

RICHTER

Estate #: 31-458170

Amended Final Report of the Receiver
(Subsection 246(3) of the *Bankruptcy and Insolvency Act*)

**In the Matter of the Receivership of
Forever Jewellery Inc.
of the City of Vaughan
in the Province of Ontario**

The Receiver gives notice and declares that:

1. This amended final report, for the period ended January 15, 2018, is filed by Richter Advisory Group Inc. ("**Richter**") in its capacity as Receiver (as hereinafter defined) of Forever Jewellery Inc. ("**FJI**" or the "**Company**"). The Receiver has prepared this amended final report to properly account for a customer receipt in the amount of \$1,551.73, which was received subsequent to the Receiver's completion of its duties and its discharge as Receiver (see the Amended Final Statement of Receipts and Disbursements, attached as **Appendix "A"**).
2. By 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, Richter was appointed as interim receiver (the "**IR**" or "**Interim Receiver**"), without security, of all of the assets, properties and undertakings (the "**Property**") of FJI, pursuant to sections 47(1) and 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**").
3. As set out in the endorsement of the Honourable Mr. Justice Newbould, the Interim Receivership Order was granted on an ex-parte basis and was made effective only until the comeback date for the hearing of a motion for the appointment of a receiver, scheduled for June 30, 2016.
4. On June 30, 2016 (the "**Date of Appointment**"), the Honourable Mr. Justice Wilton-Siegel issued an order (the "**Receivership Order**") appointing Richter as receiver (the "**Receiver**"), without security, of all of the Property of FJI, pursuant to section 243(1) of the BIA and section 101 of the CJA.
5. On the Date of Appointment, the Receiver took possession of the Property. According to the Company's internal, unaudited financial statements, as at June 30, 2016, the Property consisted of the following:

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



Assets	Net Book Value (\$000s)
Cash and Cash Equivalents	26
Accounts Receivable	857
Intercompany Receivable	562
Inventory	364
Fixed Assets	9
Total	1,818

Note: The above amounts represent book values of the Company's assets as detailed in the Company's books and records and do not necessarily represent the sale or liquidation value of the Property.

6. During the course of the receivership proceedings, the Receiver filed one report with the Court (the "**Receiver's Report**") which, among other things, described the Receiver's actions and activities, the process undertaken by the Receiver to realize on the Property, and the results of the realization process.
7. On December 1, 2016, the Honourable Mr. Justice Hailey issued an order (the "**Termination of Receivership Order**"), among other things:
 - a. authorizing the Receiver to remit funds to Richter, in its capacity as Interim Receiver, in payment of the amount by which the IR's disbursements exceeded the IR's receipts (the "**Interim Receivership Shortfall**");
 - b. authorizing the Receiver to distribute \$200,000 to Salus Capital Partners, LLC ("**Salus**") in partial satisfaction of the secured indebtedness owed to it by the Company, and such further amounts as the Receiver may determine are available for distribution to Salus, without further order of the Court, provided the aggregate distributions to Salus do not exceed the secured indebtedness owed to it by the Company;
 - c. approving the Receiver's Report and the activities of the Receiver referred to therein;
 - d. approving the Receiver's statement of receipts and disbursements referred to in the Receiver's Report;
 - e. approving the fees and disbursements of the Receiver and its counsel as set out in the Receiver's Report, including an estimate of the fees and disbursements of the Receiver and its counsel to complete any remaining matters and finalize the receivership proceedings;
 - f. authorizing, but not obligating, the Receiver to make an assignment in bankruptcy for and on behalf of the Company, naming Richter as trustee in bankruptcy (the "**Trustee**") and, upon the appointment of the Trustee, the Receiver would remit certain funds to the Trustee in payment of the anticipated fees and disbursements of the Trustee and its counsel in connection with the administration of the bankruptcy proceedings; and
 - g. terminating the receivership proceedings, including the Receiver's Charge and Borrowing Charge (as defined in the Receivership Order), and discharging the Receiver upon the Receiver filing a certificate (the "**Receiver's Discharge Certificate**") with the Court certifying that all remaining matters have been completed.

