

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

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**

**MOTION RECORD OF RICHTER ADVISORY GROUP INC., IN ITS CAPACITY AS
THE COURT-APPOINTED RECEIVER
(RE: Summary Judgment, Interim Distribution and Fee Approval)
(Returnable December 1, 2016)**

November 25, 2016

FASKEN MARTINEAU DUMOULIN LLP

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capacity as the Court-appointed Receiver of the
Respondents

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Fax: (905) 738-8283

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AND TO: HALTON AUTOLEASE INC.

4100 Harvester Road

Burlington, ON L7L 0C1

AND TO: THE ARGEN CORPORATION

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San Diego, CA 92121

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Concord, ON L4K 1A5

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Lawyers to Utopia Jewellery Ltd. and Sharon Stone Inc.

INDEX

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

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**

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- A Order of the Ontario Superior Court of Justice (Commercial List) dated August 16, 2016
- B Second Report of Richter Advisory Group Inc. in its Capacity as Proposed Receiver dated September 29, 2016
- C Affidavit of Clark Lonergan sworn November 25, 2016
- D Affidavit of Stuart Brotman affirmed November 25, 2016
- E Terms of Settlement

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

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**

**NOTICE OF MOTION
(returnable December 1, 2016)
(Summary Judgment, Interim Distribution and Fee Approval)**

RICHTER ADVISORY GROUP INC. ("Richter"), 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, will make a motion to a judge of the Commercial List on Thursday, December 1, 2016 at 10:00 a.m., or as soon after that time as the motion can be heard, at the Court House at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

- (a) an order substantially in the form attached hereto as Schedule “A”, *inter alia*:
 - (i) abridging the time for service of the Notice of Motion and the Motion Record herein, if necessary, and validating service thereof;
 - (ii) granting summary judgment for the enforcement of the terms of settlement dated October 31, 2016 (the “Terms of Settlement”) and, in particular:
 - (a) ordering that the Sharon Stone Claim (as defined in the Terms of Settlement) be dismissed without costs in accordance with the Terms of Settlement and (b) ordering Stone (as defined in the Terms of Settlement) to pay the sum of GBP56,325.19 to Unique (as defined in the Terms of Settlement);
 - (iii) ordering that the Terms of Settlement be sealed pending further Order of the Court;
 - (iv) notwithstanding section 4.2(d) of the Sale Agreement (as defined in the Third Report of the Receiver dated November 25, 2016 (the “Third Report”)), authorizing and directing the Receiver to apply all or such portion 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 (as defined in the Third Report) not paid by Unique, without further Order of this Court;

- (v) authorizing and directing the Receiver to distribute to Salus Capital Partners, LLC (“Salus”) the amount of (a) USD \$400,000 and CAD \$4,300,000 on account of the secured indebtedness (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;
 - (vi) approving the Third Report and the activities of the Receiver referred to therein;
 - (vii) approving the Receiver’s statement of receipts and disbursements referred to in the Third Report;
 - (viii) approving the fees and disbursements of the Receiver for the period August 16, 2016 to November 18, 2016 as described in the affidavit of Clark Lonergan sworn November 25, 2016 (the “Lonergan Affidavit”);
 - (ix) approving the fees and disbursements of the Receiver’s counsel, Fasken Martineau DuMoulin LLP for the period July 8, 2016 to October 31, 2016 as described in the affidavit of Stuart Brotman affirmed November 25, 2016 (the “Brotman Affidavit”); and
- (b) such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

- (a) those grounds set out in the Third Report, and the appendices thereto;

- (b) the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (c) the provisions of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (d) the inherent and equitable jurisdiction of this Court;
- (e) Rules 1.04, 1.05, 2.01, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- (f) such further other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) the Third Report and the appendices thereto;
- (b) the Lonergan Affidavit;
- (c) the Brotman Affidavit; and
- (d) such further and other material as counsel may advise and this Honourable Court may permit.

November 25, 2016

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

TO: THE SERVICE LIST

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

**NOTICE OF MOTION
(Returnable December 1, 2016)
(Re: Summary Judgment, Interim Distribution
and
Fee Approval)**

FASKEN MARTINEAU DUMOULIN LLP

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

Tab A

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE

)
)
)

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 affidavit of <@> sworn November <@>, 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 hereby grants summary judgment for the enforcement of the terms of settlement dated October 31, 2016 (the "Terms of Settlement") and, in particular:

(a) THIS COURT ORDERS that the Sharon Stone Claim (as defined in the Terms of Settlement) is dismissed, without costs, 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; and

(b) THIS COURT ORDERS that Utopia Jewelry Ltd. and Sharon Stone Co., Ltd. shall, on a joint and several basis, pay the sum of GBP56,325.19 to Unique Designs, Inc.

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 all or such portion 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.

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)**

FASKEN MARTINEAU DUMOULIN LLP

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

TAB 2

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**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.**

**THIRD REPORT OF RICHTER ADVISORY GROUP INC.,
IN ITS CAPACITY AS 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.**

November 25, 2016

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

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 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**

**THIRD REPORT OF RICHTER ADVISORY GROUP INC.
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.**

November 25, 2016

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DATED AUGUST 16, 2016
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- APPENDIX "D" – AFFIDAVIT OF STUART BROTMAN, DATED NOVEMBER 25, 2016

CONFIDENTIAL APPENDICES

- APPENDIX "1" - TERMS OF SETTLEMENT

I. INTRODUCTION

1. Richter Advisory Group Inc. ("**Richter**"), was appointed as receiver (the "**Receiver**"), without security, of all of the assets, properties and undertakings (the "**Property**") of J.S.N. Jewellery Inc. ("**JSN Jewellery**"), 2373138 Ontario Inc. ("**2373138**"), Always & Forever Family Collection Inc. ("**A&F**" or "**Always and Forever**"), and P.M.R. Inc. ("**PMR**"), (collectively, the "**Canadian Debtors**"), GMJ Corp. ("**GMJ**", "**JSN US**" or "**U.S. Debtor**"), and J.S.N. Jewellery UK Limited ("**JSN UK**" or the "**UK Debtor**", and together with the Canadian Debtors and the U.S. Debtor, "**JSN**", the "**Company**" or the "**Debtor Companies**") pursuant to an order (the "**Receivership Order**") of the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated August 16, 2016 (the "**Date of Appointment**"). A copy of the Receivership Order is attached hereto as **Appendix "A"**.
2. Pursuant to an Approval and Vesting Order issued by the Honourable Justice Newbould, also dated August 16, 2016 (the "**AVO**"), the Receiver was authorized and directed to execute the Sale Agreement¹ and, on closing of the transaction, the Purchased Assets² vested in the purchaser, Unique Designs, Inc. ("**Unique**" or the "**Purchaser**"), free and clear of all claims but subject to the determination of the Sharon Stone Claim³ (the "**Unique Transaction**"). The report of Richter, in its capacity as proposed receiver of JSN dated August 8, 2016 (the "**Proposed Receiver's Report**"), addresses the Unique Transaction.
3. Pursuant to a Notice of Motion dated August 22, 2016, Utopia Jewellery Ltd. ("**Utopia**") and Sharon Stone Inc. ("**Sharon Stone**")⁴ commenced a motion in the receivership proceedings seeking, inter alia, a declaration that the assets defined as "Molds" in the affidavits of Shmuel (Samuel) Cohen ("**Cohen**") and Carla Eisnor ("**Eisnor**"), each dated August 15, 2016, are the property of Sharon Stone and do not form any part of the assets purchased by Unique pursuant to the Unique Transaction. The first report of Richter, in its capacity as Receiver dated September 22, 2016 (the "**First Report**"), addresses the Share Stone Claim.
4. Pursuant to two (2) Approval and Vesting Orders issued by the Honourable Justice Newbould, both dated October 6, 2016 (together, the "**Sundry AVO**"), the Receiver was authorized and directed to execute the Sundry Assets Sale Agreements⁵ and, on closing of the transactions, the Sundry Jewellery Assets⁶ vested

¹ As defined in the AVO.

² As defined in the Sale Agreement.

³ As defined in the AVO.

⁴ The Notice of Motion describes the Sharon Stone corporate entity as "Sharon Stone Inc." The affidavit of Shmuel Cohen describes the entity as "Sharon Stone Co. Ltd." As hereinafter set out, the Receiver believes that the description in the affidavit is accurate.

⁵ As defined in the Second Report of the Receiver.

⁶ As defined in the Proposed Receiver's Report.

in the purchasers, Sparkle Gems Inc. ("SGI") and Simplex,⁷ respectively (together, the "**Sundry Purchasers**"), free and clear of all claims. A copy of the second report of Richter, in its capacity as Receiver dated September 29, 2016 (the "**Second Report**"), which addresses the Sundry Assets Transactions⁸, is attached hereto without the exhibits of the Second Report as **Appendix "B"**.

5. Pursuant to an order dated October 6, 2016 authorizing and directing the Receiver to, among other things, make an interim distribution to the Lender (as hereinafter defined), execute the Auction Agreement⁹, and implement the Monetization Plan¹⁰ (the "**Distribution and Auction Order**"), the Receiver was authorized to liquidate the FF&E (as hereinafter defined) and to monetize and dispose of the Company's scrap jewellery and other Remaining Assets¹¹. The Second Report also addresses the Auction Agreement and the Monetization Plan.
6. The prior reports of the Receiver and other materials relevant to these proceedings are posted on the Receiver's website at <http://www.richter.ca/en/folder/insolvency-cases/j/jsn-jewellery-inc>.

II. PURPOSE OF REPORT

7. The purpose of this third report of the Receiver (the "**Third Report**") is to:
 - a) Provide this Court with certain information pertaining to:
 - (i) The settlement of the Sharon Stone Claim;
 - (ii) The activities of the Receiver since the date of the Second Report;
 - (iii) The completion of the Sundry Assets Transactions, pursuant to the terms of the Sundry Assets Sale Agreements and the Sundry AVO;
 - (iv) The results of the Realization Process¹² as it relates to liquidation of the Company's furniture, fixtures and equipment ("**FF&E**"), which included owned specialized jewellery equipment, and the results of the Monetization Plan; and
 - (v) The Receiver's statement of receipts and disbursements for the period from the Date of Appointment to November 21, 2016.

⁷ As defined in the Second Report of the Receiver.

⁸ As defined in the Second Report of the Receiver.

⁹ As defined in the Distribution and Auction Order (as hereinafter defined).

¹⁰ As defined in the Second Report of the Receiver.

¹¹ As defined in the Distribution and Auction Order.

¹² As defined in the Receivership Order

- b) Recommend that this Court make an order(s):
- (i) Granting summary judgment on the Terms of Settlement, as defined and set out in the Notice of Motion herein;
 - (ii) Sealing the Terms of Settlement, pending further order of the Court;
 - (iii) Approving the Receiver's statement of receipts and disbursements for the period from the Date of Appointment to November 21, 2016;
 - (iv) Notwithstanding section 4.2(d) of the Sale Agreement, authorizing and directing the Receiver to apply all or a portion of such escrow funds to pay any and all applicable transfer taxes relating to the Unique Transaction not paid by Unique, without further order of the Court;
 - (v) Authorizing and directing the Receiver to make an interim distribution in the amount of \$400,000 USD and \$4,300,000 to Salus Capital Partners, LLC as lender and agent for other lenders ("**Salus**" or the "**Lender**") in respect of its secured claim against the Property;
 - (vi) Authorizing and directing the Receiver to make subsequent distributions to Salus as the Receiver determines are available for distribution to Salus up to the amount of Salus' secured claim, without further order of the Court;
 - (vii) Approving the accounts of the Receiver and its legal counsel, Fasken Martineau DuMoulin LLP ("**Fasken**"), on an interim basis as set out in this Third Report, pursuant to the terms of the Receivership Order; and
 - (viii) Approving this Third Report, and the actions, activities and conduct of the Receiver set out herein.

III. QUALIFICATIONS

8. In preparing this Third Report, Richter has relied upon unaudited financial information, the Company's books and records, financial information prepared by the Company and discussions with management (including the CRO¹³) (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

¹³ As defined in the Receivership Order.

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 Third Report is based on management's assumptions regarding future events; actual results achieved may vary from forecast and such variations may be material.

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

IV. CLAIMS OF SHARON STONE CO. LTD.

10. On August 11, 2016, Salus brought an application seeking, inter alia, the appointment of Richter as Receiver of the Company and approving the sale of certain Company assets to Unique pursuant to the Unique Transaction.
11. At the return of the application on August 11, 2016, Jeffrey Simpson of Torkin Manes LLP appeared on behalf of Utopia and Sharon Stone and advised the Court that his firm had recently been retained and that his clients were disputing the Company's ownership of certain assets subject to the Unique offer. The Court adjourned the application to Tuesday, August 16, 2016, and ordered Utopia/Sharon Stone to deliver an affidavit particularizing their claim by noon on Monday, August 15, 2016.
12. Utopia and Sharon Stone delivered such affidavit on August 15, 2016 prior to the deadline ordered by the Court.
13. Unique, Salus and the Receiver negotiated an amended offer made as of August 15, 2016 whereby the assets claimed by Utopia/Sharon Stone were "carved out" from the Purchased Assets pending resolution of the present motion with a price adjustment in the event that the Sharon Stone Claim is successful (the "**Designs Escrow Fund**").
14. On August 16, 2016, Justice Newbould granted the requested Receivership Order and granted the AVO, which ordered at paragraph 2:

"This Court orders and declares that the determination of the Sharon Stone Claim shall be dealt with by further Order of the Court. Sharon Stone retains the right to assert the Sharon Stone Claim, and nothing in this Order shall be deemed to prejudice or otherwise limit the Sharon Stone Claim."

15. At the time of the granting of the AVO, Justice Newbould made an endorsement requiring Sharon Stone to file its motion within five (5) days. Utopia and Sharon Stone duly filed their Notice of Motion herein on August 22, 2016, in accordance with the endorsement of Justice Newbould (the "**Sharon Stone Motion**").
16. On September 22, 2016, the Receiver delivered a Responding Motion Record containing the First Report.
17. On September 28, 2016 the Receiver delivered a Supplemental Motion Record containing a supplement to the First Report (the "**Supplemental Report**") dated September 28, 2016.
18. After the delivery of the Receiver's reply material, settlement discussions took place amongst the parties. A settlement agreement has now been reached amongst the parties with respect to the issues raised in the Sharon Stone Motion. The terms of the settlement are contained in the "Terms of Settlement" dated October 31, 2016.
19. As part of the Terms of Settlement, the Sharon Stone Claim is to be dismissed on consent, without costs. *The parties have agreed to jointly request that the following language be included in the order dismissing the Sharon Stone Claim:*

"This Court orders that the Sharon Stone Claim 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."
20. The Terms of Settlement further provide, at paragraph 10, that Sharon Stone, and Utopia shall refund a payment made by Unique in the amount of GBP 56,325.19 (the "**Refund**") to Unique forthwith upon execution of the Terms of Settlement. To the date hereof, Sharon Stone and Utopia have not made such payment.
21. On November 23, 2016 the parties appeared at a 9:30 hearing before Justice Newbould with the intention of obtaining a consent order dismissing the Sharon Stone Claim in accordance with the Terms of Settlement. At that hearing, counsel for Unique took the position that there is no settlement until the Refund is paid. Accordingly, the Court redirected that a motion for judgment on the settlement be heard on December 1, 2016.
22. It is the position of the Receiver that the Terms of Settlement, executed by all of the parties, are unconditional and are in full force and effect. The Receiver understands that the failure of Sharon Stone and Utopia to pay the Refund does not have the effect of rendering the remaining terms of the Terms of Settlement inoperative, and accordingly is of the view that the order should be made dismissing the Sharon Stone Claim.

23. A copy of the executed Terms of Settlement is contained in **Confidential Appendix "1"**. Unique has requested that the Terms of Settlement be kept confidential, pending further order of the Court, because the Terms of Settlement contain information with respect to the ownership of the intellectual property which is the subject matter of the Sharon Stone Claim which may be used by competitors in the marketplace.

V. UNIQUE TRANSACTION

24. As described in greater detail in the First Report and the Second Report, the Receiver entered into the Sale Agreement with Unique. The Unique Transaction closed upon the delivery of a Receiver's Certificate on August 18, 2016. Under the Sale Agreement, Unique is required to pay all Transfer Taxes¹⁴ in connection with the transfer of the Purchased Assets at the time such payments are made. As at the date of this Report, Unique has failed to pay certain Transfer Taxes. As such, the Receiver is requesting a court order authorizing the Receiver to apply funds held in escrow by the Receiver under the Sale Agreement to the payment of all applicable Transfer Taxes, notwithstanding the terms of the Sale Agreement.

VI. SUNDRY ASSETS TRANSACTIONS

25. As noted above, the Receiver undertook the Realization Process, as authorized and directed by the Court pursuant to the Receivership Order. On October 6, 2016, the Court approved the Sundry Assets Transactions, authorized and directed the Receiver to execute the Sundry Assets Sale Agreements and issued the Sundry AVO, which conveyed the Sundry Jewellery Assets to the respective purchasers on closing of the transactions, free and clear of all claims.
26. On October 6, 2016, the Sundry Assets Transaction with Simplex closed (the "**Simplex Sale**") as evidenced by the delivery of the Receiver's Certificate¹⁵ on October 6, 2016, which was filed with the Court. Total cash proceeds in the amount of \$1,277,912 USD, including a deposit in the amount of \$300,101 USD paid to the Receiver on September 6, 2016, were paid to the Receiver pursuant to the Simplex Sale.
27. On October 7, 2016, the Sundry Assets Transaction with SGI closed (the "**SGI Sale**") as evidenced by the delivery of the Receiver's Certificate¹⁶ on October 7, 2016 (the "**SGI Closing Date**"), which was filed with the Court. Total cash proceeds in the amount of \$2,034,000 USD, including a deposit in the amount of \$260,100 USD paid to the Receiver on September 6, 2016, were paid to the Receiver pursuant to the SGI Sale.

¹⁴ As defined in the Sale Agreement

¹⁵ As defined in the Sundry AVO in respect of Simplex

¹⁶ As defined in the Sundry AVO in respect of SGI

28. The assets subject to the SGI Sale included certain rough diamonds (the "**Rough Diamonds**"), which could not be exported from Canada by SGI without Kimberley Process Certificates (the "**KP Certificates**") as required by the *Export and Import of Rough Diamonds Act*. As the SGI Sale was consummated on an "as is where is" basis, SGI was responsible for obtaining any requisite certificates, which were outstanding as of the SGI Closing Date. The Receiver and SGI proceeded to close the transaction on the SGI Closing Date and each reserved their respective rights in respect of the Rough Diamonds. After closing, the Receiver and its counsel assisted SGI in obtaining the requisite information for the required KP Certificates and SGI collected the Rough Diamonds from the Company's premises (the "**Premises**") on October 21, 2016.

