 RT0001	4,067.06
<b>Total Due</b>	<b>CAD \$ 35,526.01</b>

T. 416.488.2345

Richter Advisory Group Inc.  
181 Bay St., Suite 3320  
Bay Wellington Tower  
Toronto ON M6J 2T3  
www.richter.ca

Toronto, Montreal



Invoice No.: 20401378  
Date: 11/21/2010



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**Fees**

<b>Name</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Adam Sherman	0.40	\$ 525.00	\$ 210.00
Ann Stremski	4.00	175.00	700.00
Caleigh Smith	7.00	285.00	1,995.00
Carol O'Donnell	4.60	285.00	1,311.00
Clark Lonergan	19.00	625.00	11,875.00
Katherine Forbes	28.30	525.00	14,857.50
Pascale Lareau	1.50	175.00	262.50
Soazig Bourgne	0.40	175.00	70.00
	<hr/>		<hr/>
<b>Disbursements</b>	<b>65.20</b>		<b>\$ 31,281.00</b>

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<b>Disbursements</b>			<b>\$ 157.95</b>
			<hr/>
			<b>\$ 157.95</b>

Invoice No.: 20401378  
Date: 11/21/2016



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**Fee and Disbursement Details**

<b>Date</b>	<b>Name and Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
10/31/2016	Carol O'Donnell Review WEPPA with K. Forbes.	0.30	\$ 285.00	\$ 85.50
10/31/2016	Ann Stremski Communication with K. Forbes.	0.10	175.00	17.50
11/01/2016	Carol O'Donnell Update deposits, scan and save. Update accounting, prepare bank reconciliation. Email GL's to K. Forbes and C. Smith.	0.80	285.00	228.00
11/01/2016	Ann Stremski Prepare cheque.	0.20	175.00	35.00
11/01/2016	Katherine Forbes Drafting of First Receiver's Report, review of GL, analysis of Interim receiver and receiver costs.	4.00	525.00	2,100.00
11/02/2016	Carol O'Donnell Prepare fee affidavit. Verify date of Initial mailing and email to C. Lonergan.	0.90	285.00	256.50
11/02/2016	Ann Stremski File amended Employee Information Forms with Service Canada, prepare cover letters and amended mailing list for affidavit, communications with K. Forbes, prepare affidavit.	3.50	175.00	612.50
11/02/2016	Katherine Forbes Drafting of First Receiver's Report.	4.00	525.00	2,100.00
11/02/2016	Adam Sherman Review and approve bank rec for September 2016.	0.20	525.00	105.00
11/02/2016	Caleigh Smith Payment of outstanding invoices, review of AR collections.	0.75	285.00	213.75
11/03/2016	Carol O'Donnell Prepare fee affidavit, email to K. Forbes.	1.80	285.00	513.00
11/03/2016	Katherine Forbes Drafting of First Receiver's Report, preparation of R&D statements, review of counsel invoices, receivership fee affidavit.	4.00	525.00	2,100.00
11/03/2016	Clark Lonergan Drafting and review of Interim Receiver and Receiver first Report, fee review, R&D, asset realization update, etc.	4.00	625.00	2,500.00
11/04/2016	Pascale Lareau Working on GST calculation for October 2016, call Revenue Canada for HST declaration company information.	1.30	175.00	227.50

