

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR.  
JUSTICE NEWBOULD

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THURSDAY, THE 20<sup>th</sup>  
DAY OF APRIL, 2017



SALUS CAPITAL PARTNERS, LLC

Applicant

and

J.S.N. JEWELLERY INC., J.S.N. JEWELLERY UK LIMITED, GMJ  
CORP., 2373138 ONTARIO INC., ALWAYS & FOREVER FAMILY  
COLLECTION INCORPORATED AND P.M.R. INC.

Respondents

APPLICATION UNDER SUBSECTION 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  
(DISTRIBUTION & TERMINATION OF RECEIVERSHIP)**

THIS MOTION, made by Richter Advisory Group Inc. (“**Richter**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of J.S.N. Jewellery Inc., J.S.N. Jewellery UK Limited, GMJ Corp., 2373138 Ontario Inc., Always & Forever Family Collection Incorporated and P.M.R. Inc. (collectively, 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 Fourth Report of the Receiver dated April 13, 2017, and the appendices thereto (the “**Report**”), and on hearing the submissions of counsel for the Receiver, counsel for the Applicant, and such other counsel who were present, no one else appearing for any other person on the service list, although duly served as appears from the affidavit of Irene Artuso sworn April 13, 2017, filed:

## **SERVICE & DEFINITIONS**

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record herein be and is hereby abridged and the service thereof validated so that the Motion is properly returnable today.
2. THIS COURT ORDERS that capitalized terms used but not otherwise defined in this Order shall have the meanings ascribed thereto in the Report.

## **DISTRIBUTION**

3. THIS COURT ORDERS that the Receiver be and is hereby authorized and directed to distribute to Salus Capital Partners, LLC (“**Salus**”), in partial satisfaction of the indebtedness owed to it by the Debtor:
  - (a) the amount of \$100,000, and such further amounts as the Receiver may determine from time to time are available for distribution to Salus, without further Order of the Court; and
  - (b) as a distribution in kind, all uncollected and outstanding Accounts Receivable as at the Receivership Termination Time (as defined below);

provided the aggregate distributions to Salus do not exceed the indebtedness owed to it by the Debtor.

4. THIS COURT ORDERS that, upon the filing of the Receiver’s Discharge Certificate (as defined below), all of the Debtor’s and the Receiver’s right, title and interest in and to all uncollected and outstanding Accounts Receivable shall vest absolutely in Salus, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Newbould dated August 16, 2016; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry

system; (all of which are collectively referred to as the “**Encumbrances**”) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to such Accounts Receivable are hereby expunged and discharged.

#### **ACTIVITIES OF RECEIVER**

5. THIS COURT ORDERS that the Report, and the activities of the Receiver referred to therein, be and are hereby approved.

6. THIS COURT ORDERS that the Receiver’s statement of receipts and disbursements referred to in the Report be and are hereby approved.

#### **ACTIVITIES OF CRO**

7. THIS COURT ORDERS that the activities of FAAN Advisors Group Inc. (“**FAAN**”), the Chief Restructuring Officer of the Debtor (“**CRO**”), prior to the date hereof in relation to the Debtor and these receivership proceedings be and are hereby ratified and approved, provided however, that only the CRO, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

#### **FEES AND DISBURSEMENTS**

8. THIS COURT ORDERS that the fees and disbursements of the Receiver for the period November 14, 2016 to March 31, 2017, as set out in the Report and described in the affidavit of Clark Lonergan sworn April 12, 2017, be and are hereby approved.

9. THIS COURT ORDERS that the fees and disbursements of the Receiver’s counsel, Fasken Martineau DuMoulin LLP (“**Fasken**”), for the period November 1, 2016 to April 10, 2017, as set out in the Report and described in the affidavit of Stuart Brotman affirmed April 13, 2017, be and are hereby approved.

10. THIS COURT ORDERS that anticipated further fees and disbursements of the Receiver and Fasken in connection with the completion by the Receiver of its remaining duties and administration of these receivership proceedings, estimated not to exceed \$65,000 (excluding HST), all as set out in the Report, be and are hereby approved, and that the Receiver and Fasken shall not be required to pass their accounts in respect of any further activities in connection with

the administration of these receivership proceedings provided the fees and disbursements of the Receiver and Fasken do not exceed the all-inclusive aggregate amount of \$65,000 (excluding HST).

### **TERMINATING RECEIVERSHIP**

11. THIS COURT ORDERS that upon the Receiver filing a certificate substantially in the form attached hereto as Schedule "A" (the "**Receiver's Discharge Certificate**") certifying that the distributions set out in paragraph 3(a) of this Order have been made and that it has completed the other activities in connection with the receivership proceedings described in the Report, the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Debtor effective as of the date and time set out in the Receiver's Discharge Certificate (the "**Receivership Termination Time**"), provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Richter in its capacity as Receiver.