VII. ACTIVITIES OF THE RECEIVER

29. The activities of the Receiver from the Date of Appointment to September 29, 2016 are detailed in the Second Report. Subsequent to the filing of the Second Report, the Receiver's activities have included:

- a) Attending before this Court in respect of the Receiver's motions for the Sundry AVO and the Distribution and Auction Order;
- b) Corresponding with Unique regarding certain post-closing deliverables in respect of the Unique Transaction;
- c) Reviewing and executing documents and related correspondence in respect of the Sharon Stone Claim settlement;
- d) Communicating with the Receiver's counsel, Fasken, regarding the completion of the Sundry Assets Transactions, the FF&E Sale (as hereinafter defined), the Sharon Stone Claim, leased assets in the possession of the Receiver, and other matters in connection with JSN and the receivership proceedings generally;
- e) Facilitating completion of the Sundry Assets Transactions, as noted above, including post-closing activities;
- f) Corresponding with Natural Resources Canada in respect of information pertaining to the Rough Diamonds and obtaining an understanding of the sale and exportation regulations;
- g) Executing the Auction Agreement with the liquidator, Infinity Asset Solutions Inc. ("**Infinity**"), as authorized and directed pursuant to the Distribution and Auction Order, corresponding with Infinity, and facilitating the completion of the FF&E Sale, as further described in a later section to this Third Report;

- h) Corresponding and communicating with Salus and its counsel in connection with various aspects of the receivership proceedings;
- i) Facilitating the completion of delinquent income tax returns of the Canadian and U.S. entities to satisfy administrative requirements and allow for the release of certain HST refunds outstanding as of the Date of Appointment to the estate;
- j) Terminating the Receiver's occupation of the Premises, exiting the Premises, and cancelling related utilities and other services;
- k) Cancelling liability, property, and jeweller's block insurance coverage upon exit of the Premises;
- l) Communicating with the Receiver's IT consultant in connection with back-up and cleansing of computer hard drives, server back-up, and establishing a remote server in order to facilitate exit from the Premises;
- m) Responding to calls and enquiries from creditors and other stakeholders regarding JSN and the receivership proceedings;
- n) Recording receipts and disbursements, including the preparation of the Receiver's statement of receipts and disbursements from the Date of Appointment to October 31, 2016;
- o) Preparing this Third Report;
- p) Arranging for payments related to the administration of the receivership proceedings, including services, independent contractors, the use by the Receiver of certain personal property leased by the Company, and amounts for the occupation by the Receiver of the Premises;
- q) Collecting the Company's accounts receivable;
- r) Terminating certain independent contractors and consultants of the Receiver upon completion of duties;
- s) Monetizing the Company's scrap jewellery and precious metal through a third party metal recycler, pursuant to the Distribution and Auction Order;

JSN UK

- t) Communicating with the CRO regarding JSN UK operations, including plans for the wind-up of operations, employee matters, completion of the annual external audit, statutory UK filings including tax returns, and realization of the remaining assets of JSN UK ("**UK Wind-down**"); and
- u) Facilitating receipt of an interim distribution of funds from proceeds on JSN UK asset realizations into the Receiver's bank account, primarily from the collection of accounts receivable and a loan receivable. The CRO remains in control of the JSN UK bank accounts and will continue to transfer funds to the Receiver when it has determined that there are surplus funds in the account. It should be noted that the Receiver has not taken possession of JSN UK's assets.

VIII. LIQUIDATION OF FF&E AND MONETIZATION OF REMAINING ASSETS

- 30. As previously mentioned in this Third Report, the Receiver entered into an Auction Agreement with Infinity for the liquidation of the FF&E. The terms of the Auction Agreement contemplated a sale by public or online auction, or private sale, and a net minimum guarantee in the amount of \$45,000 payable to the Receiver.
- 31. Infinity subsequently negotiated a private sale (the "**FF&E Sale**") with Richview Trade Centre & Jewellers Inc. ("**Richview**"). Total gross proceeds in the amount of approximately \$83,000 (excluding HST) were paid to Infinity, approximately \$74,000 of which was paid to the Receiver. It is the Receiver's understanding that Richview has made arrangements directly with the landlord of the Premises for the storage and removal of the FF&E subject to the FF&E Sale.
- 32. The FF&E Sale included certain computers owned by JSN. A verbal agreement was made on October 17, 2016 among Richview, Infinity, and the Receiver that the computers included in the FF&E Sale would not be removed from the Premises until the Receiver had an opportunity to remove information from the computer hard drives, with said removal to be completed no later than October 28, 2016. Richview violated this verbal agreement on October 18, 2016 when, in the process of removing the FF&E, its representatives removed two (2) computers subject to the FF&E Sale (the "**Purchased Computers**") from the Premises before the Receiver had an opportunity to cleanse the hard drives, by placing them in safes which were in the process of being removed at the time.
- 33. Following Infinity's request on October 18, 2016, the Purchased Computers were returned on the following day. A subsequent review by the Receiver's IT consultant revealed that login attempts had been made on at least one of the Purchased Computers while in Richview's possession. It was not apparent from the review of the Purchased Computers whether any information had been accessed, copied, or removed.

34. Soon after the return of the Purchased Computers, the Receiver discovered that three (3) additional computers (the "**Missing Items**") had been removed from the Premises over the same time period as the Purchased Computers, one of which was leased by JSN and not subject to the FF&E Sale. It appeared that representatives of Richview had also removed the Missing Items, however, on inquiry by Infinity, representatives of Richview denied responsibility for said removal. Receiver's counsel, Fasken, issued a letter to counsel for Richview on October 26, 2016, requiring the return of the Missing Items, or sworn affidavit denying any involvement in their removal. The letter was also hand delivered to Mr. Moshe Braunstein ("**Mr. Braunstein**"), the Richview representative responsible for the FF&E Sale.
35. A sworn statutory declaration was received by Fasken on October 27, 2016 from Mr. Braunstein's counsel, in which Mr. Braunstein declared, inter alia, that neither he nor anyone under his direction was able to access any information that may have been stored on the Purchased Computers and that no information was taken, removed, or viewed. It was further attested and declared by Mr. Braunstein that neither he nor anyone under his direction had any knowledge of, or had taken, the Missing Items.
36. To the best of the Receiver's knowledge, the value of the Missing Items is estimated to be nominal. The Receiver has taken no further action at this time to recover the Missing Items or to ascertain what, if any, information may have been accessed on the Purchased Computers or the Missing Items.
37. Also, as previously mentioned in this Third Report, the Receiver monetized the Company's scrap jewellery and precious metal inventory through third party metal recyclers for net proceeds of approximately \$220,000 in aggregate. Since the date of the Second Report, no jewellery inventory was returned from customers. The Receiver canvassed interest in certain of the Remaining Assets (namely trade show booth(s) and branded packaging/displays) from parties determined mostly likely to be interested in same, and received limited expressions of interest in response. The balance of the Remaining Assets to be monetized or disposed of by the Receiver as at the date of this Third Report is nominal.

IX. RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

38. The Receiver's statement of receipts and disbursements for the period from the Date of Appointment to November 21, 2016 (the "**R&D**") is reported on a consolidated basis, and is summarized as follows:

| JSN | | |
|---|-------------------------|--------------|
| Statement of Receipts and Disbursements | | |
| For the period August 16, 2016 to November 21, 2016 | | |
| Receipts | | Notes |
| Sundry Assets Transaction | \$ 4,450,330.37 | |
| Unique Transaction | 4,061,850.80 | a |
| Net Proceeds received from JSN UK | 3,293,533.89 | b |
| Accounts receivable collections | 1,041,760.65 | |
| Cash in bank | 410,850.45 | |
| Asset realizations - scrap precious metal | 221,230.33 | |
| Pre-receivership GST/HST refund | 155,197.82 | |
| Asset realizations - Fixed Assets | 74,213.00 | |
| GST/HST refund in receivership | 36,999.18 | |
| Interest earned (net of bank charges) & other receipts | 1,669.80 | |
| Total Receipts | \$ 13,747,636.29 | |
| Disbursements | | |
| Distribution to Lender | 7,100,000.00 | c |
| Professional fees - Receiver & Fasken | 669,450.90 | |
| Consultant fees | 214,967.79 | d |
| Holdback Amount (as defined in the Receivership Order) | 191,636.05 | |
| Other legal costs | 153,193.28 | e |
| GST/HST paid on disbursements | 113,785.85 | |
| Independent contractor services | 74,493.09 | |
| Operating expenses | 61,063.36 | |
| Pre-receivership company payroll | 28,954.65 | |
| Occupation rent | 21,240.16 | |
| Receivership filing fees | 70.00 | |
| Total Disbursements | \$ 8,628,855.13 | |
| Excess Receipts over Disbursements / Cash on Hand ⁽¹⁾ | \$ 5,118,781.16 | |
| ¹ Amounts denominated in USD have been converted to CAD at the Bank of Canada November 21, 2016 daily noon rate (1.3437), with the exception of the distribution to the Lender, which was paid in USD using the conversion rate on the date of distribution. | | |

Notes:

- a) Receipts from the Unique Transaction (approximately \$3,023,000 USD) exclude the Escrow Amounts, as previously mentioned in this Third Report;
- b) Approximately \$2,450,000 USD in net proceeds from JSN UK was paid to the Receiver by the CRO, reflecting funds on hand less amounts withheld in order to complete the UK Wind-down, as mentioned in the Second Report;

- c) As per the terms of the Distribution and Auction Order, the Receiver made a \$7,100,000 interim distribution to Salus;
- d) Consultant fees comprise fees paid to Consensus¹⁷ and the Jewellery Consultant¹⁸ engaged by the Receiver in connection with the Sundry Assets Transactions; and
- e) Other legal costs include the services of foreign legal counsel engaged by the Receiver to provide independent legal opinions on Salus' security under foreign jurisdictions, and legal advice with respect to the foreign entities, GMJ and JSN UK, for the Unique Transaction and the receivership proceedings generally, and with respect to investigation of the Sharon Stone Claim.

39. As detailed in the table above, the Receiver had total receipts of approximately \$13,700,000 between the Date of Appointment and November 21, 2016, the majority of which relate to proceeds from the Unique Transaction, the Sundry Assets Transactions, and JSN UK realizations. Total disbursements over the same period were approximately \$8,600,000 and as at November 21, 2016, cash on hand was approximately \$5,100,000.

X. PROPOSED INTERIM DISTRIBUTION OF PROCEEDS FROM REALIZATION

40. As detailed in the Second Report, the security granted by the Debtor Companies in favour of Salus under Ontario Law¹⁹, UK Law²⁰, and US Law²¹, is valid and enforceable according to the independent, written legal opinions obtained by the Receiver in respect of same.

41. The table below sets out the Receiver's proposed interim distribution of the net proceeds from realization to Salus (the "Proposed Interim Distribution"):

| JSN Funds Available for Interim Distribution As at November 21, 2016 | |
|---|----------------------|
| Cash on Hand | \$ 5,118,781.16 |
| Proposed Interim Distribution | (4,300,000.00) |
| Net Reserve | \$ 818,781.16 |

42. The Receiver proposes to make an interim distribution of the net proceeds of realization to Salus in the amount of \$4,300,000.

¹⁷ As defined in the Second Report
¹⁸ As defined in the Second Report
¹⁹ As defined in the Second Report.
²⁰ As defined in the Second Report.
²¹ As defined in the Second Report.

43. Funds held back by the Receiver are reserved and are anticipated to be sufficient to fund the estimated remaining operational/administrative costs and professional fees to complete the receivership, and tax remittances relating to the transactions undertaken to date.
44. The Receiver does not propose to hold back any further amounts at this time, but notes that additional funds are expected to be received in the remaining administration, including collections on realizable accounts receivable that should be sufficient to address any other potential priority claims not known to the Receiver.
45. The Receiver respectfully requests that the Court authorize the Proposed Interim Distribution and such subsequent distributions to Salus as the Receiver determines appropriate, up to the amount of Salus' secured claim, and subject to retaining sufficient reserves to address costs to complete the administration of the receivership proceedings and any other potential priority claims.

XI. PRIORITY CLAIMS

46. Also, as detailed in the Second Report, at the Date of Appointment, the Canadian Debtors were in an HST refund position that totaled approximately \$152,800, and Canada Revenue Agency ("CRA") had completed an HST review and highlighted no material items to the Receiver. Since the filing of delinquent income tax returns with CRA, substantially all of the \$152,800 claimed has been paid to the Receiver. Additionally, the Receiver understands the Canadian Debtors made normal course remittances to CRA in connection with source deductions withheld from employees. 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.
47. The Receiver is not aware of any amounts owing to the former employees of the Canadian Debtors (the "Former Employees") that would have priority over Salus pursuant to section 81.4 of the BIA, as the Receiver paid all outstanding wages and vacation pay owing at the Date of Appointment, as detailed in the Second Report.
48. 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 the Former Employees pursuant to section 81.6 of the BIA.

XII. REQUEST FOR APPROVAL OF FEES

49. The Receiver and its counsel, Fasken, have maintained detailed records of their professional time and disbursements since the Date of Appointment.

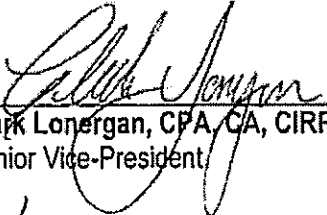
50. The Receiver's professional fees incurred for services rendered from the Date of Appointment to November 18, 2016 amount to \$466,864.00, plus disbursements in the amount of \$6,347.22 (all excluding HST). The Receiver's professional fees and disbursements have not yet been approved by the Court. The time spent by the Receiver's professionals is described in the affidavit of Clark Lonergan attached hereto as **Appendix "C"**.
51. The fees of the Receiver's counsel, Fasken, for services rendered from the Date of Appointment to October 31, 2016 amount to \$242,605.50, plus disbursements in the amount of \$4,112.17 (all excluding HST). The fees and disbursements of the Receiver's counsel have not yet been approved by the Court. The time spent by the Fasken professionals is described in the affidavit of Stuart Brotman attached hereto as **Appendix "D"**.
52. 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.

XIII. RECOMMENDATIONS

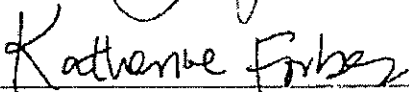
53. Based on the foregoing, the Receiver respectfully recommends that this Court issue an order(s):
 - a) Granting summary judgment on the Terms of Settlement;
 - b) Sealing the Terms of Settlement, pending further order of the Court;
 - c) Approving the Receiver's R&D;
 - d) Notwithstanding section 4.2(d) of the Sale Agreement, authorizing and directing the Receiver to apply all or a portion of such escrow funds to pay any and all applicable transfer taxes relating to the Unique Transaction not paid by Unique, without further order of the Court;
 - e) Authorizing and directing the Receiver to make an interim distribution in the amount of \$400,000 USD and \$4,300,000 to Salus in respect of its secured claim against the Property;
 - f) Authorizing and directing the Receiver to make subsequent distributions to Salus as the Receiver determines are available for distribution to Salus, up to the amount of Salus' secured claim, without further order of the Court;
 - g) Approving the accounts of the Receiver and its counsel, on an interim basis, as set out in this Third Report; and
 - h) Approving this Third Report and the actions, activities and conduct of the Receiver set out herein.

All of which is respectfully submitted on the 25th day of November, 2016.

Richter Advisory Group Inc.
in its capacity as 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



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



Katherine Forbes, CPA, CA
Vice-President

Tab A

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE NEWBOULD

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TUESDAY, THE 16TH
DAY OF AUGUST, 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
(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 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 affidavit of Michael A. O'Hara sworn August 2, 2016, and the Exhibits thereto, the affidavit of Kyle Shonak sworn August 3, 2016, and the Exhibits thereto, the report of the proposed Receiver dated August 8, 2015 (the "**Report**"), and the Appendices thereto, the affidavit of Kenneth R. Rosenstein sworn August 16, 2016, and the exhibit thereto, the affidavit of Shmuel Cohen sworn August 15, 2016 and the exhibits thereto, and the affidavit of Carla Eisnor sworn August 15, 2016 and the exhibits thereto, and on hearing the submissions of counsel for Salus, the proposed Receiver, Sharon Stone Co. Ltd. ("**Sharon Stone**"), and such other counsel as were present, no one appearing for any other party although duly served as appears from the affidavit of service of Miranda Spence sworn August 5, 2016, filed, and on reading the consent of Richter to act as the Receiver,

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, subject to paragraphs 18 to 20 of this Order;

- (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, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (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.;
- (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;
- (r) ~~if the Transaction (as defined in the affidavit of Kyle Shonak, sworn on August 4, 2016) is approved by this Court and the Transaction closes,~~ to act as agent of the Escrow Amounts and the Designs Escrow (as defined in the Purchase Agreement referred to in the said affidavit) with all protection afforded to the Receiver under this Order; and
- (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. For certainty, the Receiver shall not, as a result of its appointment or the powers conferred upon the Receiver pursuant to this Order, be or be deemed to be in possession or control of any Property or any part of the business of the Debtor unless the Receiver has in fact taken possession or exercised control over such Property or business.

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, subject to paragraphs 18 to 20 of this Order.

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, THE CRO OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor, the CRO (as defined below) 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 CRO, 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.

CHIEF RESTRUCTURING OFFICER

13. **THIS COURT RATIFIES** the appointment of FAAN Advisors Group Inc. ("FAAN") as Chief Restructuring Officer of the Debtor (the "CRO").

14. **THIS COURT ORDERS** that the CRO will act in accordance with instructions from the Receiver and for the duration of time determined by the Receiver, subject to further Order of the Court.

15. **THIS COURT ORDERS** that the CRO shall not be or be deemed to be a director, officer or employee of the Debtor.

16. **THIS COURT ORDERS** that nothing in this Order nor the appointment of FAAN as CRO of the Debtor shall be construed as resulting in FAAN or the CRO being an employer, successor employer, responsible person or operator within the meaning of any statute, regulation or rule of law, or equity for any purpose whatsoever.

17. **THIS COURT ORDERS** that the CRO shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the date of its appointment except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the CRO.

HOLDBACK AMOUNT

18. **THIS COURT ORDERS** that the Receiver is authorized and directed to pay \$191,636.05 (the "**Holdback Amount**") from the Property to the Debtor's counsel, which Holdback Amount shall be held in trust by the Debtor's counsel for the satisfaction of the obligations of the CRO from and after the date of its appointment and obligations of J.S.N. Jewellery Inc. in connection with its Asset Purchase Agreement with Ben Moss Jewellers Western Canada Ltd. dated July 28, 2016 (collectively, the "**Holdback Obligations**").

19. **THIS COURT ORDERS** that the CRO shall direct the use of the Holdback Amount for the satisfaction of the Holdback Obligations.

20. **THIS COURT ORDERS** that the Holdback Amount, less any amount used to satisfy the Holdback Obligations, shall be returned to the Receiver at such time as the CRO and the Receiver so agree or with leave of this Court.

RECEIVER TO HOLD FUNDS

21. **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

22. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. 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*. For certainty, and without limitation, nothing in this Order shall require the Receiver to take any action in respect of any employees of the Debtor located outside of Canada or whose employment is or may otherwise be governed by the laws of a jurisdiction outside of Canada.

PIPEDA

23. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all

other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

24. **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

25. **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

26. **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.

27. **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.

28. **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

29. **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.

30. **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.

31. **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.

32. **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.

SALE PROCESS

33. **THIS COURT ORDERS** that the Realization Process, as defined and described in the Report, is hereby approved, and the Receiver is hereby authorized and directed to take such steps as it deems necessary or advisable to carry out the Realization Process substantially in accordance with the description thereof in the Report. The Receiver shall not be or be deemed to be in possession or control of any Property or any part of the business of the Debtor solely as a result of its marketing of any such Property or business pursuant to this paragraph 33. For clarity, nothing in this paragraph shall affect the Receiver's powers as set out in subparagraph 3(k) of this Order.

SERVICE AND NOTICE

34. **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 'www.richter.ca/en/folder/insolvency-cases/j/jsn-jewellery-inc'.

35. **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

36. **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.

37. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

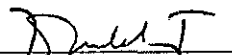
38. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or the United Kingdom to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All 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.

39. **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.

40. **THIS COURT ORDERS** that Salus shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of Salus' security or, if not so provided by 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.

41. **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.



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

AUG 16 2016

PER / PAR: 

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 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, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 16th day of August, 2016 (the "**Order**") made in an application having Court file number CV-16-011478-00CL, 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

- 3 -
and

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

Court File No. CV-16-011478-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceedings commenced at TORONTO

RECEIVERSHIP ORDER

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Lawyers for Salus Capital Partners, LLC

Tab B

RICHTER

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181 Bay Street, 33rd Floor
Toronto, ON M5J 2T3
www.richter.ca

**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.**

**SECOND REPORT OF RICHTER ADVISORY GROUP INC.,
IN ITS CAPACITY AS 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.**

September 29, 2016

Court File No. CV-16-011478-00CL

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

BETWEEN:

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 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**

**SECOND REPORT OF RICHTER ADVISORY GROUP INC.
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.**

September 29, 2016

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APPENDICIES

- APPENDIX "A" – ORDER OF THE ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) DATED AUGUST 16, 2016
- APPENDIX "B" – REPORT OF RICHTER ADVISORY GROUP INC. IN ITS CAPACITY AS PROPOSED RECEIVER DATED AUGUST 8, 2016
- APPENDIX "C" – REDACTED COPY OF THE SALE AGREEMENT WITH SGI
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- APPENDIX "E" – AUCTION AGREEMENT WITH INFINITY ASSET SOLUTIONS INC.