Invoice No.: 20401378  
Date: 11/21/2016



Date	Name and Description	Hours	Rate	Amount
11/04/2016	Ann Stremski Communication with P. Lareau and C. Lonergan re CRA and HST periods.	0.20	175.00	35.00
11/04/2016	Katherine Forbes Interim receiver and receiver R&D statements and discussion with A. Sherman, review of receivership fee affidavit. Drafting of First Report of Receiver.	3.50	525.00	1,837.50
11/04/2016	Clark Lonergan Drafting and review of IR and First Receiver's Report.	5.00	625.00	3,125.00
11/07/2016	Pascale Lareau Bank reconciliation.	0.20	175.00	35.00
11/07/2016	Katherine Forbes Drafting and review of First Receiver's Report, interim receivership fee affidavit. Correspondence with CRA re: HST audit.	6.70	525.00	3,517.50
11/07/2016	Katherine Forbes Drafting and review of First Receiver's Report, interim receivership fee affidavit. Correspondence with CRA re: HST audit.	-0.30	525.00	-157.50
11/08/2016	Carol O'Donnell Prepare cheques, scan and save. Update deposits, scan and save.	0.50	285.00	142.50
11/08/2016	Katherine Forbes Review of draft first receiver's report with C. Lonergan, correspondence with counsel on same.	1.50	525.00	787.50
11/09/2016	Soazig Bourgine Email to D. Millstein re. extension of redirection of mail.	0.10	175.00	17.50
11/09/2016	Clark Lonergan Review of FJI Report.	1.75	625.00	1,093.75
11/10/2016	Carol O'Donnell Update deposit, scan and save. Email C. Smith GL. Prepare cheque.	0.30	285.00	85.50
11/10/2016	Katherine Forbes Email to confirm insurance cancellation.	0.20	525.00	105.00
11/10/2016	Calelgh Smith Review of AR collections and preparation of contractor commission pay, follow up on larger accounts.	1.75	285.00	498.75
11/14/2016	Katherine Forbes FJI fee affidavit, receiver's report, confirming insurance cancellation.	1.40	525.00	735.00
11/15/2016	Katherine Forbes	0.30	525.00	157.50



Invoice No.: 20401378  
 Date: 11/21/2016



Date	Name and Description	Hours	Rate	Amount
	Update call with lender counsel.			
11/15/2016	Soazig Bourgine Extension of redirection of mail.	0.30	175.00	52.50
11/15/2016	Caleigh Smith Follow up on outstanding accounts, compilation of outstanding AR and detail for collections agency.	2.25	285.00	641.25
11/16/2016	Katherine Forbes Drafting and reviewing draft receiver's report, and changes of counsel.	1.50	525.00	787.50
11/16/2016	Clark Lonergan Drafting and finalizing the report.	4.00	625.00	2,500.00
11/17/2016	Katherine Forbes Receiver's report, incorporating comments from receiver's counsel, CRO and team. Discussions with JSN CRO on Respondent's objections for report.	1.50	525.00	787.50
11/17/2016	Clark Lonergan Finalizing report and discussion with Counsel re: the same.	4.25	625.00	2,656.25
11/17/2016	Adam Sherman Review/approve bank rec for October 2016.	0.20	525.00	105.00
11/17/2016	Caleigh Smith Review of CRA audit requests and books and records listing, call to CRA, follow up on key AR accounts.	2.25	285.00	641.25
<b>Fees Total</b>		<b>65.20</b>		<b>\$ 31,281.00</b>

Date	Name and Description	Hours	Rate	Amount
11/15/2016	Disbursements Travel (airfare, accommodation, meals), Mileage, Postage, Photocopy, Courier, etc.			\$ 157.95
<b>Disbursements Total</b>				<b>\$ 157.95</b>

Invoice No.: 20401378  
Date: 11/21/2016



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**Remittance Form**

Richter Advisory Group Inc., Receiver re: Forever Jewellery Inc.  
181 Bay Street, Suite 3320  
Toronto, ON M5J 2T3

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**Invoice Summary**

<b>Sub-Total</b>		<b>\$ 31,438.95</b>
GST/HST #885435842 RT0001		4,087.06
<b>Total Due</b>	<b>CAD</b>	<b>\$ 35,526.01</b>

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**Payment Options**

**Wire Transfer**

Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2

CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR

Email payment details, including invoice number and amount paid to:  
ClientService@richter.ca

**Cheques**

Payable to: Richter Advisory Group Inc.  
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

**Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca**

T. 416.488.2345

Richter Advisory Group Inc.  
181 Bay St., Suite 3320  
Bay Wellington Tower  
Toronto ON M5J 2T3  
www.richter.ca

Toronto, Montreal

# RICHTER

Richter Advisory Group Inc., Receiver re: Forever Jewellery Inc.  
181 Bay Street, Suite 3320  
Toronto, ON M5J 2T3