8. The Receiver has completed its administration of the receivership and, pursuant to the Distribution and Termination of Receivership Order, received its discharge subject to the filing of the Receiver's Discharge Certificate. The Receiver's Discharge Certificate was filed with the Court on July 18, 2017.
9. Attached as **Appendix "A"** is the Receiver's Amended Final Statement of Receipts and Disbursements for the period from June 30, 2016 to January 15, 2018.
10. The realizations from the sale of the Property have been insufficient to pay, in full, the secured claim of Salus. Accordingly, there are no funds available to support a distribution to the Company's unsecured creditors.
11. Creditors who wish to receive a copy of this amended final – or any interim – report may request a copy by writing to the Receiver at the following address:

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

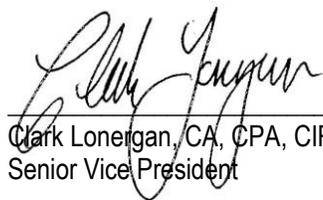
Attention: Katherine Forbes
Telephone: +1 416 785 1151
Facsimile: +1 416 488 3765

Further information and materials related to the receivership proceedings including the Receiver's Report, may be obtained from the Receiver's website at <https://www.richter.ca/en/folder/insolvency-cases/f/forever-jewellery-inc>.

Dated at Toronto, in the Province of Ontario, on February 2, 2018.

Richter Advisory Group Inc.
in its capacity as Receiver of
Forever Jewellery Inc.

Per:



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

APPENDIX A

Forever Jewellery Inc. Amended Final Statement of Receipts and Disbursements For the period June 30, 2016 to January 15, 2018		
Receipts		Notes:
Accounts receivable collections	\$ 331,868.18	1
Asset realizations - inventory	160,601.00	2
GST/HST recovered	30,160.63	
Cash in bank	28,327.18	
Asset realizations - intellectual property	12,500.00	3
Pre-receivership income tax refund	4,846.66	
GST/HST collected	1,625.00	
Petty Cash	944.35	
Interest earned	808.60	
Total Receipts	<u>\$ 571,681.60</u>	
Disbursements		
Professional fees - Receiver	\$ 168,784.77	
Interim receivership costs	37,977.09	4
GST/HST paid on disbursements	27,416.58	
Professional fees - Fasken	21,822.52	
Contract services	15,559.28	5
Pre-receivership company payroll	6,582.46	
Storage	3,384.80	
Security	1,050.68	
Bank charges	236.00	
Miscellaneous costs	196.12	
Insurance	148.38	
Filing fees paid to Official Receiver	70.00	
Total Disbursements	<u>\$ 283,228.68</u>	
Excess Receipts over Disbursements	<u>\$ 288,452.92</u>	
Distributions to secured lender	(288,452.92)	1, 6
Cash on Hand	<u>\$ -</u>	
Notes:		
1) Accounts receivable collections include a dividend (in the amount of \$1,551.73) received in January 2018 from the insolvency proceeds of one of the Company's former customers, which amount was subsequently distributed to Salus on January 15, 2018.		
2) Realizations from the sale of the Company's inventory as per the realization process outlined in the Receiver's Report.		
3) Realizations from the sale of the Company's intellectual property (namely trademark) as outlined in the Receiver's Report.		
4) The Receiver was authorized to pay the Interim Receivership Shortfall (the amount by which the Interim Receiver's disbursements exceeded its receipts) as per the Termination of Receivership Order.		
5) The Receiver hired certain of the Company's former employees, on a contract basis, to assist with the administration of the receivership proceedings.		
6) The Receiver was authorized to pay an interim distribution and subsequent distributions to the Company's primary secured lender, Salus, as per the Termination of Receivership Order.		