CONFIDENTIAL APPENDICIES

- APPENDIX "1" – OFFER SUMMARY
- APPENDIX "2" – UNREDACTED COPY OF THE SALE AGREEMENT WITH SGI
- APPENDIX "3" – UNREDACTED COPY OF THE SALE AGREEMENT WITH SIMPLEX

I. INTRODUCTION

1. Richter Advisory Group Inc. ("Richter"), was appointed as receiver (the "Receiver"), without security, of all of the assets, properties and undertakings (the "Property") of J.S.N. Jewellery Inc. ("JSN Jewellery"), 2373138 Ontario Inc. ("2373138"), Always & Forever Family Collection Inc. ("A&F" or "Always and Forever"), and P.M.R. Inc. ("PMR"), (collectively, the "Canadian Debtors"), GMJ Corp. ("GMJ", "JSN US" or "U.S. Debtor"), and J.S.N. Jewellery UK Limited ("JSN UK" or the "UK Debtor", and together with the Canadian Debtors and the U.S. Debtor, "JSN", the "Company" or the "Debtor Companies") pursuant to an order (the "Receivership Order") of the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated August 16, 2016 (the "Date of Appointment"). A copy of the Receivership Order is attached hereto as Appendix "A".
2. Pursuant to an Approval and Vesting Order issued by the Honourable Justice Newbould, also dated August 16, 2016 (the "AVO"), the Receiver was authorized and directed to execute the Sale Agreement¹ and the Purchased Assets² were ordered to be vested in the purchaser, Unique Designs, Inc. ("Unique" or the "Purchaser"), free and clear of all claims but subject to the determination of the Sharon Stone Claim³ (the "Unique Transaction"): A copy of the report of Richter, in its capacity as proposed receiver of JSN ("Proposed Receiver's Report"), that addresses the Unique Transaction is attached hereto as Appendix "B".
3. Pursuant to a Notice of Motion dated August 22, 2016, Utopia Jewellery Ltd. ("Utopia") and Sharon Stone Inc. ("Sharon Stone")⁴ commenced a motion in the receivership proceedings seeking, inter alia, a declaration that the assets defined as "Molds" in the affidavits of Shmuel (Samuel) Cohen ("Cohen") and Caria Eisnor ("Eisnor"), each dated August 15, 2016, are the property of Sharon Stone and do not form any part of the assets purchased by Unique pursuant to the Sale Agreement. The first report of Richter, in its capacity as Receiver (the "First Report"), addresses the Share Stone Claim.

¹ As defined in the Approval and Vesting Order.

² As defined in the Sale Agreement.

³ As defined in the Approval and Vesting Order.

⁴ The Notice of Motion describes the Sharon Stone corporate entity as "Sharon Stone Inc." The affidavit of Shmuel Cohen describes the entity as "Sharon Stone Co. Ltd." As hereinafter set out the Receiver believes that the description in the affidavit is accurate.

4. Certain sensitive pricing information has been omitted from this, the Receiver's second report (the "**Second Report**") and redacted from certain appendices hereto. In the event that the proposed Sundry Assets Transactions (hereinafter defined) do not close, it is the Receiver's view that release of such information would impair the Receiver's ability to maximize value and re-market those assets and be prejudicial to the interests of the creditors. A confidential supplementary report to this Second Report (the "**Confidential Supplementary Report**"), which includes the omitted pricing information and certain unredacted appendices, will be filed with this Court on a sealed and confidential basis, subject to a request that they be ordered sealed in the Court file to prevent this information from becoming publicly available until after closing of the Sundry Assets Transactions.

II. PURPOSE OF REPORT

5. The purpose of this Second Report is to:
 - a) Provide this Court with certain information pertaining to:
 - (i) The activities of the Receiver since the Date of Appointment;
 - (ii) The completion of the Unique Transaction, as per the terms of the Sale Agreement and the AVO;
 - (iii) The Sharon Stone Claim since the date of the First Report;
 - (iv) The results of the Realization Process⁵ undertaken by the Receiver and, ultimately, the sale by the Receiver of the Sundry Jewellery Assets⁶ to Sparkle Gems Inc. ("**SGI**"), and Simplex Diam, Inc. and Sparkling Jewelry, Inc., jointly ("**Simplex**", together with SGI, the "**Sundry Purchasers**"), subject to the Court's approval ("**Sundry Assets Transactions**").
 - (v) The terms of the Sundry Assets Offers to Purchase (hereinafter defined) made by SGI and Simplex and accepted by the Receiver (the "**Sundry Assets Sale Agreements**") dated September 9th and 8th, respectively;
 - (vi) The Receiver's limited informal process to liquidate the Company's furniture, fixtures and equipment ("**FF&E**"), which includes owned specialized jewellery equipment; and
 - (vii) The Receiver's plan to monetize any remaining Property (the "**Monetization Plan**").
 - b) Recommend that this Court make an order(s):

⁵ As defined in the Proposed Receiver's Report

⁶ As defined in the Proposed Receiver's Report

- (i) Approving the Sundry Assets Transactions and authorizing and directing the Receiver to complete same in accordance with the terms and conditions of the Sundry Assets Sale Agreements and the Sundry Assets Approval and Vesting Orders (hereinafter defined) ;
- (ii) Vesting, upon the closing of the Sundry Assets Transactions, the Company's right, title and interest in and to the Sundry Jewellery Assets to SGI and Simplex, respectively, free and clear of all liens, charges, security interests and other encumbrances;
- (iii) Sealing the Offer Summary (hereinafter defined) and the unredacted versions of the Sundry Assets Sale Agreements until the closing of the Sundry Assets Transactions or upon further order of the Court;
- (iv) Approving the auction proposal and authorizing and directing the Receiver to execute the auction agreement with Infinity Asset Solutions Inc. (the "Auction Agreement") to monetize the Company's FF&E;
- (v) Approving an interim distribution of proceeds to Saius Capital Partners, LLC as lender and agent for other lenders ("Salus" or the "Lender"), received in relation to those assets against which independent security reviews have been completed; and
- (vi) Approving this Second Report, and the actions, activities and conduct of the Receiver set out herein.

III. QUALIFICATIONS

6. In preparing this Second Report, Richter has relied upon unaudited financial information, the Company's books and records, financial information prepared by the Company and discussions with management (including the CRO⁷), A&M and Consensus (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 Second Report is based on management's assumptions regarding future events; actual results achieved may vary from forecast and such variations may be material.

⁷ As defined in the Receivership Order

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

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

8. While this Second Report summarizes some of the information set out in the Proposed Receiver's Report, for context, readers are directed to the Proposed Receiver's Report (attached as Appendix "B") and to the affidavit of Kyle Shonak sworn August 3, 2016 (the "Shonak Affidavit") in support of the appointment of the Receiver for a more detailed explanation of the Company's background and events leading to the appointment of the Receiver. A copy of the Shonak Affidavit is posted on the Receiver's website at <http://www.richter.ca/en/folder/insolvency-cases/fjsn-jewellery-inc>.

Company Overview & Corporate Structure

9. Prior to the appointment of the Receiver, JSN primarily operated as a jewellery wholesaling and manufacturing business with global operations. JSN's product was largely manufactured in Thailand by Utopia, with JSN's facility in Toronto, Ontario, manufacturing certain high margin and special orders, and completing in-house repairs.
10. JSN exclusively designed and manufactured collections including trademarked Canadian Ice Diamonds, Blossom Diamonds, Always and Forever, Colour Couture and Passionate Heart Canadian Diamonds, as well as a number of private labels produced for major retail customers.
11. In Canada, JSN's primary customer was jewellery retailer Ben Moss Western Canada Ltd. ("Ben Moss"), an indirect subsidiary acquired in 2013, which is in the process of liquidating its 65 stores across Canada as part of its restructuring efforts pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA"). JSN also sold its products through ancillary sales channels Always and Forever, and Forever Jewellery inc. ("FJI"). In separate proceedings Richter was appointed by the Court as receiver of FJI on June 30, 2016 (in such capacity, the "FJI Receiver"). JSN's product was sold to retail customers in the United States ("US") by GMJ and in the United Kingdom ("UK") by JSN UK.

Causes of Insolvency

12. In 2013, JSN acquired Ben Moss to facilitate the growth of its wholesale business through an additional sales channel and to maximize profit. The acquisition was financed by the owner's equity and senior credit facilities provided by Salus. Primarily as a result of significant foreign exchange losses and Ben Moss's financial troubles (culminating in the CCAA filing), JSN experienced a liquidity crisis and defaulted on various financial and other covenants with their primary secured lender, Salus.

13. As a result of Ben Moss's financial troubles, JSN began to request a series of overadvances on its credit facilities with the Lender, which were granted by Salus in late March 2016. In support of the overadvances, Salus and the Company entered into an Accommodation Agreement⁸. Thereafter, cash flow continued to worsen at JSN, as significant funding was provided to Utopia (to fund operations and purchase raw material inventory) and was required for Ben Moss's CCAA proceedings.
14. Absent continued support from the Lender, JSN and Ben Moss would have been unable to continue to carry on their businesses, due to the following:
- a) Due to a breakdown in the Utopia relationship, JSN was unable to service the majority of its customer base and operations had been effectively shut down since the beginning of July 2016;
 - b) Ben Moss's CCAA proceedings did not result in a going concern transaction and an outright liquidation of its assets is underway, thus eliminating JSN's largest customer; and
 - c) Three separate sale and/or investment solicitation processes in respect of JSN, including that of Ben Moss within the CCAA proceedings, run by two different advisors, failed to result in a going concern sale of the Company.
15. In August 2016, Salus sought and obtained the Receivership Order and the Approval and Vesting Order pursuant to which, among other things, Richer was appointed as Receiver, and directed to execute the Offer to Purchase⁹ with Unique and complete the Unique Transaction, and to carry out the Realization Process.

V. UNIQUE TRANSACTION

16. On the Date of Appointment, In accordance with the directions of the Court, the Receiver executed the Purchaser's Offer to Purchase certain assets of JSN Jewellery, JSN UK, GMJ and A&F (collectively the "Vendors"), including but not limited to:
- a) Intellectual property;
 - b) Inventory on consignment, as reconciled and verified with customers;
 - c) Finished goods inventory subject to customer orders;
 - d) Open customer orders, including memo (also known as consignment) orders, and any corresponding open orders with suppliers for goods required to fill such customer orders;
 - e) Certain assigned contracts/memos; and
 - f) Documents and records with respect to transactions between the Vendors and customers.

⁸ As defined in the Proposed Receiver's Report

⁹ As defined in the Proposed Receiver's Report

17. A \$1 million USD deposit in connection with the Unique Transaction was paid prior to the Receiver's appointment, which amount was held in escrow by Richter until closing on August 18, 2016 and subsequently released from escrow and transferred into the Receiver's bank accounts on August 19, 2016.
18. The bulk of the purchase price payable in the Unique Transaction was to be paid upon completion of a reconciliation of JSN's inventory on consignment with customers. The deadline for completion of the consignment inventory reconciliation was initially contemplated to be September 13, 2016. That deadline was mutually extended by the Receiver and the Purchaser, first until September 16, 2016, and then until September 23, 2016. The reconciliation was completed for the majority of customer accounts on September 15, 2016 and on September 23, 2016 for the remaining customer accounts.
19. The balance of the purchase price was paid to the Receiver in the amount of \$2.4 million USD on September 22, 2016, \$22,900 USD on September 27, 2016, and \$300,000 USD on September 28, 2016, respectively, which amounts include amounts to be held in escrow by the Receiver in accordance with the terms of the Unique Sale Transaction, pending the outcome of the Sharon Stone Claim.

VI. CLAIMS OF SHARON STONE CO. LTD.

20. As mentioned in the previous section in this Second Report, Utopia and Sharon Stone have brought a motion in the receivership proceedings disputing the ownership of certain Intellectual property assets that were subject to the Unique Transaction. On September 22, 2016, the Receiver delivered a Responding Motion Record, containing the Receiver's First Report, responding to this motion. On September 28, 2016, the Receiver delivered a Supplementary Motion Record containing a supplement to the Receiver's First Report. The respondents to the motion have not yet delivered material responding to the Receiver's Responding Motion Record and Supplementary Motion Record. A 9:30 a.m. scheduling appointment has been scheduled for October 17, 2016 in order to obtain directions with respect to cross examinations (if required) and to set a date for the hearing of the motion.

VII. RECEIVER'S ACTIVITIES SINCE THE DATE OF APPOINTMENT

21. Since the Date of Appointment, the Receiver's activities have included:
- a) Taking possession of and securing the premises of the Canadian Debtors (the "Premises");
 - b) Freezing the Canadian Debtors' bank accounts, and opening new bank accounts in the name of the Receiver;
 - c) Contacting the Canadian Debtors' alarm service provider to both delete existing alarm codes and set up new alarm codes for the Receiver;
 - d) Securing the inventory at the Premises, including changing safe codes and establishing protocols for inventory handling and supervision thereof;

- e) Reviewing JSN's existing insurance coverage and arranging for the Receiver be listed as named insured and loss payee on the Canadian Debtors' insurance policies;
- f) Arranging for payment of rent for the Premises;
- g) Arranging for the continuation of all essential services, including utilities for the Premises;
- h) Contacting Canada Revenue Agency ("CRA") to set up new accounts (HST) in the name of the Receiver;
- i) Taking possession of and reviewing the Company's books and records to obtain a further understanding of the Company's financial position and the Property;
- j) Undertaking a review and physical count of the Company's inventory and equipment;
- k) Meeting with JSN Jewellery's former employees ("Former Employees") to advise them of, among other things, the Receiver's appointment and the Company's termination of their employment. The Receiver also informed the Former Employees of their rights and potential entitlements under the provisions of the *Wage Earner Protection Program Act* ("WEPPA") and the limited priority granted to employee claims for compensation in accordance with section 81.4 of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"). It should be noted that following its appointment, the Receiver (with the Lender's approval) paid all outstanding wages and 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, in respect of statutory charges pursuant to section 81.4 of the BIA. Additionally, JSN Jewellery is the only Canadian entity that was an employer. There were no employees in JSN US and the JSN UK operations will be discussed below;
- l) Determining, according to the Company's books and records, the amounts owed under WEPPA, submitting prescribed information to Service Canada, and sending notice of WEPPA to the Former Employees;
- m) Communicating with the Company's IT service provider to terminate systems access for the Former Employees;
- n) Retaining certain Former Employees as independent contractors, on a temporary basis, to assist in completing various receivership activities, including but not limited to: *Income Tax Act* compliance, requirements under WEPPA, final payroll of the Former Employees, post-closing deliverables of the Unique Transaction, assisting the Receiver in the Realization Process, and the collection of accounts receivable;
- o) Assisting CRA with its audit of JSN Jewellery's payroll remittances, and an audit of HST for the Canadian Debtors, and facilitating information requests;
- p) Compiling the Company's books and records, based on information obtained subject to the Receiver's best efforts, for the purposes of filing delinquent income tax returns for the Canadian Debtors' and releasing HST refunds owing from CRA;

- q) Notifying customers of JSN's receivership, and advising these parties of the Unique Transaction as required;
- r) Executing and closing the Unique Transaction and completing the Receiver's post-closing deliverables (including attending to the consignment inventory reconciliation) as previously discussed;
- s) Facilitating due diligence by interested parties in the Realization Process;
- t) Engaging Consensus¹⁰ and the Jewellery Consultant¹¹ to assist the Receiver in the Realization Process;
- u) Planning and execution, with Consensus and the Jewellery Consultant, of the Realization Process, including drafting and review of the teaser/bid package, supervising inventory viewings, selecting the winning bids and taking steps to finalize the Sundry Assets Transactions (subject to the approval of this Court, as discussed below);
- v) Transferring the holdback amounts per the Receivership Order to the CRO's counsel;
- w) Monetizing the Company's scrap jewellery inventory (having a value of less than \$250,000) through a third party metal recycler, which pays the Company market rate for the base metal/gemstone materials less a commission;
- x) Selling packaging materials in the normal course to Ben Moss in connection with their liquidation process;
- y) Collecting the Company's accounts receivable;
- z) Mailing, on August 26, 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;
- aa) Responding to calls and enquiries from the Company's creditors, including Former Employees, suppliers, customers, and other stakeholders regarding the receivership proceedings;
- bb) Communicating with Salus and its counsel in connection with the Unique Transaction, the Sundry Assets Transactions, the Realization Process, and various aspects of the receivership proceedings;
- cc) Establishing a website at www.richter.ca/en/insolvency-cases/f/jisn-jewellery-inc, where all materials filed with the Official Receiver and the Court in connection with the receivership proceedings are available in electronic format;

GMJ

- dd) Communicating with the former sales agent (Suncor¹²) of GMJ, to secure GMJ's books and records and the return of certain Property belonging to JSN;

¹⁰ As defined in the Proposed Receiver's Report

¹¹ As defined in the Proposed Receiver's Report

¹² As defined in the Proposed Receiver's Report

- ee) Engaging a member of Suncor on an independent consultancy basis to assist in, among other things, the return of certain Property, storage of GMJ's books and records, the reconciliation of consignment inventory, and the collection of accounts receivable;
- ff) Compiling GMJ's books and records, based on information obtained subject to the Receiver's best efforts, for the purposes of filing income tax returns in the US;

JSN UK

- gg) Communicating with the CRO regarding JSN UK operations, including plans for the wind-up of operations, employee matters, completion of the annual external audit, statutory UK filings including tax returns, consignment inventory reconciliation per the Unique Transaction and realization of the remaining assets of JSN UK ("UK Wind-down");
- hh) The Receiver understands from the CRO that all JSN UK employees (6) have been terminated by the CRO on behalf of JSN UK with the exception of two (2) who continue to assist the CRO with the collection of accounts receivable and the loan receivable from a UK customer; and
- ii) The CRO remains in control of the JSN UK bank accounts and will transfer funds to the Receiver when it has determined that there are surplus funds in the account. It should be noted that the Receiver has not taken possession of JSN UK's assets.

VIII. CREDITORS

- 22. The Company is party to a credit agreement dated as of July 18, 2013 between, among others, the Company and Salus, in its capacity as administrative agent, collateral agent and lender (as amended, the "Credit Agreement"). The Company is also party to a DIP credit agreement dated as of May 16, 2016 between, among others, the Company and Salus (as amended, the "DIP Credit Agreement"). As security for its obligations under the Credit Agreement, the DIP Credit Agreement and the other loan documents, each of the Debtor Companies have granted a security interest in all of its present and future personal property, the particulars of which are more fully set out in the Shonak Affidavit. According to the Company's books and records, as at August 16, 2016, the amount owed by the Debtor Companies to Salus is approximately \$63.9 million (principal and accrued interest), exclusive of any amounts that have been or may have been distributed to Salus in connection with the Ben Moss CCAA proceedings.
- 23. The Receiver has obtained independent, written legal opinions from each of Fasken Martineau DuMoulin LLP ("Fasken"), Fasken Martineau LLP ("Fasken UK") and Hahn & Hessen LLP ("H+H") with respect to the validity and enforceability of the security granted by the Debtor Companies in favour of Salus under the laws of the Province of Ontario ("Ontario Law"), the laws of England and Wales ("UK Law") and the laws of the State of New

York ("US Law"), respectively. Each of Fasken, Fasken UK and H+H has reviewed certain security documents and, subject to customary qualifications, assumptions and limitations included therein, each is of the opinion that the security granted by the Debtor Companies in favour of the Lender under Ontario Law, UK Law and US Law, respectively, is valid and enforceable in accordance with its terms.