Date: 08/12/2016  
Invoice No.: 20401133  
Engagement No.: 2020614  
Payment Terms: Due on Receipt

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Professional services rendered to July 31, 2016			\$ 77,617.75
Disbursements			239.25
			<hr/>
<b>Sub-Total</b>			77,857.00
GST/HST #885435842 RT0001			10,121.41
			<hr/>
<b>Total Due</b>	CAD		<b>\$ 87,978.41</b>

T. 416.488.2345

Richter Advisory Group Inc.  
181 Bay St., Suite 3320  
Bay Wellington Tower  
Toronto, ON M5J2T3  
[www.richter.ca](http://www.richter.ca)

Toronto, Montreal



Invoice No.: 20401133  
Date: 08/12/2016

**E**

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**Fees**

<b>Name</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Angelique Jenkins	10.00	\$ 135.00	\$ 1,350.00
Ann Stremski	8.90	175.00	1,557.50
Carol O'Donnell	5.40	285.00	1,539.00
Clark Lonergan	55.75	625.00	34,843.75
Dale Millstein	71.90	350.00	25,165.00
Jack Bradshaw	83.50	135.00	11,272.50
Katherine Forbes	1.60	525.00	840.00
Pascale Lareau	0.60	175.00	105.00
Patrick Lareau	0.50	350.00	175.00
Soazig Bourgine	4.40	175.00	770.00
	<b>242.55</b>		<b>\$ 77,617.75</b>

**Disbursements**

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Disbursements			239.25
			<b>\$ 239.25</b>

Invoice No.: 20401133  
Date: 08/12/2016



**Fee and Disbursement Details**

Date	Name and Description	Hours	Rate	Amount
06/30/2016	Ann Stremski Multiple communications with D. Millstein and L. De Lisio regarding opening of account and deposit.	1.30	\$ 175.00	\$ 227.50
06/30/2016	Soazig Bourgine Website posting.	0.30	175.00	52.50
06/30/2016	Clark Lonergan Attendance at court, day 1 activities, termination letter, contractor letters, inventory and asset review, update to the lender and counsel etc.	4.00	625.00	2,500.00
07/04/2016	Ann Stremski Communication with D. Millstein; open file.	0.50	175.00	87.50
07/04/2016	Clark Lonergan Employee contract and termination letters, discussion with contracts regarding staying to assist in realization process, update email to the lender, discussion with Ben Moss and JSN regarding on-site inventory, etc.	4.00	625.00	2,500.00
07/04/2016	Dale Millstein Discussed terminations with all employees. Finalized and provided termination letters. Reviewed bank accounts. Compiled vacation balances and drafted WEPPA form. Spoke to the landlord and legal counsel re: premise access.	7.50	350.00	2,625.00
07/04/2016	Jack Bradshaw Contacted service providers and changed billing information to Richter.	5.00	135.00	675.00
07/05/2016	Patrick Lareau Review WEPPA and discussion with Ann Stremski.	0.50	350.00	175.00
07/05/2016	Ann Stremski Communications with L. De Lisio at RBC; communications with Salus Capital.	0.50	175.00	87.50
07/05/2016	Ann Stremski Communications with RBC re opening of account and transfer of funds; communications with C. Lonergan and D. Millstein regarding funds; verify online banking.	2.00	175.00	350.00
07/05/2016	Ann Stremski Communications with D. Millstein and P. Lareau regarding WEPPA schedule.	0.30	175.00	52.50
07/05/2016	Soazig Bourgine ROE mailed to D. Millstein. Email to D. Millstein re. List of Creditors.	0.30	175.00	52.50