12. THIS COURT ORDERS AND DECLARES that Richter be and is hereby released and discharged from 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 in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, Richter is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

13. THIS COURT ORDERS that no action or other proceeding shall be commenced against Richter in any way arising from or related to its capacity or conduct as Receiver except with prior leave of this Court and on prior written notice to Richter.

14. THIS COURT ORDERS that the Receiver's Charge and the Receiver's Borrowing Charge (as defined in the Receivership Order) shall be and are hereby terminated, released and discharged at the Receivership Termination Time.

#### **CRO RELEASE**

15. THIS COURT ORDERS that effective the Receivership Termination Time, the appointment of FAAN as CRO in these receivership proceedings is hereby terminated, provided however that notwithstanding the termination of its appointment as CRO (a) the CRO shall remain CRO for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the CRO shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of FAAN in its capacity as CRO.

16. THIS COURT ORDERS AND DECLARES that FAAN be and is hereby released and discharged from any and all liability that FAAN now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of FAAN while acting in its capacity as CRO, save and except for any gross negligence or wilful misconduct on the CRO's part. Without limiting the generality of the foregoing, FAAN is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the CRO's part.

17. THIS COURT ORDERS that no action or other proceeding shall be commenced against FAAN in any way arising from or related to its capacity or conduct as CRO except with prior leave of this Court and on prior written notice to FAAN.

#### **GENERAL**

18. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or the United Kingdom 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.

A handwritten signature in blue ink, appearing to be "D. M. T.", is written above a horizontal line.

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

APR 20 2017

PER / PAR: A handwritten signature in blue ink, appearing to be "JL", is written next to the text "PER / PAR:".

**SCHEDULE "A"**

Court File No CV-16-11439-00CL

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

**SALUS CAPITAL PARTNERS, LLC**

Applicant

and

**J.S.N. JEWELLERY INC., J.S.N. JEWELLERY UK LIMITED, GMJ  
CORP., 2373138 ONTARIO INC., ALWAYS & FOREVER FAMILY  
COLLECTION INCORPORATED AND P.M.R. INC.**

Respondents

**APPLICATION UNDER SUBSECTION 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**

**RECEIVER'S DISCHARGE CERTIFICATE**

**RECITALS**

A. Richter Advisory Group Inc. was appointed as Court-appointed receiver (the "**Receiver**") of all of the assets, undertakings and properties of J.S.N. Jewellery Inc., J.S.N. Jewellery UK Limited, GMJ Corp., 2373138 Ontario Inc., Always & Forever Family Collection Incorporated and P.M.R. Inc. (collectively, the "**Debtor**"), acquired for or used in relation to a business carried on by the Debtor pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated August 16, 2016 (the "**Receivership Order**");

B. Pursuant to an Order of the Court dated April 20, 2017 (the "**Receivership Termination Order**"), the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Debtor upon the filing of this Receiver's Discharge Certificate with the Court;

C. Unless otherwise indicated herein, capitalized terms used in this Receiver's Discharge Certificate shall have the meanings ascribed thereto in the Receivership Termination Order.

**THE RECEIVER CERTIFIES** the following:

1. The distributions contemplated at paragraph 3(a) of the Receivership Termination Order have been made; and
2. The Receiver has completed the activities in connection with the receivership proceedings described in the Report.

**ACCORDINGLY**, the Receivership Termination Time as defined in the Receivership Termination Order has occurred.

DATED at Toronto, Ontario at \_\_\_\_\_[TIME] on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**RICHTER ADVISORY GROUP INC.,**  
solely in its capacity as Court-appointed  
Receiver of J.S.N. JEWELLERY INC.,  
J.S.N. JEWELLERY UK LIMITED, GMJ  
CORP., 2373138 ONTARIO INC.,  
ALWAYS & FOREVER FAMILY  
COLLECTION INCORPORATED AND  
P.M.R. INC. and not in its personal  
capacity

By: \_\_\_\_\_

Name:

Title:



SALUS CAPITAL PARTNERS, LLC

Applicant

- and -

J.S.N. JEWELLERY INC., *et al.*

Respondent

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**Proceedings commenced in Toronto**

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**ORDER  
(Re: DISTRIBUTION & TERMINATION OF  
RECEIVERSHIP)**

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**FASKEN MARTINEAU DUMOULIN LLP**

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Lawyers for Richter Advisory Group Inc., in its capacity as the  
Court-appointed Receiver