24. The Receiver has, through its counsel in Ontario, the US and the UK, obtained relevant personal property search results in each of those jurisdictions. Those searches revealed no registrations in the US or the UK other than registrations in favour of Saius. The search results in Ontario revealed registrations that were prior in time to the registrations by Salus in favour of Pace Savings & Credit Union Limited ("Pace"), National Leasing Group Inc. ("National") and Halton Autolease inc. ("Halton").
25. The registration in favour of Pace is against PMR only. The Receiver has not sold or otherwise realized upon any of the property of PMR at this time.
26. The registrations in favour of National and Halton are against JSN and relate to specific equipment or motor vehicles. The Receiver has not sold or otherwise realized upon any of such equipment or motor vehicles.
27. As previously mentioned in this Second Report, the Receiver paid all outstanding wages and 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. Based upon discussions with the CRO who is addressing potential priorities that may relate to the JSN UK employees, it is the Receiver's understanding that assets are on hand in JSN UK with sufficient realizable value to cover any such claims should they exist. The Receiver has obtained legal advice in the US and UK and is not aware of any other potential liens or charges in those jurisdictions that may rank in priority to Salus.
28. At the Date of Appointment, the Canadian Debtors were in an HST refund position that totaled approximately \$152,800. CRA is holding and will not release HST refunds owing to the Canadian Debtors until corporate tax returns are completed for the 2015 fiscal year. The Receiver is currently in the process of preparing the corporate returns for the Canadian Debtors so as to satisfy statutory requirements and to allow for the release of these refunds. CRA completed payroll and HST audits on September 23, 2016 and no material items were highlighted to the Receiver.
29. The Company owed its unsecured creditors, including affiliated/related parties and trade creditors, approximately \$59.5 million at the Date of Appointment.

IX. REALIZATION PROCESS

30. Prior to the appointment of the Receiver, Richter, in consultation with Saius, Consensus and the Jewellery Consultant, developed the Realization Process as a means of gauging market interest in the Company's Sundry Jewellery Assets not included in the Unique Transaction.
31. Upon appointment, the Receiver engaged Consensus and the Jewellery Consultant to assist with the Realization Process and certain other aspects of the receivership administration owing to their significant industry expertise and familiarity with the Prospective Purchasers (hereinafter defined), as well as the Sundry Jewellery Assets having previously advised Salus on same.
32. Consensus, in consultation with the Jewellery Consultant and the Receiver, compiled a list of 70 potential interested parties, encompassing significant players in the jewellery wholesale and precious gemstones sector, 10 parties who had already viewed the assets prior to the Date of Appointment, and liquidators, including Ben Moss's liquidation sales agent (collectively, the "Prospective Purchasers").
33. On or about August 19, 2016, Consensus distributed a teaser document, which had been prepared by Consensus and the Receiver, in consultation with the Jewellery Consultant, to the Prospective Purchasers detailing the opportunity to purchase the Sundry Jewellery Assets and specialized jewellery equipment (together, the "Sundry Assets").
34. Prospective Purchasers interested in obtaining additional information regarding the Sundry Assets were provided (i) detailed asset listings, (ii) a bid procedures document which included a breakdown of the Sundry Jewellery Assets by lot for bidding purposes and a model offer to purchase on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Receiver (collectively, the "Sundry Assets Offer to Purchase"), and (iii) an opportunity to view the Sundry Assets prior to the Bid Deadline (hereinafter defined). Of the 70 parties contacted, 64 requested and were provided with the detailed listings and the Sundry Assets Offer to Purchase, and 15 viewed some or all of the Sundry Assets.
35. The Receiver, with the assistance of the Jewellery Consultant, facilitated viewings by the Prospective Purchasers at the Premises and other due diligence efforts by, among other things, scheduling and supervising site visits and responding to enquiries on the Sundry Assets.
36. Prospective Purchasers were required to submit offers on some or all of the Sundry Assets (by lot, for the Sundry Jewellery Assets) in the form of a redline mark-up of the Sundry Assets Offer to Purchase, along with a 10% deposit on the offer amount on or before 5:00 p.m. (Eastern Standard Time) on September 6, 2016 (the "Bid Deadline").

37. Eight (8) binding, irrevocable offers to purchase (the "Offers") for specific Sundry Assets were received from Prospective Purchasers (the "Bidders") prior to the Bid Deadline, and accompanied by deposits. Of the eight (8) Offers, five (5) Offers were for most, if not all, of the Sundry Jewellery Assets. As provided for by the Realization Process approved by this Court, the Receiver was required to inform Bidders of the acceptance or rejection of their respective Offers on or before 5:00 p.m. (Eastern Standard Time) on September 12, 2016 (the "Acceptance Deadline").
38. Of the eight (8) Offers, the Receiver decided to move forward with the two (2) most competitive Offers (these parties ultimately became the Sundry Purchasers). While both of these Offers were made for all of the Sundry Jewellery Assets, neither contained the highest offer on all of the lots on a standalone basis. Additionally, one of the Offers included terms and conditions that resulted in a decrease in the overall value of the bid compared to the other Offer.
39. In an effort to maximize recoveries, Consensus, under the direction of the Receiver, provided Simplex and SGI with an opportunity to improve their Offers prior to the Acceptance Deadline. One party submitted a revised bid, removing the above noted terms and conditions, while the other party declined to submit a revised bid. With the revised bid, the Receiver proceeded to accept both the Simplex and SGI Offers, which, together provide for the highest value for each of the lots offered for sale pursuant to this process.
40. The Receiver is of the view that the Simplex and SGI Offers provide the best recovery for the Company's stakeholders and represent the highest and best offers received in the Realization Process. After consulting with the Lender, Simplex and SGI were advised on the Acceptance Deadline that their Offers had been accepted (forming the Sundry Assets Sale Agreements). Bidders whose Offers were not accepted were advised, and their deposits subsequently returned.
41. The Sundry Purchasers have offered to purchase the Sundry Jewellery Assets as defined in the Sundry Assets Sale Agreements on an "as is, where is" basis for a fixed cash purchase price. As the aggregate purchase price under the Sundry Assets Sale Agreements exceeds \$1 million, the Receiver will be seeking an approval and vesting order in respect of each transaction (the "Sundry Assets Approval and Vesting Order"), to, among other things, convey the Sundry Jewellery Assets to the Sundry Purchasers free and clear of all liens, claims and encumbrances except permitted encumbrances. Attached as Appendices "C" and "D" are the redacted Sundry Assets Sale Agreements with SGI and Simplex, respectively. Unredacted copies of the Sundry Assets Sale Agreements will be filed separately as Confidential Appendices "2" and "3".
42. The Sundry Assets Transactions are scheduled to close one (1) business day after the Sundry Assets Approval and Vesting Order is granted. There are no outstanding conditions in either of the Sundry Assets Sale

Agreements other than the making of the Sundry Assets Approval and Vesting Orders. The Receiver will file certificates with the Court attesting that the Sundry Assets Transactions have been completed to the satisfaction of the Receiver and confirming the closing of the Sundry Assets Transactions.

43. The Receiver has prepared a schedule comparing the Offers obtained through the Realization Process (the "Offer Summary"). In the event that the Court approves the Sundry Assets Transactions, but one or both of the Sundry Assets Transactions does not close, the Receiver is of the view that efforts to remarket the Company's Sundry Assets may be impaired if the Offer Summary (filed separately as **Confidential Appendix "1"**) or the unredacted Sundry Assets Sale Agreements, are made public at this time. In the circumstances, the Receiver believes that it is appropriate for the Offer Summary and the unredacted Sundry Assets Sale Agreements to be filed with the Court on a confidential basis and sealed until the closing of the Sundry Assets Transactions or upon further order of this Court.

Furniture, Fixtures, and Equipment

44. Offers on the specialized jewellery equipment were limited, and the Receiver concluded to reject all Offers on said equipment and instead pursue an auction of all FF&E together through a liquidator in order to maximize exposure of the assets and potential realizable value.
45. The Receiver understands that at some point in time Utopia approached the CRO and claimed ownership of certain of the FF&E. As at the date of this Report, Utopia has not approached the Receiver with this claim and has not provided the Receiver with any evidence of ownership. Utopia will be served with the motion seeking approval, inter alia, of the Auction Agreement.
46. The Receiver canvassed seven (7) liquidators to submit an equity bid/auction proposal for the Company's FF&E with a bid deadline of September 23, 2016 (the "Auction Bid Deadline"). Three (3) auction proposals were received and one (1) was selected by the Receiver to monetize the FF&E. A copy of the Auction Agreement with Infinity Asset Solutions Inc. ("Infinity") is attached as **Appendix "E"**.
47. Key elements of the Auction Agreement include: (i) Infinity shall provide the Receiver a net minimum guarantee in the amount of \$45,000; (ii) Infinity shall be entitled to the next \$8,500 for marketing and operation expenses relating to the auction; (iii) the FF&E shall be sold by way of public auction conducted at the Premises and/or via online auction, and/or by prior private sale; (iv) the auction shall be scheduled by Infinity and it is currently anticipated to held during the week ending October 23, 2016 or such other date as may be agreed to by the Receiver and Infinity; and (v) Infinity is entitled to charge and retain a commission in the amount of 10% of the gross process in excess of \$53,500 obtained at an auction.

48. In light of the nominal realization anticipated from the liquidation of FF&E and the public nature of an auction format, the Receiver is seeking the authority and direction of the Court to sell the FF&E, by entering into, executing and delivering the Auction Agreement together with any and all amendments, agreements related thereto and take all action in connection therewith. Based on the estimated realizations for the FF&E, the Lender is the only creditor with an economic interest in the FF&E, and supports the liquidation of the FF&E and the Auction Agreement.

IX. MONETIZATION PLAN

49. The Receiver plans to continue to monetize the Company's scrap jewellery through a third party metal recycler.

50. The Receiver plans to run a limited informal process(es) to liquidate the Company's newly returned (or to be returned) jewellery inventory, packaging goods/displays and tradeshow booth(s) (the "Remaining Assets"), which is anticipated to have nominal realizable value (under \$200,000 in the aggregate). The Receiver will send out a listing of the Company's Remaining Assets to parties which may include, but are not limited to, liquidators, local buyers, Unique and the Prospective Purchasers contacted during the Realization Process. The Receiver will solicit offers for outright purchase of these assets. The Receiver will not be required to accept the highest, best or any bid submitted. Based on the estimated realizations for the Remaining Assets, the Lender is the only creditor with an economic interest in the Remaining Assets, and supports the Monetization Plan.

X. PROPOSED INTERIM DISTRIBUTION OF PROCEEDS FROM REALIZATION

51. The table below sets out the Receiver's proposed interim distribution of the net proceeds from realization to Salus (the "Proposed Interim Distribution"):

| JSN | | | |
|--|--------------|-----------|------------------|
| Funds Available for Interim Distribution | | | |
| As at September 28, 2016 | | | |
| | <i>Notes</i> | | |
| Net Receipts (less purchase price escrow amount) | <i>b</i> | \$ | 3,757,585 |
| Estimated Sundry Assets Sale Transaction Funds | <i>c</i> | \$ | 4,259,600 |
| Estimated Remaining Operational/Administrative Costs and Professional Fees | <i>d</i> | \$ | (900,000) |
| Proposed Interim Distribution | | \$ | 7,117,185 |
| Proposed Interim Distribution (rounded) | <i>a</i> | \$ | 7,100,000 |

- a) The Receiver proposes to make an interim distribution of the net proceeds of realization to the Lender in the amount of \$7.1 million, should the Sundry Assets Transactions be approved by the Court. Should the Sundry Assets Transactions not be approved, the interim distribution proposed will be limited to \$2.8 million;
- b) Net receipts as at September 28, 2016 of approximately \$3.8 million include funds received from the Unique Transaction (less amounts held in escrow relating to the Sharon Stone Claim), collections of accounts

receivable to date and the funds held in the Company's bank accounts at the *Date of Appointment* less costs of realization paid to date. This amount does not include any JSN UK amounts being held by the CRO;

- c) Estimated Sundry Assets Transactions funds to be received once the Sundry Assets Sale Agreements are approved by the Court and executed by the Receiver;
- d) Funds held back by the Receiver to fund estimated remaining operational/administrative and professional fees to complete the receivership, tax remittances relating to the transactions undertaken to date and potential claims, if any; and
- e) The Receiver does not propose to hold back any further amounts at this time, but note that additional funds are expected to be received in the remaining administration that should be sufficient to address any other potential priority claims.

XI. RECOMMENDATIONS

52. The Receiver is of the view that the Sundry Assets Transactions represent the best recovery for the Sundry Jewellery Assets in the circumstances and recommends that this Court issue the Sundry Assets Approval and Vesting Orders approving the Sundry Assets Sale Agreements and the Sundry Assets Transactions for the following reasons:

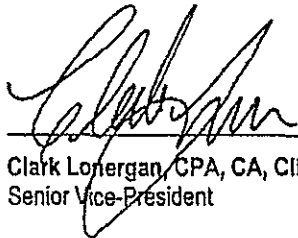
- a) The Company was not operating as a going concern at the Date of Appointment. Furthermore, the required assets to continue the business, including, but not limited to designs and customer programs, were previously sold through the Unique Transaction approved by this Court. Accordingly, liquidation was the only viable option available to the Receiver to realize on the Company's assets;
- b) The Realization Process, as previously approved by this Court, and the activities undertaken by the Receiver, with the assistance of Consensus and the Jewellery Consultant, leading to the Sundry Assets Transactions were designed to solicit interest from bona fide parties who would be familiar with the nature of the Company's assets and resulted in multiple offers;
- c) The Sundry Assets Transactions together represent the best and highest offer received for the Sundry Jewellery Assets;
- d) Based on the estimated realizations for the Property, the Lender is the only creditor with an economic interest in the Property, and supports the Sundry Assets Transactions.

53. The Receiver respectfully recommends that the Court issue an order(s):


- a) Approving the Sundry Assets Transactions and, upon closing, vesting the Company's right, title and interest in and to the Sundry Assets to the Sundry Assets Purchasers, free and clear of all liens, charges, security interests and other encumbrances;
- b) Sealing the Offer Summary and the unredacted versions of the Sundry Assets Sale Agreements until the closing of the Sundry Assets Transactions or upon further order of the Court;
- c) Approving an interim distribution of proceeds to the Lender, received in relation to those assets against which independent security reviews have been completed; and
- d) Approving this Second Report and the actions, activities and conduct of the Receiver set out herein.

All of which is respectfully submitted on the 29th day of September, 2016.

Richter Advisory Group Inc.
in its capacity as 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



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



Katherine Forbes, CPA, CA
Vice-President

TAB C

**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
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.**

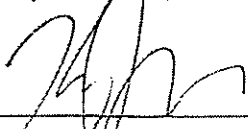
AFFIDAVIT OF CLARK LONERGAN

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

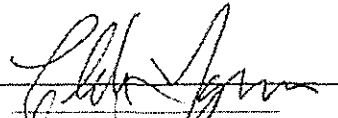
1. I am a Senior Vice President of Richter Advisory Group Inc. ("**Richter**") and, as such, I have knowledge of the matters hereinafter deposed to except where stated to be on information and belief, and whereso stated, I verily believe it to be true.
2. By order (the "**Appointment Order**") of the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated August 16, 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 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. ("**JSN**" 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 \$466,864.00 and \$6,347.22 (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 1,152.2 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 \$405.19.
6. The Receiver requests that this Court approve its Accounts for the Period, in the total amount of \$473,211.22 (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 October 31, 2016 (the "Counsel's Period"). The Receiver has reviewed the invoices rendered by Fasken during the Counsel's Period.
8. 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.
9. I verily believe that the fees and disbursements incurred by the Receiver and Fasken are fair and reasonable in the circumstances.
10. 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 15 day of NOVEMBER 2016)




KIBBEN JACKSON
2900-550 BURRARD ST.
VANCOUVER, BC V6C 0A3



Clark Johnson

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



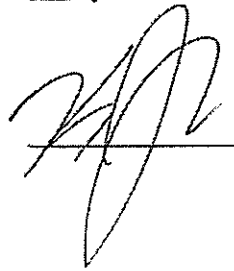
Richter Advisory Group Inc.
IN THE MATTER OF THE RECEIVERSHIP

Re: J.S.N. Jewellery Inc. et al
Statement of Fees Summary

For the Period from August 16, 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> |
|----------------|------------------------|-------------------|----------------------|------------------|-------------------|
| 20401183 | September 16, 2016 | 125,894.75 | 1,173.94 | 16,518.93 | 143,587.62 |
| 20401252 | October 11, 2016 | 168,247.25 | 3,706.73 | 22,354.02 | 194,308.00 |
| 20401308 | October 31, 2016 | 113,755.50 | 46.22 | 14,794.22 | 128,595.94 |
| 20401386 | November 22, 2016 | 58,966.50 | 1,420.33 | 7,850.29 | 68,237.12 |
| | | <u>466,864.00</u> | <u>6,347.22</u> | <u>61,517.46</u> | <u>534,728.68</u> |

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



A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, is written over a solid horizontal line. The signature is positioned to the left of the line, and the line extends to the right.

RICHTER

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

Date: 11/22/2016
Invoice No.: 20401386
Engagement No.: 2020854
Payment Terms: Net 30 Days

| | |
|---|-------------------------|
| Professional services rendered to November 18, 2016 | \$ 73,966.50 |
| Disbursements | 1,420.33 |
| Less: Courtesy Discount | -15,000.00 |
| Sub-Total | 60,386.83 |
| GST/HST #885435842 RT0001 | 7,850.29 |
| Total Due | CAD \$ 68,237.12 |

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



Invoice No.: 20401386
Date: 11/22/2016

E

Fees

| Name | Hours | Rate | Amount |
|----------------------|---------------|-------------|---------------------|
| Adam Sherman | 4.50 | \$ 625.00 | \$ 2,812.50 |
| Ann Stremekl | 1.10 | 185.00 | 203.50 |
| Caleigh Smith | 74.00 | 285.00 | 21,090.00 |
| Carol O'Donnell | 14.00 | 250.00 | 3,500.00 |
| Clark Lonergan | 34.90 | 625.00 | 21,812.50 |
| Katherine Forbes | 46.30 | 525.00 | 24,307.50 |
| Pascale Lareau | 1.30 | 185.00 | 240.50 |
| | 176.10 | | \$ 73,966.50 |
| Disbursements | | | |

Disbursements

\$ 1,420.33

\$ 1,420.33

Invoice No.: 20401386
Date: 11/22/2016



Fee and Disbursement Details

| Date | Name and Description | Hours | Rate | Amount |
|-------------|---|--------------|-------------|---------------|
| 10/24/2016 | Carol O'Donnell Emails regarding storage. Make arrangements for transfer of boxes from T&R to Docu Depot. Prepare schedule of US deposit in JSN UK. Prepare reallocations. | 1.60 | \$ 250.00 | \$ 400.00 |
| 10/25/2016 | Carol O'Donnell Make arrangement for pickup of storage. Discussions with C. Smith. | 0.50 | 250.00 | 125.00 |
| 10/26/2016 | Carol O'Donnell Prepare cheques, scan and save. Review storage list, discussions with P. Rosenfeld regarding storage. Prepare banking info and GL's and email to C. Lonergan. Update accounts. Email K. Forbes re: wire rec'd. Email C. Smith re: Escrow acct. | 2.20 | 250.00 | 550.00 |
| 10/27/2016 | Carol O'Donnell Emails with C. Smith regarding storage. | 0.30 | 250.00 | 75.00 |
| 10/31/2016 | Carol O'Donnell Emails to C. Smith and P. Rosenfeld regarding storage. | 0.40 | 250.00 | 100.00 |
| 10/31/2016 | Katherine Forbes Communications with D. Mior and contractor on US tax matters, review of JSN UK GL, correspondence with D. Guarnieri re: Canadian tax matters, planning activities re: exit of premises. Drafting of JSN Third Receiver's Report | 3.00 | 525.00 | 1,575.00 |
| 10/31/2016 | Clark Lonergan Leased asset discussion with counsel, etc. | 1.25 | 625.00 | 781.25 |
| 10/31/2016 | Adam Sherman Review and approve bank recs (\$CAN and \$US) for September 2016, including discussions with Richter team. | 0.50 | 625.00 | 312.50 |
| 10/31/2016 | Caleigh Smith Prepare payment for outstanding invoices, contact vendors to ensure all accounts cancelled, HST exposure analysis preparation, realization analysis updates, review of all collections for receivership period. | 6.50 | 285.00 | 1,852.50 |
| 11/01/2016 | Carol O'Donnell Update deposits for Always, J.S.N. scan and save. Update accounting, prepare bank reconciliation. Email GL's to K. Forbes. Comm. with bank regarding problems with wire transfer. Email to C. Smith to verify wire transfer information. | 1.50 | 250.00 | 375.00 |