Invoice No.: 20401133  
Date: 08/12/2016



Date	Name and Description	Hours	Rate	Amount
07/05/2016	Clark Lonergan Dealing with landlord, update of First Receivers report, update email to the lender, review of AR, discussion with counsel regarding landlord issue, etc.	4.00	625.00	2,500.00
07/05/2016	Dale Millstein Finalized WEPPA listing. Advised landlord of letter sent by legal counsel. Advised JSN and B. Moss to collect good stored at FJI. Provided employees with contract letters. Completed ROE's. Drafted estimated liquidation analysis.	7.50	350.00	2,625.00
07/05/2016	Jack Bradshaw Contacted JSN/BM about backroom inventory, created fixed asset listing, organized back room in preparation of move, followed up with service providers.	8.00	135.00	1,080.00
07/06/2016	Soazig Bourgine Email to D. Millstein re. form 87.	0.10	175.00	17.50
07/06/2016	Clark Lonergan Update of First Receivers report, landlord and inventory relocation discussion with team and counsel, update email to lender, inventory and ar analysis, etc.	4.00	625.00	2,500.00
07/06/2016	Dale Millstein Supervised the extraction of JSN/B. Moss boxes from premises. Explored storage options for inventory. Drafted estimate liquidation analysis. Reviewed first receivers report. Worked with contractor to determine A/R collection plan.	9.00	350.00	3,150.00
07/06/2016	Jack Bradshaw Created property release forms for various parties, oversaw inventory reorganization, researched possibilities for inventory transport	8.00	135.00	1,080.00
07/07/2016	Ann Stremski Communications with D. Millstein, C. Lonergan and L. De Lisio regarding safety deposit box.	0.80	175.00	140.00
07/07/2016	Clark Lonergan Landlord communications, inventory analysis, safe guarding of assets and looking at various options, realization pay and estimated security position, discussion with counsel and CRO regarding land lord issues and safeguarding of assets, etc.	7.00	625.00	4,375.00
07/07/2016	Dale Millstein	8.50	350.00	2,975.00

Invoice No.: 20401133  
Date: 08/12/2016



Date	Name and Description	Hours	Rate	Amount
	Worked with contractor to determine inventory sales plan. Drafted estimated liquidation analysis. Explored storage options re: moving inventory (i.e. safety deposit boxes). Removed computer equipment necessary to work remotely.			
07/07/2016	Jack Bradshaw Communicated with insurance about inventory movement, researched and contacted multiple security firms, kept in touch with various internal parties to plan.	8.00	135.00	1,080.00
07/08/2016	Ann Stremski Prepare entries for transfers; prepare cheque for Fasken; communications with C. Lonergan and A. Sherman.	1.60	175.00	280.00
07/08/2016	Soazig Bourgine Redirection of mail, email exchange with D. Millstein re: Estate Info. Sheet, review. Claims Register emailed to Toronto office. Email exchange with A. Sherman re. list of creditors & Notice of Receiver, changes. Form 87 faxed to OSB.	2.10	175.00	367.50
07/08/2016	Clark Lonergan Statutory filings (creditor listing, Form 87), ESR update of the lender, realization plan walk through with the lender, access agreement and storage agreement with CRO, various discussions with counsel, etc.	6.00	625.00	3,750.00
07/08/2016	Dale Millstein Facilitated the JSN accommodation letter. Changed vault combination at JSN for safe being used. Transported inventory. Transported computer equipment to set up remote work stations. Finalized form 87.	7.50	350.00	2,625.00
07/08/2016	Jack Bradshaw Moved inventory, cleared office location and relocated at Eglinton office, created listing of post-dated cheques.	8.00	135.00	1,080.00
07/11/2016	Ann Stremski Prepare cheques; communications with RBC and D. Millstein.	0.50	175.00	87.50
07/11/2016	Soazig Bourgine Notice and Statement of the Receiver posted on website. Mailing to Creditors, email to C. Lonergan re. supplementary mailing list. Email to the supplementary mailing List.	1.40	175.00	245.00
07/11/2016	Clark Lonergan	1.50	625.00	937.50

