

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**



THE HONOURABLE
JUSTICE HAYES

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THURSDAY, THE 1ST
DAY OF DECEMBER, 2016

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
(SUMMARY JUDGMENT, INTERIM DISTRIBUTION AND FEE APPROVAL)**

THIS MOTION, made by Richter Advisory Group Inc., in its capacity as the 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, for an order, *inter alia*, granting summary judgment of the Terms of Settlement (as defined herein), authorizing and directing the Receiver to make an interim distribution in the amount of USD \$400,000 and CAD \$4,300,000 to Salus Capital Partners, LLC ("Salus") in respect of the secured indebtedness (the "Indebtedness") owed by the Debtor to Salus; approving the third report of the Receiver dated November 25, 2016 (the "Report") and the activities of the Receiver set out therein; and approving the fees and disbursements of the Receiver and its counsel, Fasken Martineau DuMoulin LLP ("Fasken") up to and including October 31, 2016 as set out in the affidavit of Clark Lonergan sworn November 25, 2016 (the "Lonergan Affidavit"), and Stuart Brotman affirmed November 25, 2016 (the "Brotman Affidavit") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and the schedules thereto, 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 affidavits of Kimberlee Pearce sworn November 26, 2016 and Chantel Thompson sworn November 28, 2016, filed:

SERVICE

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

SUMMARY JUDGMENT

2. THIS COURT ORDERS that the Sharon Stone Claim (as defined in the Terms of Settlement dated October 31, 2016) (the "Terms of Settlement") is dismissed as a result of the settlement between the parties, and this Court has made no findings in relation to the ownership of the Molds or the other matters raised in the Receiver's Second Report to the Court, without costs.

3. THIS COURT ORDERS that the Terms of Settlement, being confidential appendix 1 to the Report, shall be sealed pending further Order of this Court.

INTERIM DISTRIBUTION

4. THIS COURT ORDERS that notwithstanding section 4.2(d) of the Sale Agreement, the Receiver is authorized and directed to apply up to \$50,000 of the funds held in escrow pursuant to section 4.2(b)(iii) of the Sale Agreement to pay any and all applicable transfer taxes relating to the Unique Transaction not paid by Unique, without further Order of this Court.

5. THIS COURT ORDERS that the Receiver is hereby authorized and directed to distribute to Salus (a) the amount of USD \$400,000 and CAD \$4,300,000 on account of the Indebtedness owed by the Debtor, and (b) such further amounts from time to time as the Receiver may determine are available for distribution to Salus, without further Order of this Court, provided the aggregate distribution to Salus shall not exceed the amount of the Indebtedness owed by the Debtor.

APPROVAL OF REPORT AND FEES

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

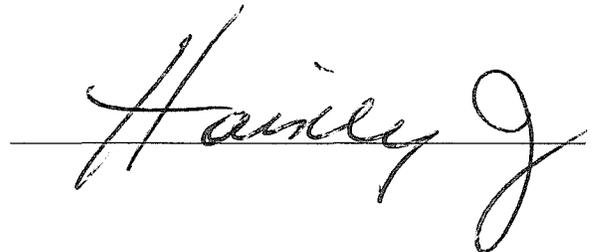
7. THIS COURT ORDERS that the Receiver's statement of receipts and disbursements referred to in the Report is hereby approved.

8. THIS COURT ORDERS that the fees and disbursements of the Receiver for the period August 16, 2016 to November 18, 2016 as described in the Lonergan Affidavit are hereby approved.

9. THIS COURT ORDERS that the fees and disbursements of Fasken for the period July 8, 2016 to October 31, 2016 as described in the Brotman Affidavit are hereby approved.

GENERAL

10. 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.



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

DEC 0-1 2016

PER / PAR:



SALUS CAPITAL PARTNERS, LLC

Applicant

- and -

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

Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced in Toronto

**ORDER
(Re: SUMMARY JUDGMENT, INTERIM
DISTRIBUTION AND FEE APPROVAL)**

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Court-appointed Receiver