Invoice No.: 20401388
Date: 11/22/2016

E

| Date | Name and Description | Hours | Rate | Amount |
|------------|--|-------|--------|----------|
| 11/01/2016 | Ann Stremski Prepare cheques, communication with K. Forbes, administration of file. | 0.70 | 185.00 | 129.50 |
| 11/01/2016 | Katherine Forbes Drafting of Third Receiver's Report, asset repossession correspondence, CAD & US tax matters, approval of payments. Review of contractor termination letters | 3.60 | 525.00 | 1,890.00 |
| 11/01/2016 | Clark Lonergan Update with leased asset, Utopia update and settlement review, samples and related items discussions, realization analysis update, etc. | 3.75 | 625.00 | 2,343.75 |
| 11/01/2016 | Caleigh Smith GoDaddy account credentials discussions with Unique, 2015 JSN tax return review, review of HSBC lease for Whitpay assets, calls with S&C on status of work performed, payment preparation, updates to realization analysis, cancellation of account | 7.50 | 285.00 | 2,137.50 |
| 11/02/2016 | Katherine Forbes Tax matters, review of JSN GLs for R&D statements. Drafting of Third Receiver's Report. Call with lender re: realization update, next steps. Accounting and approval of payments, correspondence re: assets repossession. | 4.50 | 525.00 | 2,362.50 |
| 11/02/2016 | Clark Lonergan Update on Utopia settlement and required releases, realization analysis & Distribution analysis review and discussion with the Lender re: the same, etc. | 3.25 | 625.00 | 2,031.25 |
| 11/02/2016 | Adam Sherman Review and sign cheques, including discussion with C. Smith re same. Review and approve bank recs for A&F/GMJ for September 2016. | 0.40 | 625.00 | 250.00 |
| 11/02/2016 | Caleigh Smith HST exposure analysis, cash position analysis, follow up with vendors for repo of assets. | 6.50 | 285.00 | 1,852.50 |
| 11/03/2016 | Carol O'Donnell Prepare reallocations, email new GL to K. Forbes. | 1.20 | 250.00 | 300.00 |
| 11/03/2016 | Katherine Forbes Drafting of Third Receiver's Report, review of GLs for R&D statement. Correspondence with liquidator and counsel re: exiting premises, review of realization bridge analysis and correspondence with lender. | 4.00 | 525.00 | 2,100.00 |

Invoice No.: 20401388
Date: 11/22/2016

E

| Date | Name and Description | Hours | Rate | Amount |
|------------|---|-------|--------|----------|
| 11/03/2016 | Clark Lonergan Leased asset discussion and release with counsel, FF&E update with Infinity, AR update and samples discussion with US sales people, etc. | 2.25 | 625.00 | 1,406.25 |
| 11/03/2016 | Caleigh Smith Onsite at JSN walkthrough of premises with landlord, supervision of server removal, termination and transition meeting with contractor, payment of outstanding cheques, coordination of asset repo. | 8.00 | 285.00 | 2,280.00 |
| 11/04/2016 | Ann Stremski Prepare entries on 2 accounts. | 0.20 | 185.00 | 37.00 |
| 11/04/2016 | Katherine Forbes Drafting of Third Receiver's Report, review of fee affidavit, preparation of R&D statement, review of landlord correspondence and release agreement. | 3.50 | 525.00 | 1,837.50 |
| 11/04/2016 | Clark Lonergan Review of JSN Report. update on FF&E with Infinity, etc. | 2.00 | 625.00 | 1,250.00 |
| 11/04/2016 | Caleigh Smith Preparation of landlord release, communications with landlord, HST exposure analysis updates, coordination of sample shipment, follow up with Unique re: GoDaddy account, cancellation of accounts outstanding (Incl. insurance, internet, phone, etc.). | 5.75 | 285.00 | 1,638.75 |
| 11/07/2016 | Pascale Lareau Bank reconciliation (J.S.N. 3 Bank accts: GMJ, Always & Forever). | 1.00 | 185.00 | 185.00 |
| 11/07/2016 | Carol O'Donnell Prepare fee affidavit and annexes. Prepare cheques. | 1.60 | 250.00 | 400.00 |
| 11/07/2016 | Katherine Forbes Discussions with C. Smith re: books and records to be repossessed. Review and approval of payments. Review of final fixed assets proceeds. | 0.90 | 525.00 | 472.50 |
| 11/07/2016 | Caleigh Smith Coordination of FedEx sample shipment, one connect hardware pickup, FedEx account closure calls, segregation of whitpay data from navision, preparation of JSN cheque rec's. | 4.75 | 285.00 | 1,353.75 |
| 11/08/2016 | Carol O'Donnell | 1.40 | 250.00 | 350.00 |

Invoice No.: 20401386
 Date: 11/22/2016



| Date | Name and Description | Hours | Rate | Amount |
|------------|---|-------|--------|----------|
| | Prepare cheques, scan and save. Prepare wire transfer, discussion with K. Forbes regarding Baker & McKenzie Invoices. Update deposit, scan and save. | | | |
| 11/08/2016 | Ann Stremski Prepare entries for 3 accounts. | 0.20 | 185.00 | 37.00 |
| 11/08/2016 | Katherine Forbes Preparation of R&D, drafting of Third Receiver's Report, review of fee affidavit, and correspondence with counsel on same. JSN UK and Canadian tax matters, payments, etc. | 4.50 | 525.00 | 2,362.50 |
| 11/08/2016 | Clark Lonergan Realization update, AR update, Unique discussion etc. | 3.25 | 625.00 | 2,031.25 |
| 11/08/2016 | Caleigh Smith Oneconnect hardware pickup, HST exposure analysis review, JSN bank account closures, payment of operating expenses, review of contractor expenses and time, internal updates. | 5.50 | 285.00 | 1,567.50 |
| 11/09/2016 | Carol O'Donnell Re submit wire transfer to BMO. Email to A. Sherman. Review Docu-Depot invoice, email to K. Forbes. Communications with Docu-Depot to split storage invoice into 2 companies. Email P. Rosenfeld with instructions. Prepare cheques. | 1.40 | 250.00 | 350.00 |
| 11/09/2016 | Katherine Forbes Review of US tax return, approval of payments, overseeing accounting activities, R&D statement. | 2.50 | 525.00 | 1,312.50 |
| 11/09/2016 | Caleigh Smith Review of creditor listing and reconciliation, review of sundry asset sale, follow up on outstanding AR, review of AR supporting documentation, contractor pay discussions. | 6.00 | 285.00 | 1,710.00 |
| 11/10/2016 | Carol O'Donnell Verify bank for wire transfers, email to C. Smith and K. Forbes re: bank charges and incoming wires. Update deposits, scan and save. Scan and save outgoing cheques. Email C. Smith all GL's. Prepare cheques. | 1.90 | 250.00 | 475.00 |
| 11/10/2016 | Katherine Forbes R&D statement for Third Receiver's Report, update to report, and discussion with counsel re: same. Discussions with CRO, C. Smith re: sale of packaging to Ben Moss. | 4.00 | 525.00 | 2,100.00 |
| 11/10/2016 | Caleigh Smith | 4.25 | 285.00 | 1,211.25 |

Invoice No.: 20401388
Date: 11/22/2016



| Date | Name and Description | Hours | Rate | Amount |
|------------|--|-------|--------|----------|
| 11/11/2016 | Operating expense payment, review of docudepot invoices, coordination of pickup / disposal of inventory at T&R warehouse, communciations RE: sale of BM displays Katherine Forbes | 1.50 | 525.00 | 787.50 |
| 11/11/2016 | Review of draft JSN report and correspondence with counsel. Clark Lonergan | 2.50 | 625.00 | 1,562.50 |
| 11/14/2016 | Review of JSN Report. Katherine Forbes | 3.00 | 525.00 | 1,575.00 |
| 11/14/2016 | Various receivership activities, including draft receiver's report, AR collections, tax matters. Clark Lonergan | 3.65 | 625.00 | 2,281.25 |
| 11/14/2016 | UK update, leased assets update and discussion with counsel, Report drafting and fee affidavit review, etc. Caleigh Smith | 4.75 | 285.00 | 1,353.75 |
| 11/15/2016 | Follow up on key AR accounts, coordination of Whltpay books and records pickup, review of AR collections, confirmation of account cancellations (TYCO, rogers, fedex), coordination of display material sale. Pascale Lareau | 0.30 | 185.00 | 55.50 |
| 11/15/2016 | Working on GST calculation on October. Katherine Forbes | 2.60 | 525.00 | 1,365.00 |
| 11/15/2016 | Discussions with lender counsel and CRO. AR collection activities, including discussions with lender and C. Lonergan. Sale of packaging to Ben Moss, and communications with counsel re: Suncor, Unique VAT owing. Tax matters, etc. Clark Lonergan | 2.75 | 625.00 | 1,718.75 |
| 11/15/2016 | Realization update, report update and discussion with counsel re: the same, etc. Adam Sherman | 3.00 | 625.00 | 1,875.00 |
| 11/15/2016 | Review and provide comments on Receiver's Third Report. Discussions with Richter team. Caleigh Smith | 3.75 | 285.00 | 1,068.75 |
| 11/16/2016 | Review of Rogers settlement agreements, compile contact list and supporting detail for AR collections, review supporting detail for outstanding accounts for collections agency, follow up on key accounts. Katherine Forbes | 3.00 | 525.00 | 1,575.00 |

Invoice No.: 20401386
 Date: 11/22/2016



| Date | Name and Description | Hours | Rate | Amount |
|------------|---|-------|--------|----------|
| | Account collection activities - Rogers, Charm. Call with CRO and Salus counsel re: JSN UK plan, call with CRO re: JSN UK and 2016 year-end tax matters and communication with contractor re: same. | | | |
| 11/16/2016 | Clark Lonergan Finalizing report, realization update, AR update, VAT taxes with regards to the Unique tra. | 3.00 | 625.00 | 1,875.00 |
| 11/16/2016 | Caleigh Smith Review of WK Chan proposal and call, review Charm AR account detail and summary of key terms and account status, preparation of payments for operating expenses, review of CRA cheques and HST analysis, review of collections for bonus discussion. | 6.00 | 285.00 | 1,710.00 |
| 11/17/2016 | Katherine Forbes Reporting incorporating comments of team and lender's counsel. Discussions with CRO re: JSN UK issues, correspondence and internal communications re: AR collection activities. Tax matters. | 3.20 | 525.00 | 1,680.00 |
| 11/17/2016 | Clark Lonergan Rogers update with Salus and settlement review, finalizing report, etc. | 4.00 | 625.00 | 2,500.00 |
| 11/17/2016 | Adam Sherman Review/approve disbursements and sign cheques, including discussions with Richter team re same. Review and approve bank recs (A&F, GMJ, JSN (UK), JSN \$CAN and \$US) for October 2016. | 0.60 | 625.00 | 375.00 |
| 11/17/2016 | Caleigh Smith Preparation of cheques for operating expenses and contractor pay, Charm discussions and follow up on differences, discussions on WK Chan proposal, call with KGK and review of rough diamonds shipping documentation, sample shipment follow up, asset repo. | 4.75 | 285.00 | 1,353.75 |
| 11/18/2016 | Katherine Forbes Discussions with CRO, C. Lonergan re: JSN UK. JSN receiver's report circulation to lender counsel. Internal discussions and correspondence with lender on AR settlements. | 2.50 | 525.00 | 1,312.50 |
| 11/18/2016 | Clark Lonergan UK update, Report review, Rogers settlement, etc. | 3.25 | 625.00 | 2,031.25 |

Invoice No.: 20401388
Date: 11/22/2018

E

| Date | Name and Description | Hours | Rate | Amount |
|----------------------------|--|---------------|-------------|---------------------|
| Fees Total | | 176.10 | | \$ 73,966.50 |
| Date | Name and Description | Hours | Rate | Amount |
| 10/30/2016 | Disbursements Travel (airfare, accommodation, meals), Mileage, Postage, Photocopy, Courier, etc. | | | \$ 1,420.33 |
| Disbursements Total | | | | \$ 1,420.33 |

Invoice No.: 20401386
Date: 11/22/2016



Remittance Form

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

Invoice Summary

| | | |
|---------------------------|------------|---------------------|
| Sub-Total | | \$ 60,386.83 |
| GST/HST #885435842 RT0001 | | 7,850.29 |
| Total Due | CAD | \$ 68,237.12 |

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: TDOMCATTTOR

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: J.S.N. Jewellery Inc.
181 Bay Street, Suite 3320
Toronto, ON M5J 2T3

Date: 10/31/2016
Invoice No.: 20401308
Engagement No.: 2020654
Payment Terms: Net 30 Days

| | |
|--|--------------------------|
| Professional services rendered to October 28, 2016 | \$ 113,755.50 |
| Disbursements | 46.22 |
| Sub-Total | 113,801.72 |
| GST/HST #885435842 RT0001 | 14,794.22 |
| Total Due | CAD \$ 128,595.94 |

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



Invoice No.: 20401308
Date: 10/31/2016



Fees

| Name | Hours | Rate | Amount |
|------------------|---------------|-------------|----------------------|
| Ann Stremski | 1.10 | \$ 185.00 | \$ 203.50 |
| Caleigh Smith | 134.25 | 285.00 | 38,261.25 |
| Carol O'Donnell | 25.90 | 250.00 | 6,475.00 |
| Clark Lonergan | 68.75 | 625.00 | 42,968.75 |
| Katherine Forbes | 47.40 | 525.00 | 24,885.00 |
| Pascale Lareau | 4.00 | 185.00 | 740.00 |
| Soazig Bourgine | 1.20 | 185.00 | 222.00 |
| | <u>282.60</u> | | <u>\$ 113,755.50</u> |

Disbursements

| | | | |
|---------------|--|--|-----------------|
| Disbursements | | | \$ 46.22 |
| | | | <u>\$ 46.22</u> |

Invoice No.: 20401308
Date: 10/31/2016



Fee and Disbursement Details

| Date | Name and Description | Hours | Rate | Amount |
|------------|---|-------|-----------|-----------|
| 10/03/2016 | Carol O'Donnell Verify bank for wire transfers, prepare wire transfers. Update deposits. Prepare cheques. Prepare void cheque fro Moneris, email to C. Smith. Misc. administration. | 3.20 | \$ 250.00 | \$ 800.00 |
| 10/03/2016 | Katherine Forbes Discussions with N. De Cicco and followup on various matters, including Whitpay assets, property in possession of Suncor, sundry assets taxes. | 2.00 | 525.00 | 1,050.00 |
| 10/03/2016 | Caleigh Smith Receivership - review of whitpay leases, follow up on tax questions regarding holding company, preparation of cheques for operational expenses, follow up on displays on hand for BM, bank account set up for moneris. | 6.50 | 285.00 | 1,852.50 |
| 10/03/2016 | Caleigh Smith Sundry sale - review of simplex bill of sale, coordination of payment with Simplex and tax impact. | 1.50 | 285.00 | 427.50 |
| 10/04/2016 | Pascale Lareau Updated schedule of Weppa with payment received by Service Canada, working on GST -GL. | 0.70 | 185.00 | 129.50 |
| 10/04/2016 | Carol O'Donnell Verify bank for wire trsf, scan and save, prepare deposit. Emails regarding missing copies of cheques. Verify banking transaction, update accounting. Email K. Forbes all GL's. Misc. administration. | 2.40 | 250.00 | 600.00 |
| 10/04/2016 | Katherine Forbes AR collections activities re: Rogers, discussions with C. Smith and C. Lonergan on receivership activities, review of sundry sale documents, discussions with CRO re: UK. | 3.50 | 525.00 | 1,837.50 |
| 10/04/2016 | Clark Lonergan Unique transaction cash flow update, realization update, UK update, Suncor sales update, books and records update, sundry sales process update and closing materials, tax review and update, etc. | 6.25 | 625.00 | 3,906.25 |
| 10/04/2016 | Caleigh Smith Sundry sale - review of Consensus invoice and supporting detail, coordination of KGK and Simplex sale. | 1.50 | 285.00 | 427.50 |
| 10/04/2016 | Caleigh Smith | 3.00 | 285.00 | 855.00 |

Invoice No.: 20401308
Date: 10/31/2016

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| Date | Name and Description | Hours | Rate | Amount |
|------------|--|-------|--------|----------|
| | Receivership - discussions with united on settlement, document storage quotes, Rogers A/R discussions with Michel, follow-up on invoices received. | | | |
| 10/05/2016 | Pascale Lareau Updated Weppa Schedule payment by Service Canada. | 0.30 | 185.00 | 55.50 |
| 10/05/2016 | Carol O'Donnell Retrieve banking transactions from BMO for all accounts and email to K. Forbes. Email instruction for storage of boxes to C. Smith. Misc. administration. | 1.70 | 250.00 | 425.00 |
| 10/05/2016 | Katherine Forbes Coordinating with purchasers re: sale documents and payments required for closing, planning re: exiting of premises, realization update. | 1.50 | 525.00 | 787.50 |
| 10/05/2016 | Clark Lonergan Closing the sundry asset transaction, execution and review of final purchase and sale agreements, purchase price update and banking update, etc. | 3.75 | 625.00 | 2,343.75 |
| 10/05/2016 | Caleigh Smith Calls to discuss Rogers, review of books and records on site, follow-up calls on invoices, AR update. | 4.00 | 285.00 | 1,140.00 |
| 10/05/2016 | Caleigh Smith Sundry sale - calls with KGK regarding payment and shipping, preparation of shipping forms for Simplex, preparation of final lot for inspection. | 3.50 | 285.00 | 997.50 |
| 10/06/2016 | Pascale Lareau Bank reconciliation (Cdn, US, GMJ, Always). | 0.20 | 185.00 | 37.00 |
| 10/06/2016 | Carol O'Donnell Prepare cheques. Verify bank for wire transfer, scan, save and update. Email C. Lonergan GL's. Misc administration. | 1.80 | 250.00 | 450.00 |
| 10/06/2016 | Katherine Forbes Preparation for and attendance at court re: AVO and approval of Second Receiver's Report. Tax matters, discussions with C. Smith re: pick-up of sundry assets, closing, and application of purchase price. Responding to requests re: leased assets. | 3.20 | 525.00 | 1,680.00 |
| 10/06/2016 | Katherine Forbes Call with US agent and Salus counsel re: release, etc. Payments re: receivership, discussions with insurer. | 1.00 | 525.00 | 525.00 |

Invoice No.: 20401308
Date: 10/31/2016



| Date | Name and Description | Hours | Rate | Amount |
|------------|--|-------|--------|----------|
| 10/06/2016 | Soazig Bourgine Email to K. Forbes re. Order. | 0.10 | 185.00 | 18.50 |
| 10/06/2016 | Clark Lonergan Attendance at Court, closing the sundry asset transactions, realization update, discussion with customer re: AR, update with the Lender, etc. | 5.00 | 625.00 | 3,125.00 |
| 10/06/2016 | Caleigh Smith Follow-up on invoices, review of inventory repairs, UK update on Goldsmith, contractor pay, review of bank accounts, follow up on invoices. | 3.50 | 285.00 | 997.50 |
| 10/06/2016 | Caleigh Smith Simplex on-site, inventory inspection, shipment inspection, preparation of shipping documents, calls with KGK to prepare for next day shipment. | 4.50 | 285.00 | 1,282.50 |
| 10/07/2016 | Carol O'Donnell Prepare wire transfer from US General account to J.S.N. US account. Update to C. Smith regarding storage. Misc. adminsitration. | 1.40 | 250.00 | 350.00 |
| 10/07/2016 | Katherine Forbes Pick-up of sundry assets, rough diamonds certification and closing issues re: sale, various calls with counsel, CRO, Consensus, and the purchaser re: same. | 4.00 | 525.00 | 2,100.00 |
| 10/07/2016 | Katherine Forbes Discussions with C. Smith re: receivership activities, following up on court orders for posting on Richter website | 0.50 | 525.00 | 262.50 |
| 10/07/2016 | Soazig Bourgine Website posting of Orders, and fax to OSB. | 0.60 | 185.00 | 111.00 |
| 10/07/2016 | Clark Lonergan Closing the sundry asset transactions, realization update, tax update, collections discussion with team and contractors, etc. | 1.75 | 625.00 | 1,093.75 |
| 10/07/2016 | Caleigh Smith Sundry sale - KGK on site for inspection, review of shipment, preparation of shipping documents, search for KP certificates, research into KP process. | 5.50 | 285.00 | 1,567.50 |
| 10/07/2016 | Caleigh Smith Invoice follow up, national leases followup, meeting with liquidator, review of files onsite, meeting with realtor and landlord. | 2.50 | 285.00 | 712.50 |
| 10/11/2016 | Carol O'Donnell | 2.20 | 250.00 | 550.00 |