Invoice No.: 20401133  
Date: 08/12/2016

E

Date	Name and Description	Hours	Rate	Amount
	AR and inventory listing review, contractor payments, discussions with JSN regarding inventory and the pending sale of inventory, update meeting with team, review of the Company's books and records, etc.			
07/11/2016	Dale Millstein Drafted vacation and contractor cheques. Called utilities to cancel services. Completed inventory package. Sent out inventory package to potential buyers. Deposited post-dated cheques.	5.50	350.00	1,925.00
07/11/2016	Jack Bradshaw Put together database of invoices by client and balance outstanding for use in AR letters, followed up with insurance company regarding policy of inventory being stored.	4.50	135.00	607.50
07/12/2016	Ann Stremski Administration of printed cheques; review deposits; communications with D. Millstein.	0.80	175.00	140.00
07/12/2016	Soazig Bourgine Email to M. Millar from the OSB re. estate number.	0.10	175.00	17.50
07/12/2016	Clark Lonergan Inventory sale process plan and package for prospective purchasers, review of employee invoices, banking transfer letter, review of AR letters, Intercompany review, tax return discussion with contractor, etc.	3.50	625.00	2,187.50
07/12/2016	Dale Millstein Finalized inventory liquidation contact list. Sent out inventory liquidations emails based on estimated liquidation analysis plan. Provided information for purchase of safes located at F.J.I. Responded to inventory purchase questions.	6.00	350.00	2,100.00
07/12/2016	Jack Bradshaw Created AR letters for all companies with outstanding debts, found and sent emails to those that could be reached online, created post-dated cheque tracker, created AR tracker.	5.00	135.00	675.00
07/13/2016	Carol O'Donnell Email to A. Jenkins regarding new cheque for Fasken, save copy of voided cheque. Email banking coordinates to D. Millstein. Call bank request banking transactions, email to D. Millstein.	0.30	285.00	85.50
07/13/2016	Soazig Bourgine Email to Qian Zhong re. estate number.	0.10	175.00	17.50



Invoice No.: 20401133  
 Date: 08/12/2016



Date	Name and Description	Hours	Rate	Amount
07/13/2016	Clark Lonergan Inventory update, AR update, discussion with potential purchaser, dealing with the landlord, banking analysis, update discussion with the Lender, etc.	4.00	625.00	2,500.00
07/13/2016	Dale Millstein Drafted transfer of funds letter. Completed T4's. Secured document removal service and document storage service. Drafted JSN payable reconciliation. Completed customer calls. Completed utility cancellation calls. Addressed customer inquiries.	6.80	350.00	2,380.00
07/13/2016	Jack Bradshaw Updating payment tracker for post-dated cheques, contacting parties with updated AR balances, going on site to retrieve invoices needed for AR terms.	5.00	135.00	675.00
07/14/2016	Carol O'Donnell Prepare cheques. Request banking transactions from bank, reconcile.	0.60	285.00	171.00
07/14/2016	Ann Stremski Administration of cheques; prepare entries for deposits.	0.50	175.00	87.50
07/14/2016	Clark Lonergan Inventory realization analysis, contractor payments, cash transfer letter and discussion with bank, AR update, WK Chan letter and discussion with Company, inventory sale process update, contacting various customers regarding inventory sale and AR, etc.	4.00	625.00	2,500.00
07/14/2016	Dale Millstein Segregated display inventory to be stored at JSN. Supervised the collection of documents and display inventory. Facilitated the viewing of FJI inventory. Sent email to potential buyers to extend bid deadline.	3.00	350.00	1,050.00
07/14/2016	Jack Bradshaw Phone calls to FJ customers regarding AR collections, collecting information regarding the WK Chan account.	4.00	135.00	540.00
07/15/2016	Clark Lonergan AR realization plan, update email to the Lender, contractor follow up and termination letters, update on landlord and inventory/books and records storage, inventory sales process update, etc.	3.00	625.00	1,875.00
07/15/2016	Jack Bradshaw	4.00	135.00	540.00