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Date: 10/31/2016



| Date | Name and Description | Hours | Rate | Amount |
|------------|--|-------|--------|----------|
| | Prepare wire transfers, update accounting. Balance bank account. Communications with C. Lonergan and K. Forbes. Misc. administration. | | | |
| 10/11/2016 | Katherine Forbes Planning, rough diamonds certificate issues including discussions with counsel and communications with purchaser. Banking. | 2.80 | 525.00 | 1,470.00 |
| 10/11/2016 | Clark Lonergan Sundry asset review and discussion with counsel and purchaser regarding assets, auction update, realization analysis and update, preference discussion, discussion re: JSN UK, etc. | 4.00 | 625.00 | 2,500.00 |
| 10/11/2016 | Caleigh Smith Internal update meetings. Calls with creditors. | 1.25 | 285.00 | 356.25 |
| 10/12/2016 | Pascale Lareau Updated schedule of WEPPA payment. | 0.40 | 185.00 | 74.00 |
| 10/12/2016 | Carol O'Donnell Prepare cheque. Email to K. Forbes regarding cheque issued in incorrect account. | 0.40 | 250.00 | 100.00 |
| 10/12/2016 | Katherine Forbes Payments and banking, Whitpay and National Leasing release agreements, correspondence with N. De Cicco, e-filing tax returns, other. | 3.00 | 525.00 | 1,575.00 |
| 10/12/2016 | Soazig Bourguine WEPPA notice returned to Maurizio Nali. | 0.30 | 185.00 | 55.50 |
| 10/12/2016 | Clark Lonergan Sundry asset update, auction analysis and review, Utopia update and review of correspondence, etc. | 2.25 | 625.00 | 1,406.25 |
| 10/12/2016 | Caleigh Smith Sundry asset sale - coordination or KP certificates incl. discussions with NRCan, purchaser, and internal counsel on process to apply for KP certificates. | 2.50 | 285.00 | 712.50 |
| 10/12/2016 | Caleigh Smith AR updates incl. discussions regarding Rogers and other GMJ receivables, preparation of cheques and payments owing, update with Brian Chisolm regarding FM cheques, assistance with liquidator on site, coordination on site. | 6.50 | 285.00 | 1,852.50 |
| 10/13/2016 | Pascale Lareau Preparation wire payment with BMO. | 0.80 | 185.00 | 148.00 |

Invoice No.: 20401308
Date: 10/31/2016



| Date | Name and Description | Hours | Rate | Amount |
|------------|--|-------|--------|----------|
| 10/13/2016 | Carol O'Donnell Verify exchange rate for wire transfer. Emails to C. Lonergan. Prepare wire transfer from GMJ to JSN US acct. Prepare wire transfer to Salus Capital. Prepare cheques. Verify exchange rates for GBP to US. | 4.20 | 250.00 | 1,050.00 |
| 10/13/2016 | Katherine Forbes Sharon Stone claim, unsecured creditor inquiries and discussion with counsel, payments, efilng of tax returns, planning discussions with C. Smith and C. Lonergan. | 1.10 | 525.00 | 577.50 |
| 10/13/2016 | Katherine Forbes Dealing with purchaser, counsel, on rough diamonds sale. Discussions with C. Smith. | 1.10 | 525.00 | 577.50 |
| 10/13/2016 | Soazig Bourgine Email to C. Smith re. Weppa Notice returned to us. | 0.10 | 185.00 | 18.50 |
| 10/13/2016 | Clark Lonergan Sundry asset update, bank reconciliation and wire review, realization update with the Lender, auction offer and analysis, etc. | 5.25 | 625.00 | 3,281.25 |
| 10/13/2016 | Caleigh Smith Sundry asset sale - coordination of application for KP certificated. | 2.00 | 285.00 | 570.00 |
| 10/13/2016 | Caleigh Smith Payments to creditors and notice for services not required, coordination on site, review of tax returns, HST exposure analysis, bank payments analysis, updates with contractors, Rogers update. | 5.25 | 285.00 | 1,496.25 |
| 10/14/2016 | Carol O'Donnell Prepare wire transfer. Verify bank for wire transfer For JSN UK, email K. Forbes confirmation. Enter receipt of wire transfer. Misc. administration. | 1.60 | 250.00 | 400.00 |
| 10/14/2016 | Katherine Forbes Rough diamonds sale matters, including correspondence with counsel, purchaser. Tax matters, banking, other receivership administration. | 2.50 | 525.00 | 1,312.50 |
| 10/14/2016 | Clark Lonergan Realization update, Sundry asset update, Tax review, review of closing Unique escrow files and documents, etc. | 5.50 | 625.00 | 3,437.50 |
| 10/14/2016 | Caleigh Smith S&C discussions, coordination with Infinity, cancellation of services notice, review of accounts. | 4.50 | 285.00 | 1,282.50 |

Invoice No.: 20401308
Date: 10/31/2016



| Date | Name and Description | Hours | Rate | Amount |
|------------|---|-------|--------|----------|
| 10/14/2016 | Caleigh Smith Coordination of KP certificate application. | 1.25 | 285.00 | 356.25 |
| 10/17/2016 | Carol O'Donnell Communications with RBC regarding wire transfer. Email to C. Lonergan regarding Sparkle wire transfer. Misc. administration. | 1.10 | 250.00 | 275.00 |
| 10/17/2016 | Katherine Forbes Inquiry re: code for GMJ tax filing, various payments matters, KP certificates communications with C. Smith and N. De Cicco, various communications with C. Smith on administration of receivership. Tax matters. | 3.40 | 525.00 | 1,785.00 |
| 10/17/2016 | Clark Lonergan Attend court for the Utopia lawsuit, sundry asset update and finalizing pickup and KP certificate, etc. | 3.25 | 625.00 | 2,031.25 |
| 10/17/2016 | Caleigh Smith Sundry asset sale - KP application process coordination, discussions with counsel, meeting with KGK. | 2.00 | 285.00 | 570.00 |
| 10/17/2016 | Caleigh Smith HST exposure review, tradeshow booth followup, S&C coordination of laptops to be wiped, planning discussions with Infinity, follow up on insurance plan, coordination with Express Gold. | 5.75 | 285.00 | 1,638.75 |
| 10/18/2016 | Pascale Lareau Updated WEPPA schedule with payment by Service Canada. | 0.40 | 185.00 | 74.00 |
| 10/18/2016 | Carol O'Donnell Discussions with C. Smith regarding opening of safety bank. Communicate with BMO to inquire on procedures to open safety deposit box. | 1.20 | 250.00 | 300.00 |
| 10/18/2016 | Carol O'Donnell Email to K. Forbes re UK wire transfer. Enter wire transfer. | 0.20 | 250.00 | 50.00 |
| 10/18/2016 | Ann Stremski Verify online banking; transfer funds on 5 accounts and prepare entries. | 0.60 | 185.00 | 111.00 |
| 10/18/2016 | Katherine Forbes Communications with C. Smith re: leased assets. Various communications re: KP certificates, JSN UK accounting. | 0.40 | 525.00 | 210.00 |
| 10/18/2016 | Soazig Bourguine Reminder email to C. Smith re. Weppa returned to us. | 0.10 | 185.00 | 18.50 |

Invoice No.: 20401308
Date: 10/31/2016



| Date | Name and Description | Hours | Rate | Amount |
|------------|---|-------|--------|----------|
| 10/18/2016 | Clark Lonergan Sundry asset KP update and finalizing pick-up, fixed asset update and discussion with purchaser and liquidator, books and records and leased asset review, etc. | 3.25 | 625.00 | 2,031.25 |
| 10/18/2016 | Caleigh Smith Supervision of equipment and asset removal from premises, review of bank account analysis, express gold remaining inventory sale. | 8.00 | 285.00 | 2,280.00 |
| 10/19/2016 | Carol O'Donnell Verify bank for wire transfer, Prepare deposit, email to C. Smith. Enter scan and save deposit for Always. Transfer funds from US general trust to CDN to cover bank charges. Enter return of wire to GMJ. Email C. Smith re storage of boxes. | 1.40 | 250.00 | 350.00 |
| 10/19/2016 | Katherine Forbes Communications with C. Lonergan, C. Smith re: security issues, securing assets, removal of purchased assets and issues with purchaser of fixed assets. | 1.00 | 525.00 | 525.00 |
| 10/19/2016 | Clark Lonergan Meeting with the Lender, dealing with purchaser of fixed assets, call with counsel and liquidator re: the same, etc. | 4.00 | 625.00 | 2,500.00 |
| 10/19/2016 | Caleigh Smith Supervision of sale of equipment and other assets and removal from premises, coordination of hard drive review and laptop wipe by S&C, TYCO alarm coordination. | 8.00 | 285.00 | 2,280.00 |
| 10/20/2016 | Pascale Lareau Updated schedule of WEPPA. | 0.30 | 185.00 | 55.50 |
| 10/20/2016 | Carol O'Donnell Prepare deposit for Always and JSN, scan and save. Prepare wire transfer from general trust to GMJ acct for Sparkle. Enter, scan and save. Call CRA informing about potential audit. | 1.80 | 250.00 | 450.00 |
| 10/20/2016 | Clark Lonergan Dealing with issues with the purchaser of the fixed assets, call with the liquidator and counsel re: the same, etc. | 1.50 | 625.00 | 937.50 |
| 10/20/2016 | Caleigh Smith Sundry asset sale - rough diamonds pickup coordination. | 1.50 | 285.00 | 427.50 |
| 10/20/2016 | Caleigh Smith | 5.00 | 285.00 | 1,425.00 |

Invoice No.: 20401308
Date: 10/31/2016



| Date | Name and Description | Hours | Rate | Amount |
|------------|---|-------|--------|----------|
| | Follow up on outstanding invoices, AR update, preparation of cheques, discussions with Infinity and internally regarding laptops removed from premises, review of photos from premises, review of Whitpay leases. | | | |
| 10/21/2016 | Pascale Lareau Working on GST calculation. | 0.40 | 185.00 | 74.00 |
| 10/21/2016 | Carol O'Donnell Discussions with Docu-Depot regarding storage of boxes. Make arrangements for pick up and storage. Misc. emails. review and update GST/HST reconciliation, email to K. Forbes. | 1.30 | 250.00 | 325.00 |
| 10/21/2016 | Ann Stremski Prepare cheques, administration of file. | 0.50 | 185.00 | 92.50 |
| 10/21/2016 | Katherine Forbes Onsite work at JSN - work to exit the premises, planning re: securing of assets. | 7.00 | 525.00 | 3,675.00 |
| 10/21/2016 | Clark Lonergan Accounts receivable update, Utopia IP update, fixed asset sale/books and records review, UK update and review, tax return update, etc. | 4.25 | 625.00 | 2,656.25 |
| 10/21/2016 | Caleigh Smith Receivership activities - books and records storage, review of assets on site, coordination with S&C re: laptops and server, segregation of excluded assets. | 6.50 | 285.00 | 1,852.50 |
| 10/21/2016 | Caleigh Smith Coordination of rough diamond pickup with KGK and Brinks. | 0.75 | 285.00 | 213.75 |
| 10/22/2016 | Katherine Forbes Planning and communications with contractor, C. Smith. | 0.40 | 525.00 | 210.00 |
| 10/24/2016 | Pascale Lareau J.S.N and Always GST Declaration for the period of September 2016. | 0.20 | 185.00 | 37.00 |
| 10/24/2016 | Katherine Forbes Onsite work at JSN - exiting premises, leased assets matters. | 7.00 | 525.00 | 3,675.00 |
| 10/24/2016 | Clark Lonergan Suncor discussions with counsel and Lender, fixed asset update with Infinity, Utopia settlement review and update with counsel re: the same, etc. | 3.00 | 625.00 | 1,875.00 |
| 10/24/2016 | Caleigh Smith | 8.00 | 285.00 | 2,280.00 |

Invoice No.: 20401308
 Date: 10/31/2016



| Date | Name and Description | Hours | Rate | Amount |
|------------|--|-------|--------|----------|
| | Payment of outstanding cheques, follow up with FP Postal, Fedex, UPS, on repossession of assets, Whitpay lease followup, TYCO security updates and cancellation, coordination of books and records storage. | | | |
| 10/25/2016 | Clark Lonergan Lease review and update, fixed asset review, computer back update, Unique additional assets for purchase review and calls/discussions re: the same, etc. | 3.25 | 625.00 | 2,031.25 |
| 10/25/2016 | Caleigh Smith Garbage, shredding, file review onsite, segregation of assets not owned, discussions with National Leasing on Whitpay assets, call with Brian re: samples, coordination of display material pickup, gold testing equip lease review, AR update. | 8.00 | 285.00 | 2,280.00 |
| 10/26/2016 | Katherine Forbes Approving cheque requisitions and reviewing invoices. | 0.50 | 525.00 | 262.50 |
| 10/26/2016 | Clark Lonergan Fixed asset letter and review of items for sale, Utopia settlement discussions and review of documents, leases update with National Leasing and CRO, etc. | 4.25 | 625.00 | 2,656.25 |
| 10/26/2016 | Caleigh Smith Realization analysis updates, national leasing discussions, review of preference analysis, move of assets to Richter office, payment of cheques, fedex discussions, contractor update meetings. | 8.00 | 285.00 | 2,280.00 |
| 10/27/2016 | Clark Lonergan Tax return review, Utopia settlement review, discussions with counsel re: the same, AR review, etc. | 5.25 | 625.00 | 3,281.25 |
| 10/27/2016 | Caleigh Smith Review of tax return, preference analysis, follow up on invoices / other mail received, cancellation of TYCO services, meeting with landlord, bank account review, AR analysis updates, T&R books and records pickup. | 8.00 | 285.00 | 2,280.00 |
| 10/28/2016 | Pascale Lareau Updated WEPPA schedule. | 0.30 | 185.00 | 55.50 |
| 10/28/2016 | Katherine Forbes Whitpay leased assets matters: agreements, discussion with N. De Cicco and C. Lonergan, planning re: court report, wind-down. | 1.50 | 525.00 | 787.50 |

Invoice No.: 20401308
Date: 10/31/2016

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| Date | Name and Description | Hours | Rate | Amount |
|----------------------------|---|---------------|-------------|----------------------|
| 10/28/2016 | Clark Lonergan Email update for the Lender, reviewable transactions analysis, fixed assets, leases review and discussion with CRO, National Leasing etc. | 3.00 | 625.00 | 1,875.00 |
| 10/28/2016 | Caleigh Smith Realization analysis updates, preference analysis updates, S&C remote server communications, AR tracking updates. | 5.50 | 285.00 | 1,567.50 |
| Fees Total | | 282.60 | | \$ 113,755.50 |
| Date | Name and Description | Hours | Rate | Amount |
| 10/01/2016 | Disbursements | | | \$ 46.22 |
| Disbursements Total | | | | \$ 46.22 |

Invoice No.: 20401308
Date: 10/31/2016



Remittance Form

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

Invoice Summary

| | | |
|---------------------------|-----|----------------------|
| Sub-Total | | \$ 113,801.72 |
| GST/HST #885435842 RT0001 | | 14,794.22 |
| Total Due | CAD | <u>\$ 128,595.94</u> |

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: J.S.N. Jewellery Inc.
181 Bay Street, Suite 3320
Toronto, ON M5J 2T3

Date: 10/11/2016
Invoice No.: 20401252
Engagement No.: 2020654
Payment Terms: Net 30 Days

| | |
|--|--------------------------|
| Professional services rendered to September 30, 2016 | \$ 168,247.25 |
| Disbursements | 3,706.73 |
| Sub-Total | 171,953.98 |
| GST/HST #885435842 RT0001 | 22,354.02 |
| Total Due | CAD \$ 194,308.00 |

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



Invoice No.: 20401262
Date: 10/11/2018



Fees

| Name | Hours | Rate | Amount |
|------------------|--------------|-------------|---------------|
| Adam Sherman | 4.10 | \$ 625.00 | \$ 2,562.50 |
| Ann Stremski | 8.90 | 185.00 | 1,646.50 |
| Caleigh Smith | 132.75 | 285.00 | 37,833.75 |
| Carol O'Donnell | 13.50 | 250.00 | 3,375.00 |
| Clark Lonergan | 117.20 | 625.00 | 73,250.00 |
| Dale Millstein | 4.00 | 325.00 | 1,300.00 |
| Katherine Forbes | 86.50 | 525.00 | 45,412.50 |
| Pascale Lareau | 7.30 | 185.00 | 1,350.50 |
| Patrick Lareau | 1.00 | 425.00 | 425.00 |
| Soazig Bourgine | 5.90 | 185.00 | 1,091.50 |
| | <hr/> | | |
| | 381.15 | | \$ 168,247.25 |

Disbursements

Disbursements

\$ 3,706.73

\$ 3,706.73

Invoice No.: 20401252
Date: 10/11/2016



Fee and Disbursement Details

| Date | Name and Description | Hours | Rate | Amount |
|-------------|--|--------------|-------------|---------------|
| 09/01/2016 | Carol O'Donnell Prepare wire transfer, fax to bank, misc. administration. | 0.80 | \$ 250.00 | \$ 200.00 |
| 09/01/2016 | Katherine Forbes WEPPA calc, payment of invoices, call with CRO and lender counsel to discuss UK creditor issues and other matters, review of proposed release/NDA, etc. | 2.50 | 525.00 | 1,312.50 |
| 09/01/2016 | Katherine Forbes Unique transaction - follow-up with auditors. | 0.20 | 525.00 | 105.00 |
| 09/01/2016 | Katherine Forbes Sales process - discussion with C. Smith re: viewings, asset listings, various matters as relates to ongoing process. | 0.50 | 525.00 | 262.50 |
| 09/01/2016 | Katherine Forbes Utopia asset claims. | 0.20 | 525.00 | 105.00 |
| 09/01/2016 | Clark Lonergan Suncor update, UK call and discussion with CRO, lender walkthrough of realization summary, AR call with Kiran, IP discussion with counsel, review of CRO memo, etc. | 6.00 | 625.00 | 3,750.00 |
| 09/01/2016 | Dale Millstein Send customer account statements, approval and vesting order and notification letter from the Receiver. | 3.50 | 325.00 | 1,137.50 |
| 09/01/2016 | Caleigh Smith Operations - AR tracking, rent payment, discussions with contractors, tax status, memo costing, operational costs. | 4.00 | 285.00 | 1,140.00 |
| 09/01/2016 | Caleigh Smith Sales Process - supervision of inventory viewings, discussions with bidders, status with 360. | 3.00 | 285.00 | 855.00 |
| 09/01/2016 | Caleigh Smith Update meeting with CRO - UK memo status, other UK items, server room. | 1.00 | 285.00 | 285.00 |
| 09/02/2016 | Katherine Forbes Sales process - overseeing viewings, corresponding with interested parties. | 1.90 | 525.00 | 997.50 |
| 09/02/2016 | Katherine Forbes Unique transaction - discussing programs with customers, forwarding information to purchaser, call re: Utopia motion and next steps. | 1.10 | 525.00 | 577.50 |
| 09/02/2016 | Katherine Forbes | 1.20 | 525.00 | 630.00 |

Invoice No.: 20401252
 Date: 10/11/2016



| Date | Name and Description | Hours | Rate | Amount |
|------------|--|-------|--------|----------|
| | Finalization of WEPPA calculation, discussion with contractor re: supporting information, T4s, other employee matters, discussion re tax returns. | | | |
| 09/02/2016 | Caleigh Smith Sales process - supervision of inventory viewings, equipment viewings, packaging and sealing of inventory after final viewing, discussions with 360. | 3.50 | 285.00 | 997.50 |
| 09/02/2016 | Caleigh Smith Operational Items - internal status update, review of Invoices, call with fedex, customer letter status, meetings with contractors. | 3.50 | 285.00 | 997.50 |
| 09/06/2016 | Ann Strömski Verify online banking, communication with C. Smith. | 0.30 | 185.00 | 55.50 |
| 09/06/2016 | Katherine Forbes Sundry asset sale process - preliminary review of blds. | 0.50 | 525.00 | 262.50 |
| 09/06/2016 | Katherine Forbes Unique Transaction - follow-up re: AR and memo reconciliation. | 0.50 | 525.00 | 262.50 |
| 09/06/2016 | Katherine Forbes Call with CRO re: JSN UK, follow up re: WEPP, internal discussions re: planning, etc. | 1.60 | 525.00 | 840.00 |
| 09/06/2016 | Soazig Bourgine Email to M. Sim Chu and to B. Shawotaully re: invoice/retainer. | 0.20 | 185.00 | 37.00 |
| 09/06/2016 | Soazig Bourgine Email to C. O'Donnell. | 0.10 | 185.00 | 18.50 |
| 09/06/2016 | Clark Lonergan Sales process update and review of offers received, update of offer schedule for the Lender, AR review, GMJ update and Suncor updates/discussions, JSN UK update call with CRO, update of UK customers, etc. | 8.50 | 625.00 | 5,312.50 |
| 09/06/2016 | Caleigh Smith Operations - payment of Invoices (360), AR status update with Michel. | 3.50 | 285.00 | 997.50 |
| 09/06/2016 | Caleigh Smith Sales Process - call with buyers, discussion on clarification for buyers. | 2.00 | 285.00 | 570.00 |
| 09/07/2016 | Pascale Lareau Bank reconciliation Always & Forever, GMJ Corp and J.S.N. | 0.60 | 185.00 | 111.00 |
| 09/07/2016 | Patrick Lareau | 0.80 | 425.00 | 340.00 |

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| Date | Name and Description | Hours | Rate | Amount |
|------------|---|-------|--------|----------|
| | Review summary and communication with K. Forbes. | | | |
| 09/07/2016 | Ann Stremski Verify internet banking, communications with C. Lonergan. | 0.30 | 185.00 | 55.50 |
| 09/07/2016 | Katherine Forbes WEPPA calc, counsel invoice review, responding to creditor inquiries, tax compliance matters, other assets realization, various receivership matters. | 2.10 | 525.00 | 1,102.50 |
| 09/07/2016 | Katherine Forbes Unique Transaction - PWC and memo reconciliation follow-up. | 0.40 | 525.00 | 210.00 |
| 09/07/2016 | Katherine Forbes Sundry asset sale process - analysis of offers, internal discussions and discussions with Consensus re: strategy. | 1.30 | 525.00 | 682.50 |
| 09/07/2016 | Clark Lonergan Sales process update, discussion with Consensus re: the same, Taxes update, PwC update, IP lawsuit court report review, etc. | 6.25 | 625.00 | 3,906.25 |
| 09/07/2016 | Caleigh Smith Operations - prep of contractor invoices, discussions on repair employees, status update with contractors (taxes, payroll), meeting with document depot. | 4.00 | 285.00 | 1,140.00 |
| 09/07/2016 | Caleigh Smith Kiran Sale - memo costing meeting with JoAnne and updates to reconcile detail. | 2.50 | 285.00 | 712.50 |
| 09/08/2016 | Pascale Lareau Prepare cheque to contractors, work on wire payment transfer to 360 Merchant Solution with the bank. | 1.50 | 185.00 | 277.50 |
| 09/08/2016 | Ann Stremski Prepare entries for deposits re sale process, prepare deposit re Always and J.S.N. Jewellery Inc, administration of file. | 1.50 | 185.00 | 277.50 |
| 09/08/2016 | Katherine Forbes Contractor invoices, GMJ tax issues, Utopia claims info gathering, update from CRO re: JSN UK, etc. | 2.10 | 525.00 | 1,102.50 |
| 09/08/2016 | Katherine Forbes Sundry asset sale process - review of updated bid and analysis of next steps, communications with Consensus/Salus. | 0.70 | 525.00 | 367.50 |
| 09/08/2016 | Clark Lonergan | 8.50 | 625.00 | 5,312.50 |

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| Date | Name and Description | Hours | Rate | Amount |
|------------|--|-------|--------|----------|
| | Sales process update, discussion with Consensus and Lender re: the same, realization update, meeting with counsels regarding the IP lawsuit, AR update, etc. | | | |
| 09/08/2016 | Adam Sherman Review/sign cheques, including discussion with Richter team. | 0.10 | 625.00 | 62.50 |
| 09/08/2016 | Caleigh Smith Sales process - follow up with contacts on status, bid replies. | 1.25 | 285.00 | 356.25 |
| 09/08/2016 | Caleigh Smith Operations - realtor property showings, Navision access for Catherine, wire transfer detail, closing meeting with Catherine, call on Utopia shipping. | 4.50 | 285.00 | 1,282.50 |
| 09/09/2016 | Pascale Lareau Journal entries for deposit of J.S.N. and Always. | 0.60 | 185.00 | 111.00 |
| 09/09/2016 | Ann Stramski Communications with K. Forbes re missing information. | 0.30 | 185.00 | 55.50 |
| 09/09/2016 | Katherine Forbes Overseeing contractor tasks, tax matters, payments and accounting, finalizing WEPPA information, etc. | 1.50 | 525.00 | 787.50 |
| 09/09/2016 | Katherine Forbes Unique transaction - PWC non-reliance and endeavouring to have discussions, review of Suncor release mark-up, memo reconciliation, delivery of IP and packaging. | 1.50 | 525.00 | 787.50 |
| 09/09/2016 | Katherine Forbes Sundry assets - finalization of bid acceptance and communications with Salus. | 0.50 | 525.00 | 262.50 |
| 09/09/2016 | Soazig Bourguine Email to D. Millstein re: notice returned to us. | 0.10 | 185.00 | 18.50 |
| 09/09/2016 | Clark Lonergan IP litigation, Kiran purchase of other assets, AR, update regarding Sales process, discussion with Lender regarding sales process and respective bids, etc. | 5.00 | 625.00 | 3,125.00 |
| 09/09/2016 | Caleigh Smith Operations - UK updates, Goldsmith status, updates with JoAnne (taxes, memo costing), reconciliation of memo detail. | 3.75 | 285.00 | 1,068.75 |
| 09/09/2016 | Caleigh Smith Finalize inventory count and seal boxes for shipment. | 2.00 | 285.00 | 570.00 |

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| Date | Name and Description | Hours | Rate | Amount |
|------------|---|-------|--------|----------|
| 09/12/2016 | Pascale Lareau Journal entry deposit for Always. | 0.10 | 185.00 | 18.50 |
| 09/12/2016 | Ann Stremski Communications with BMO and C. Smith regarding returned wire. | 0.30 | 185.00 | 55.50 |
| 09/12/2016 | Katherine Forbes Unique APA - review of memo listing status and costing, update from counsel re: PWC, etc. | 2.50 | 525.00 | 1,312.50 |
| 09/12/2016 | Katherine Forbes Sundry assets sale process - planning re: execution of winning bids, communications with Consensus and counsel, etc. | 0.90 | 525.00 | 472.50 |
| 09/12/2016 | Clark Lonergan Review of Utopia claim, lawsuit, sundry asset review of documents, UK update and discussions with Mortimer (UK), memo reconciliation, etc. | 7.25 | 625.00 | 4,531.25 |
| 09/12/2016 | Caleigh Smith Unique transaction - closing activities (follow up on memo reconciliation with customers Zales and Rogers and status summary) - understanding JSN memo costing. | 4.00 | 285.00 | 1,140.00 |
| 09/12/2016 | Caleigh Smith Facilitating deposit refunds and payments owing to consultants - meeting onsite with bidder Moshe. | 2.50 | 285.00 | 712.50 |
| 09/13/2016 | Ann Stremski Verify online banking re returned wire, communication with C. Smith, administration of file. | 0.40 | 185.00 | 74.00 |
| 09/13/2016 | Katherine Forbes Unique Transaction - inventory cost review and discussion with Consensus/CRO, extension for inventory reconciliation, discussions re: Suncor with Lender counsel, open orders, etc. | 4.50 | 525.00 | 2,362.50 |
| 09/13/2016 | Katherine Forbes Update call re: JSN UK, and follow-up and analysis. Follow up on tax matters, other receivership activities. | 2.50 | 525.00 | 1,312.50 |
| 09/13/2016 | Clark Lonergan | 5.00 | 625.00 | 3,125.00 |

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| Date | Name and Description | Hours | Rate | Amount |
|------------|---|-------|--------|----------|
| | Finalize US sales agent agreement, Memo reconciliation update and discussion with Uniques, costing update/call with CRO and Consensus, review of F/S regarding costing, PWC discussion with counsel, auction/liquidator process for fixed assets, etc. | | | |
| 09/13/2016 | Caleigh Smith Unique transaction closing conditions - understanding standard costing for memo goods and application of duty - reconciling revised memo for WK Chan and Rogers and bridge to FS. | 3.00 | 285.00 | 855.00 |
| 09/13/2016 | Caleigh Smith Operational Items - preparation of contractor payments - call with Ardmore Exhibits - call with Edward Sole RE; hiring of employees - communication with National Leasing regarding release of leased assets - AR updates with contractor. | 5.00 | 285.00 | 1,425.00 |
| 09/14/2016 | Pascale Lareau Registered employee Service Canada. | 2.00 | 185.00 | 370.00 |
| 09/14/2016 | Carol O'Donnell Prepare cheques. Discussions and emails with K. Forbes and C. Smith regarding return of deposits. Misc. administration. | 1.40 | 250.00 | 350.00 |
| 09/14/2016 | Ann Stremski Communications with K. Forbes and C. Smith re wire transfers; verifications of internet banking; administration of file. | 1.50 | 185.00 | 277.50 |
| 09/14/2016 | Katherine Forbes Unique Transaction - Review of Inventory costing, execution of PWC letter, review of Consensus engagement terms, memo reconciliation. | 3.50 | 525.00 | 1,837.50 |
| 09/14/2016 | Katherine Forbes Sundry sale process - correspondence with counsel re: bill of sale/AVO, and information follow-up. | 0.70 | 525.00 | 367.50 |
| 09/14/2016 | Katherine Forbes JSN UK matters including receivables and Goldsmith amounts owing, payment of invoices, review of WEPPA notice and filings, information requirements re: UK security review & US compliance, repossession of leased assets etc. | 2.50 | 525.00 | 1,312.50 |
| 09/14/2016 | Soazig Bourguine Draft of WEPPA Notice. | 1.00 | 185.00 | 185.00 |
| 09/14/2016 | Soazig Bourguine | 0.10 | 185.00 | 18.50 |

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| Date | Name and Description | Hours | Rate | Amount |
|------------|--|-------|--------|----------|
| | Email to D. Millstein re. return to sender. | | | |
| 09/14/2016 | Clark Lonergan Costing and Memo update and review, discussions with CRO/Consensus re: the same, etc. | 3.25 | 625.00 | 2,031.25 |
| 09/14/2016 | Caleigh Smith Facilitating deposit refunds - AR Collections - Payment of invoices owing - leased equipment communication with National Leasing - review of equipment on site. | 3.00 | 285.00 | 855.00 |
| 09/14/2016 | Caleigh Smith Sales process - review of inventory lots and final adjustments to listing - physical inventory review - discussions with bidders interested in purchasing equipment - communication with bidders on deposit refunds. | 3.50 | 285.00 | 997.50 |
| 09/15/2016 | Carol O'Donnell Review of wires to be issued and deposits made to general trust account. Misc. administration. | 0.90 | 250.00 | 225.00 |
| 09/15/2016 | Katherine Forbes Update call with lender. | 0.80 | 525.00 | 420.00 |
| 09/15/2016 | Katherine Forbes Sundry Assets Process - review of sale documentation and communications with purchasers and counsel, etc. | 1.10 | 525.00 | 577.50 |
| 09/15/2016 | Katherine Forbes Unique Transaction - finalization of inventory cost and memo reconciliation, communications with purchaser, Consensus, and counsel. | 3.00 | 525.00 | 1,575.00 |
| 09/15/2016 | Katherine Forbes Review of accounting and banking matters, drafting of first report of receiver, tax matters, JSN UK follow-up, other receivership activities. | 3.00 | 525.00 | 1,575.00 |
| 09/15/2016 | Clark Lonergan Memo reconciliation & Lender call, Unique discussions regarding UK, update to the estimated recovery for the Lender, etc. | 6.50 | 625.00 | 4,062.50 |
| 09/15/2016 | Caleigh Smith Unique transaction - follow up items on memo costing, reconciliation on Rogers memo and FM memo, customer confirmation support. | 2.50 | 285.00 | 712.50 |
| 09/16/2016 | Carol O'Donnell | 2.20 | 250.00 | 550.00 |

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| Date | Name and Description | Hours | Rate | Amount |
|------------|--|-------|--------|----------|
| | Discussions with K. Forbes re: WEPPA. Verify bank for transactions, emails to Toronto. Enter deposits. Misc. administration. | | | |
| 09/16/2016 | Ann Stremski Communications with C. Smith, prepare wires and entires for wires. | 1.80 | 185.00 | 333.00 |
| 09/16/2016 | Katherine Forbes Unique Transaction - finalization of memo schedule and purchase price calculation, communications with Purchaser, analysis and negotiations re: customer returns. | 2.30 | 525.00 | 1,207.50 |
| 09/16/2016 | Katherine Forbes WEPPA finalization and notice, update of realization analysis, drafting first report of receiver. | 3.00 | 525.00 | 1,575.00 |
| 09/16/2016 | Soazig Bourgine Notice returned to creditors, creditor address updated. | 0.20 | 185.00 | 37.00 |
| 09/16/2016 | Soazig Bourgine WEPPA Documents (merge for labels & personalized table). | 2.00 | 185.00 | 370.00 |
| 09/16/2016 | Clark Lonergan Memo reconciliation, discussion with Unique re: the same, discussion with Lender re: the same, US sales agent call and correspondence, update to the estimated recovery for the Lender, etc. | 6.00 | 625.00 | 3,750.00 |
| 09/16/2016 | Caleigh Smith Unique Transaction - finalize memo costing and related support. | 2.50 | 285.00 | 712.50 |
| 09/16/2016 | Caleigh Smith Operational - depositing cheques and bank - AR collections status update with contractor, GL reconciliation. | 2.00 | 285.00 | 570.00 |
| 09/17/2016 | Katherine Forbes Realization analysis update and update communication to lender. | 0.80 | 525.00 | 420.00 |
| 09/18/2016 | Katherine Forbes Drafting second report of the receiver. | 1.50 | 525.00 | 787.50 |
| 09/19/2016 | Pascale Lareau Call Revenue Canada for new GST number. | 0.70 | 185.00 | 129.50 |
| 09/19/2016 | Patrick Lareau Discussion with C. O'Donnell. | 0.20 | 425.00 | 85.00 |
| 09/19/2016 | Carol O'Donnell Enter transfer of funds from GMJ, prepare cheques. | 0.50 | 250.00 | 125.00 |

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| Date | Name and Description | Hours | Rate | Amount |
|------------|---|-------|--------|----------|
| 09/19/2016 | Ann Stremski Administration regarding wire transfer. | 0.20 | 185.00 | 37.00 |
| 09/19/2016 | Ann Stremski Prepare mailing for WEPPA. | 1.00 | 185.00 | 185.00 |
| 09/19/2016 | Katherine Forbes Sundry Assets Process - review of AVO and Bill of Sale mark-up, internal planning for various receivership matters, drafting of Second report of the receiver, tax matters. | 8.50 | 525.00 | 4,462.50 |
| 09/19/2016 | Soazlg Bourgine WEPPA notice to employees (labels, printing Service Canada documents). | 0.30 | 185.00 | 55.50 |
| 09/19/2016 | Clark Lonergan Update on AR and UK, review of Receiver's first report, discussion with counsel regarding memo reconciliation, call with Lender to walk through realization analysis, etc. | 3.25 | 625.00 | 2,031.25 |
| 09/19/2016 | Calegh Smith Operations - sale packaging to BM, site tour with liquidator, AR collections updates, bank account activity tracking, review of HST returns filed, discussions with contractors, cheque payment preparation. | 6.50 | 285.00 | 1,852.50 |
| 09/19/2016 | Calegh Smith Unique transaction - breakdown of purchase price by location, review of purchase price allocation. | 0.50 | 285.00 | 142.50 |
| 09/20/2016 | Carol O'Donnell Prepare wire transfer. Discussions with C. Smith regarding wire transfer information for C.D. Barcados and Dalia Adler. Misc. administration. | 1.40 | 250.00 | 350.00 |
| 09/20/2016 | Katherine Forbes Second receiver's report, other receivership activities including GMJ customer activities, payments and banking activities, coordinating CRA audit, UK matters, discussions with C. Lonergan and C. Smith, etc. | 6.60 | 525.00 | 3,465.00 |
| 09/20/2016 | Katherine Forbes Unique transaction - taxes and purchase price matters, including discussion with N. De Cicco and purchaser counsel. | 1.20 | 525.00 | 630.00 |
| 09/20/2016 | Clark Lonergan | 7.25 | 625.00 | 4,531.25 |

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| Date | Name and Description | Hours | Rate | Amount |
|------------|---|-------|--------|----------|
| | USA customer letters, memo reconciliation and discussions with Unique, meeting with counsel regarding the Receiver's first report, review and execution of US agent letter, AR discussion and update, purchase price taxes update and review with counsel, etc. | | | |
| 09/20/2016 | Caleigh Smith Operations - discussions with contractors, AR status, settlement of AR accounts, calls with creditors to ensure accounts cancelled, preparation of cheque requisitions, Moneris call. | 5.50 | 285.00 | 1,567.50 |
| 09/20/2016 | Caleigh Smith Unique transaction - updates to memo summary for additional confirmations received, preparation of open orders. | 1.50 | 285.00 | 427.50 |
| 09/21/2016 | Pascale Lareau Prepare cheque and call Revenue Canada for GST number request. | 1.20 | 185.00 | 222.00 |
| 09/21/2016 | Carol O'Donnell Prepare wire transfer. prepare deposit misc. administration. | 1.30 | 250.00 | 325.00 |
| 09/21/2016 | Ann Stremski Prepare deposit, communications with C. Smith, administration of file. | 0.30 | 185.00 | 55.50 |
| 09/21/2016 | Katherine Forbes Second receiver's report, Unique purchase price outstanding items and emails with purchaser counsel, various receivership activities including payments. | 4.30 | 525.00 | 2,257.50 |
| 09/21/2016 | Clark Lonergan Third party asset review, Receiver's first report review, memo reconciliation and purchase price discussion with legal counsel and Unique, UK update, second Receiver's report drafting and review, etc. | 9.25 | 625.00 | 5,781.25 |
| 09/21/2016 | Caleigh Smith Operations - site tour with liquidator, review of bank account activity (BMO calls), discussions regarding settlement of AR accounts, preparation for CRA audit, preparation of cheque requisitions, AR bank deposit. | 7.50 | 285.00 | 2,137.50 |
| 09/21/2016 | Caleigh Smith Sundry sale - coordination of deposit refunds. | 0.75 | 285.00 | 213.75 |
| 09/22/2016 | Carol O'Donnell | 1.40 | 250.00 | 350.00 |