Invoice No.: 20401133  
Date: 08/12/2016



Date	Name and Description	Hours	Rate	Amount
07/18/2016	Making AR calls, doing inventory follow up, prepping termination forms for Monday. Carol O'Donnell	0.40	285.00	114.00
07/18/2016	Prepare cheques. Telephone call with C. Smith regarding transfer of funds from FJI account. Clark Lonergan	1.00	625.00	625.00
07/18/2016	Update on books and records, etc. Jack Bradshaw	5.00	135.00	675.00
07/19/2016	Contacting parties, preparing detailed invoice listing, created and distributed termination letters. Carol O'Donnell	0.10	285.00	28.50
07/19/2016	Review emails and email banking info to N. Francis-Campbell. Jack Bradshaw	4.00	135.00	540.00
07/20/2016	Contacting parties on AR listing, summarizing documents related to Bhindi. Carol O'Donnell	0.60	285.00	171.00
07/20/2016	Emails with C. Smith regarding wire transfer to receive and problems. Ensure proper details to receive wire transfer. Scan and enter deposit. emails regarding deposits. Carol O'Donnell	0.80	285.00	228.00
07/20/2016	Discussion with Companys bank CIBC to have funds transferred to our account. Conversation and emails with our contacts with our bank to expediate the transfer of funds. Clark Lonergan	1.00	625.00	625.00
07/20/2016	Inventory and banking analysis, etc. Jack Bradshaw	3.00	135.00	405.00
07/21/2016	Continuing to contact parties, update AR listing. Carol O'Donnell	0.40	285.00	114.00
07/21/2016	Communications with CIBC regarding transfer of funds from Company's account. Emails with C. Smith. Ann Stremski	0.10	175.00	17.50
07/21/2016	Communication re banking information. Clark Lonergan	1.25	625.00	781.25
07/21/2016	Update on AR, inventory analysis, creditor calls, banking discussion, etc. Jack Bradshaw	4.00	135.00	540.00
07/21/2016	Continued to contact AR parties, created summary of accounts and status.			

Invoice No.: 20401133  
Date: 08/12/2016



Date	Name and Description	Hours	Rate	Amount
07/22/2016	Carol O'Donnell Prepare letter to CIBC. Disc. with CIBC, emails with C. Lonergan. Discussion with A. Sherman. Discussion with L. DiLisio regarding problems with making deposits in Toronto. EMails to N. Francis-Campbell. Input, scan deposit.	0.90	285.00	256.50
07/22/2016	Katherine Forbes Closing of bank account.	0.10	525.00	52.50
07/22/2016	Clark Lonergan Inventory offer analysis, etc.	1.00	625.00	625.00
07/25/2016	Carol O'Donnell Input, scan deposit. Call bank to obtain transactions in account. Reconcile and email C. Lonergan. make arrangements to set up GST #'s.	0.50	285.00	142.50
07/25/2016	Katherine Forbes Review of inventory offers comparative analysis.	0.50	525.00	262.50
07/25/2016	Clark Lonergan Inventory realization update, call with lender re: the same, AR update and CIBC banking letter, etc.	1.25	625.00	781.25
07/28/2016	Carol O'Donnell Prepare cheques.	0.20	285.00	57.00
07/26/2016	Katherine Forbes GST number.	0.20	525.00	105.00
07/26/2016	Clark Lonergan Inventory realization analysis, calls with prospective purchaser, AR update, etc.	1.25	625.00	781.25
07/26/2016	Dale Millstein Prepared cheque requisitions for FJI security (Secure Group) during receivership, storage and transportation of books and records (Tert & Ross). Facilitated the mailing of the aforementioned cheques.	0.70	350.00	245.00
07/26/2016	Angelique Jenkins Bank account analysis.	5.00	135.00	675.00
07/26/2016	Jack Bradshaw Following up on AR collections.	2.00	135.00	270.00
07/27/2016	Pascale Lareau Preparation document for GST number.	0.60	175.00	105.00
07/27/2016	Carol O'Donnell Emails K. Forbes regarding GST.	0.10	285.00	28.50
07/27/2016	Katherine Forbes	0.50	525.00	262.50

Invoice No.: 20401133  
 Date: 08/12/2016



Date	Name and Description	Hours	Rate	Amount
	Call with Gordon Brothers to discuss inventory.			
07/27/2016	Clark Lonergan Inventory realization call with Gordon Brothers, follow up with prospective purchasers of the inventory, AR realization and discussion with customer (Chan), etc.	1.75	625.00	1,093.75
07/27/2016	Dale Millstein Call with 5th Avenue re: returned goods - discussed that goods originally returned would be segregated and returned or a refund would be issued depending on the inventory count to be conducted.	0.40	350.00	140.00
07/27/2016	Angelique Jenkins Bank account analysis.	2.50	135.00	337.50
07/27/2016	Jack Bradshaw Following up on AR collections.	2.00	135.00	270.00
07/28/2016	Clark Lonergan WK Chan email and AR discussion, Inventory sale process update and Lender update, etc.	1.75	625.00	1,093.75
07/28/2016	Dale Millstein Conducted final inventory count for shipment.	6.00	350.00	2,100.00
07/28/2016	Angelique Jenkins Bank account analysis.	1.00	135.00	135.00
07/28/2016	Jack Bradshaw Following up on AR, confirming invoices with proof of delivery.	2.00	135.00	270.00
07/29/2016	Carol O'Donnell Scan and input deposits. Reconcile bank.	0.50	285.00	142.50
07/29/2016	Katherine Forbes Review of proof of delivery and update memo.	0.30	525.00	157.50
07/29/2016	Clark Lonergan Update of AR and cash reconciliation, etc.	0.50	625.00	312.50
07/29/2016	Dale Millstein Conducted final inventory count for shipment.	3.50	350.00	1,225.00
07/29/2016	Angelique Jenkins Bank account analysis.	1.50	135.00	202.50
07/29/2016	Jack Bradshaw Following up on AR.	2.00	135.00	270.00
<b>Fees Total</b>		<b>242.55</b>		<b>\$ 77,617.75</b>

Invoice No.: 20401133  
Date: 08/12/2016



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Date	Name and Description	Hours	Rate	Amount
07/11/2016	Disbursements			\$ 239.25
<b>Disbursements Total</b>				<b>\$ 239.25</b>

Invoice No.: 20401133  
Date: 08/12/2016



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**Remittance Form**

Richter Advisory Group Inc., Receiver re: Forever Jewellery Inc.  
181 Bay Street, Suite 3320  
Toronto, ON M5J 2T3

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**Invoice Summary**

<b>Sub-Total</b>		<b>\$ 77,857.00</b>
GST/HST #885435842 RT0001		10,121.41
<b>Total Due</b>	<b>CAD</b>	<b>\$ 87,978.41</b>

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**Payment Options**

**Wire Transfer**      Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2  
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR  
Email payment details, including invoice number and amount paid to:  
ClientService@richter.ca

**Cheques**              Payable to: Richter Advisory Group Inc.  
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

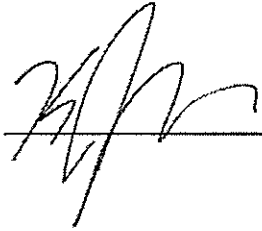
**Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca**

T. 416.488.2345

Richter Advisory Group Inc.  
181 Bay St., Suite 3320  
Bay Wellington Tower  
Toronto, ON M5J 2T3  
www.richter.ca

Toronto, Montreal

This is Exhibit "C" referred to in the Affidavit of  
Clark Loneran, sworn before me this  
25 day of November, 2016



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ONTARIO SUPERIOR COURT OF JUSTICE  
 IN THE MATTER OF THE RECEIVERSHIP  
 Re: Forever Jewellery Inc.

Time Summary  
 June 30, 2016 to November 18, 2016

Time Summary and applicable rates

	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Adam Sherman	1.40	525.00	735.00
Angelique Jenkins	39.50	135.00	5,332.50
Ann Stremski	14.20	175.00	2,485.00
Caleigh Smith	18.50	285.00	5,272.50
Carol O'Donnell	27.10	285.00	7,723.50
Clark Lonergan	94.95	625.00	59,343.75
Dale Millstein	79.80	350.00	27,930.00
Jack Bradshaw	95.50	135.00	12,892.50
Katherine Forbes	48.10	525.00	25,252.50
Pascale Lareau	8.00	175.00	1,400.00
Patrick Lareau	0.80	350.00	280.00
Soazig Bourgine	1.00	135.00	135.00
Soazig Bourgine	7.70	175.00	1,347.50
	<u>436.55</u>		<u>150,129.75</u>
Total			<u>150,129.75</u>
Average Hourly Amount			<u>343.90</u>