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| Date | Name and Description | Hours | Rate | Amount |
|------------|---|-------|--------|----------|
| | Verify bank for wire transfers, enter wire in JSN and escrow account, email exchanges with C. Lonergan. Prepare deposit. Misc. administration. | | | |
| 09/22/2016 | Ann Stremski Prepare mail affidavit and documents. | 1.00 | 185.00 | 185.00 |
| 09/22/2016 | Katherine Forbes Tax matters, etc. | 0.30 | 525.00 | 157.50 |
| 09/22/2016 | Soazig Bourgine Website posting of Responding Motion Part 1 and 2. | 0.40 | 185.00 | 74.00 |
| 09/22/2016 | Clark Lonergan Drafting and review of the Second Receiver's report, etc. | 6.00 | 625.00 | 3,750.00 |
| 09/22/2016 | Adam Sherman Review and approve August 2016 bank recs re JSN, GMJ and A&F. Review and sign cheques, including discussion with Richter team. | 0.50 | 625.00 | 312.50 |
| 09/22/2016 | Caleigh Smith Unique transaction - payment owing and wire detail, memo reconciliation - FM items outstanding, treatment of samples, discussions with Unique. | 3.50 | 285.00 | 997.50 |
| 09/22/2016 | Caleigh Smith Operations - AR collections status, coordination of cheques to be printed, HST return discussions with Carol, calls with employees re: WEPPA, coordination with contractors, calls with creditors. | 4.00 | 285.00 | 1,140.00 |
| 09/23/2016 | Carol O'Donnell Enter deposits and wire transfers. scan and save. Email with Katherine regarding reallocations. | 0.40 | 250.00 | 100.00 |
| 09/23/2016 | Katherine Forbes Unique Transaction - memo reconciliation and purchase price adjustment, and discussions with C. Smith on same. Review of UK budget, etc. | 1.00 | 525.00 | 525.00 |
| 09/23/2016 | Soazig Bourgine Order & Motion of Proposed Receiver (dated August 8, 2016) posted on website and faxed to OSB. | 0.50 | 185.00 | 92.50 |
| 09/23/2016 | Soazig Bourgine Finalization of WEPPA affidavit. | 0.50 | 185.00 | 92.50 |
| 09/23/2016 | Clark Lonergan | 2.25 | 625.00 | 1,406.25 |

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| Date | Name and Description | Hours | Rate | Amount |
|------------|--|-------|--------|----------|
| 09/23/2016 | Closing memo reconciliation, purchase price discussion with Unique, etc. Caleigh Smith Operations - site tour with liquidator, CRA audit coordination, AR collection updates, cheque deposit. | 3.50 | 285.00 | 997.50 |
| 09/23/2016 | Caleigh Smith Sundry asset sale - calls with 2 bidders RE: refund of deposit and interest in equipment bld. | 0.75 | 285.00 | 213.75 |
| 09/23/2016 | Caleigh Smith Unique purchase - finalizing consignment inventory purchase price, calls with Unique, updates to purchase price allocation. | 2.75 | 285.00 | 783.75 |
| 09/26/2016 | Carol O'Donnell Review with RBC problem with wire transfer for C.D. Barcardos, emails with C. Smith regarding banking information. Review new banking information. Misc. administration. | 1.40 | 250.00 | 350.00 |
| 09/26/2016 | Clark Lonergan Closing the Unique Transaction, follow up on memo reconciliation, taxes owed calculation, discussion with counsel(s) re: the same, drafting of the Receiver's second report to the Court, etc. | 3.25 | 625.00 | 2,031.25 |
| 09/26/2016 | Dale Millstein Filed calls re: WEPPA claims process. | 0.50 | 325.00 | 162.50 |
| 09/26/2016 | Caleigh Smith Operations - sale of display units, liquidator discussions, AR collections discussions, leased assets discussions, calls with creditors, call with Brian on storage unit and FM followup. | 7.00 | 285.00 | 1,995.00 |
| 09/26/2016 | Caleigh Smith Unique transactions - call with Amit to finalize balance of purchase price, coordinating payment. | 0.75 | 285.00 | 213.75 |
| 09/26/2016 | Caleigh Smith Sundry sale - follow up with Barcardos regarding refund deposit wire issues. | 0.25 | 285.00 | 71.25 |
| 09/27/2016 | Pascale Lareau Prepare cheque. | 0.20 | 185.00 | 37.00 |
| 09/27/2016 | Katherine Forbes Planning, tax matters including discussions with C. Smith, payments, review of second receiver's report draft. | 3.00 | 525.00 | 1,575.00 |
| 09/27/2016 | Clark Lonergan | 6.50 | 625.00 | 4,082.50 |

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| Date | Name and Description | Hours | Rate | Amount |
|------------|---|-------|--------|----------|
| | Drafting of the Receiver's second report to the Court, discussion with Lender regarding distribution, examination of potential holdback and estimated cost to the complete the administration etc. | | | |
| 09/27/2016 | Caleigh Smith Operations - contractor meetings, coordinating file preparation, call with document company, call with Express Gold, call with Unique precious metals, understanding Rogers account, call with landlord. | 4.50 | 285.00 | 1,282.50 |
| 09/27/2016 | Caleigh Smith Unique transaction - facilitating final payment of balance owing. | 0.50 | 285.00 | 142.50 |
| 09/28/2016 | Carol O'Donnell Prepare wire transfer to C D Barcados. Verify bank to confirm wire. Discussion with C. Smith. Prepare cheque. Verify bank for wire transfers, prepare deposit. Misc. administration. | 1.50 | 250.00 | 375.00 |
| 09/28/2016 | Katherine Forbes Follow-up re: JSN UK, review of draft second report of Receiver. | 0.40 | 525.00 | 210.00 |
| 09/28/2016 | Clark Lonergan Drafting and review of the Receiver's second report to the Court, discussion with counsel re: the same, AR follow up, banking and cash flow analysis, etc. | 6.00 | 625.00 | 3,750.00 |
| 09/28/2016 | Adam Sherman Review and provide comments on draft report. Review/sign cheques. | 3.50 | 625.00 | 2,187.50 |
| 09/28/2016 | Caleigh Smith Operations - cheque preparation for outstanding invoices, follow up with creditors on status of account, AR collection updates. | 4.50 | 285.00 | 1,282.50 |
| 09/29/2016 | Pascale Lareau Prepare cheque. | 0.20 | 185.00 | 37.00 |
| 09/29/2016 | Katherine Forbes Finalizing second Receiver's report and appendices, including call with counsel. Payments, auction agreement, and other activities. | 6.00 | 525.00 | 3,150.00 |
| 09/29/2016 | Clark Lonergan Drafting, review and finalization of the Receiver's second report to the Court, discussion with Counsels, lender and CRO re: the same, etc. | 6.45 | 625.00 | 4,031.25 |

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| Date | Name and Description | Hours | Rate | Amount |
|-------------------|--|---------------|--------|----------------------|
| 09/29/2016 | Caleigh Smith Operations - auction agmt, follow up on tax questions, finalize sale of scrap metal, review of books and records on site, review of invoices and AR collections, calls with Monerls, call with GRO regarding UK AR collections, meetings with contractors. | 5.50 | 285.00 | 1,567.50 |
| 09/30/2016 | Pascale Lareau Prepare cheque of rent. | 0.20 | 185.00 | 37.00 |
| 09/30/2016 | Carol O'Donnell Verify bank for wire transfer, enter in GL, email C. Smith. | 0.30 | 250.00 | 75.00 |
| 09/30/2016 | Katherine Forbes Tax matters, payments, communications re leased assets, call with counsel to discuss preference claims and potential analysis, update call with C. Smith and C. Lonergan, etc. | 2.30 | 525.00 | 1,207.50 |
| 09/30/2016 | Soazig Bourguine Website posting of Motion & 2nd Report, fax to OSB. | 0.50 | 185.00 | 92.50 |
| 09/30/2016 | Clark Lonergan Sundry asset transaction completion, emails to the purchasers, tax follow up with counsel, discussion with counsel regarding remaining asset and monetization plan, etc. | 4.75 | 625.00 | 2,968.75 |
| 09/30/2016 | Caleigh Smith Operations - AR update(Incl. UK), review of HST return Incl. breakdown of BM sale and related HST, contact info requests for Brian, prep of cheques for Brinks and Powerstream, server room high temp call with Enviro Alert, onsite tour and help for auction. | 6.50 | 285.00 | 1,852.50 |
| Fees Total | | 381.15 | | \$ 168,247.25 |

| Date | Name and Description | Hours | Rate | Amount |
|----------------------------|---|-------|------|--------------------|
| 08/22/2016 | Disbursements Travel (airfare, accommodation, meals), Mileage, Postage, Photocopy, Courier, etc. | | | \$ 3,706.73 |
| Disbursements Total | | | | \$ 3,706.73 |

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Date: 10/11/2016

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Remittance Form

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

Invoice Summary

| | | |
|---------------------------|------------|----------------------|
| Sub-Total | | \$ 171,953.98 |
| GST/HST #885435842 RT0001 | | 22,354.02 |
| Total Due | CAD | \$ 194,308.00 |

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: J.S.N. Jewellery Inc.
181 Bay Street, Suite 3320
Toronto, ON M5J 2T3

Date: 09/16/2016
Invoice No.: 20401183
Engagement No.: 2020654
Payment Terms: Net 30 Days

| | | | |
|--|-----|--|----------------------|
| Professional services rendered August 31, 2016 | | | \$ 125,894.75 |
| Disbursements | | | 1,173.94 |
| | | | <hr/> |
| Sub-Total | | | 127,068.69 |
| GST/HST #885435842 RT0001 | | | 16,518.93 |
| | | | <hr/> |
| Total Due | CAD | | \$ 143,587.62 |

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



Invoice No.: 20401183
Date: 09/16/2018

E

Fees

| Name | Hours | Rate | Amount |
|----------------------|--------------|-------------|---------------|
| Adam Sherman | 5.40 | \$ 625.00 | \$ 3,375.00 |
| Caleigh Smith | 98.25 | 285.00 | 28,001.25 |
| Carol O'Donnell | 20.20 | 250.00 | 5,050.00 |
| Clark Lonergan | 61.00 | 625.00 | 38,125.00 |
| Dale Millstein | 50.50 | 325.00 | 16,412.50 |
| Katherine Forbes | 60.90 | 525.00 | 31,972.50 |
| Pascale Lareau | 4.60 | 185.00 | 851.00 |
| Patrick Lareau | 0.50 | 425.00 | 212.50 |
| Peter Rosenfeld | 1.00 | 45.00 | 45.00 |
| Soazig Bourgine | 10.00 | 185.00 | 1,850.00 |
| | <hr/> | | |
| Disbursements | 312.35 | | \$ 125,894.75 |

| | | | |
|---------------|--|--|-------------|
| Disbursements | | | \$ 1,173.94 |
| | | | <hr/> |
| | | | \$ 1,173.94 |

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Date: 09/16/2016

E

Fee and Disbursement Details

| Date | Name and Description | Hours | Rate | Amount |
|-------------|---|--------------|-------------|---------------|
| 08/16/2016 | Carol O'Donnell Communications with K. Forbes regarding bank accounts. Make arrangements with bank to open 4 accounts. Read order, misc administration. | 1.50 | \$ 250.00 | \$ 375.00 |
| 08/16/2016 | Katherine Forbes Termination letters and discussion with counsel. | 0.60 | 525.00 | 315.00 |
| 08/16/2016 | Katherine Forbes Communications with lender re: employee liabilities, contractors retaining. Planning re contractors to retain. | 1.80 | 525.00 | 945.00 |
| 08/16/2016 | Katherine Forbes Attendance at court, day 1 activities, including termination of employees, attendance at location and notice of receivership, control of assets, etc. | 4.00 | 525.00 | 2,100.00 |
| 08/16/2016 | Katherine Forbes Various activities and emails/calls with counsel re: closing of Unique transaction. | 1.60 | 525.00 | 840.00 |
| 08/16/2016 | Katherine Forbes Analysis of required tax filings, refunds available, and discussion with tax group. | 0.70 | 525.00 | 367.50 |
| 08/16/2016 | Katherine Forbes Review of revised APA and vesting order. | 0.50 | 525.00 | 262.50 |
| 08/16/2016 | Clark Lonergan Attendance at court, employee meeting, employee termination letters, day 1 activities, contractor letters, inventory monetization planning with 360 and Consensus, site tour, discussion with counsels and lender, etc. | 8.50 | 625.00 | 5,312.50 |
| 08/16/2016 | Caleigh Smith Coordination with Locksmith and changing the locks. | 0.75 | 285.00 | 213.75 |
| 08/16/2016 | Caleigh Smith Discussions with bank account contacts to lock down accounts across each bank account. | 1.75 | 285.00 | 498.75 |
| 08/16/2016 | Caleigh Smith Meeting with JoAnne to discuss support required. | 0.50 | 285.00 | 142.50 |
| 08/16/2016 | Caleigh Smith Meetings with contractors to determine roles and responsibilities. | 1.50 | 285.00 | 427.50 |
| 08/16/2016 | Caleigh Smith Preparation of termination letters. | 2.00 | 285.00 | 570.00 |

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Date: 09/16/2016



| Date | Name and Description | Hours | Rate | Amount |
|------------|--|-------|--------|----------|
| 08/16/2016 | Caleigh Smith Employee meeting and supervision of exit. | 2.00 | 285.00 | 570.00 |
| 08/16/2016 | Caleigh Smith Preparation of pre-filing report. | 2.00 | 285.00 | 570.00 |
| 08/17/2016 | Carol O'Donnell Communications with bank regarding new bank accounts. Emails with K. Forbes. | 0.30 | 250.00 | 75.00 |
| 08/17/2016 | Katherine Forbes Overseeing opening of receiver bank accounts, changing over of utilities, insurance, etc., discussion with prospective purchaser, facilitation of APA execution, closing items on transaction, other day 1-2 activities. | 3.20 | 525.00 | 1,680.00 |
| 08/17/2016 | Katherine Forbes Sundry asset sale process - communications with Consensus, discussions with interested party. | 0.80 | 525.00 | 420.00 |
| 08/17/2016 | Katherine Forbes Preparation of contractor letters. | 1.80 | 525.00 | 945.00 |
| 08/17/2016 | Clark Lonergan Contractor meetings/finalize terms and letters, asset listings, employee ROE/ T4 discussion and planning with contractors, review of bank account letter, discussions/planning with CRO & Unique purchase requirements and closing conditions, etc. | 8.00 | 625.00 | 5,000.00 |
| 08/17/2016 | Dale Millstein Contacted all utilities re: change of name and billing information. Completed Canadian mail redirection. Communicated with insurance to change named insured on applicable policies. Arranged for safe locks to be changed. Commenced fixed asset count. | 7.00 | 325.00 | 2,275.00 |
| 08/17/2016 | Caleigh Smith Vault tour and site tour to understand assets on hand with CRO. | 1.50 | 285.00 | 427.50 |
| 08/17/2016 | Caleigh Smith Meetings with each contractor to discuss contract terms. | 2.50 | 285.00 | 712.50 |
| 08/17/2016 | Caleigh Smith Update meeting with CRO and 360. | 0.75 | 285.00 | 213.75 |
| 08/17/2016 | Caleigh Smith CID Inventory Count. | 2.50 | 285.00 | 712.50 |
| 08/17/2016 | Caleigh Smith | 1.50 | 285.00 | 427.50 |

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Date: 09/16/2016



| Date | Name and Description | Hours | Rate | Amount |
|------------|--|-------|--------|----------|
| 08/17/2016 | Review of loose diamonds - preparation of listings to be sent to potential buyers. Caleigh Smith Preparation of pre-filing report. | 2.00 | 285.00 | 570.00 |
| 08/18/2016 | Carol O'Donnell Communications with bank for new bank accounts. Email to K. Forbes. Review WEPPA schedule. discussions with D. Millstein. | 1.80 | 250.00 | 450.00 |
| 08/18/2016 | Katherine Forbes Review of Suncor letter, customer letter, various correspondence re: transaction closing, review of sale process teaser. | 3.50 | 525.00 | 1,837.50 |
| 08/18/2016 | Katherine Forbes Review of banking arrangements and requests for control of bank accounts, discussion of Holdback with CRO, various day 1-2 activities including employee matters, contractor letter. | 2.30 | 525.00 | 1,207.50 |
| 08/18/2016 | Clark Lonergan Suncor/Unique IP analysis/letters/update, closing items and calls with Unique counsel and Receiver's counsel, CRO JSN UK analysis, Inventory count/discussion with 360, Sundry Asset process discussion with Consensus/360, etc. | 5.50 | 625.00 | 3,437.50 |
| 08/18/2016 | Adam Sherman Emails/discussions with Richter team re assets located at 3rd parties. Email from the OSB re notice of receivership. | 0.30 | 625.00 | 187.50 |
| 08/18/2016 | Dale Millstein Organized alarm codes and changed call list priority with Tyco. Drafted WEPPA calculation for employees. Called Bank of America branch to restrict account. Completed detailed fixed asset listing. | 7.00 | 325.00 | 2,275.00 |
| 08/18/2016 | Caleigh Smith Review of loose diamonds - preparation of listings to be sent to potential buyers. | 2.00 | 285.00 | 570.00 |
| 08/18/2016 | Caleigh Smith CID Count / reconciliation of missing CID items / Finished goods review. | 3.50 | 285.00 | 997.50 |
| 08/18/2016 | Caleigh Smith Updates to Sundry asset listing. | 0.75 | 285.00 | 213.75 |
| 08/18/2016 | Caleigh Smith Discussions with contractors on status of tasks. | 1.00 | 285.00 | 285.00 |

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| Date | Name and Description | Hours | Rate | Amount |
|------------|--|-------|--------|----------|
| 08/18/2016 | Caleigh Smith Coordination of IT access removal with S&C (calls from US and UK employees). | 1.50 | 285.00 | 427.50 |
| 08/19/2016 | Patrick Lareau Review WEPPA summary and discussion with C. O'Donnell. | 0.50 | 425.00 | 212.50 |
| 08/19/2016 | Carol O'Donnell Communications with bank to open bank accounts. Transfer funds from US bank account to GMJ. Review of new schedule for WEPPA. Misc administration. | 1.90 | 250.00 | 475.00 |
| 08/19/2016 | Katherine Forbes Discussions with IT company and reviewing quote, funds transfer requests, correspondence re Utopia claims, review of teaser. | 2.70 | 525.00 | 1,417.50 |
| 08/19/2016 | Katherine Forbes Suncor engagement letter. | 0.70 | 525.00 | 367.50 |
| 08/19/2016 | Katherine Forbes Discussions with contractor re: customer accounts, preparation of customer letters and sending select letters. | 2.20 | 525.00 | 1,155.00 |
| 08/19/2016 | Soazig Bourgine PO request form, email to L. Glad. | 0.20 | 185.00 | 37.00 |
| 08/19/2016 | Soazig Bourgine Communication/emails with D. Millstein A. Guerra re. redirection of mail from US. | 0.40 | 185.00 | 74.00 |
| 08/19/2016 | Soazig Bourgine Emails exchange with Lisa from Regus for redirection of mail in US | 0.40 | 185.00 | 74.00 |
| 08/19/2016 | Clark Lonergan Suncor discussions/conference calls with Lender, Suncor calls, Suncor agreement and letter, Unique/Suncor discs., Suncor assets analysis, AR letter review, Inventory count update, Sundry Asset process review, 360 and Consensus engagement letters, etc. | 8.00 | 625.00 | 5,000.00 |
| 08/19/2016 | Dale Millstein Verified named insured were accurate with Insurance Company. WEPPA calculation for review. Terminated contract with CTO Janitorial. Commenced sending out AR Receivership notification letters and statements of account. Deposited cheques at BMO. | 7.00 | 325.00 | 2,275.00 |
| 08/19/2016 | Caleigh Smith Discussions with landlord. | 0.75 | 285.00 | 213.75 |

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| Date | Name and Description | Hours | Rate | Amount |
|------------|---|-------|--------|----------|
| 08/19/2016 | Caleigh Smith Reconciliation of inventory listing - search for missing CID diamonds. | 2.75 | 285.00 | 783.75 |
| 08/19/2016 | Caleigh Smith Discussions with bank contacts on Moneris payments. | 0.50 | 285.00 | 142.50 |
| 08/19/2016 | Caleigh Smith Updates to capital assets listing - review of vault details. | 0.50 | 285.00 | 142.50 |
| 08/19/2016 | Caleigh Smith Review of returns and updates to listing. | 0.75 | 285.00 | 213.75 |
| 08/19/2016 | Caleigh Smith Review of payroll details and discussions regarding ROE prep. | 1.50 | 285.00 | 427.50 |
| 08/19/2016 | Caleigh Smith Update meetings with CRO / memo reconciliation discussions. | 2.00 | 285.00 | 570.00 |
| 08/21/2016 | Clark Lonergan Suncor calls and agreement drafting, calls with Unique regarding Suncor, etc. | 1.50 | 625.00 | 937.50 |
| 08/22/2016 | Carol O'Donnell Open 4 bank accounts in Ascend, prepare banking files.. Email to BMO to verify if wire received. Email to C. Smith regarding deposits in trust accounts. Misc. administration. | 2.50 | 250.00 | 625.00 |
| 08/22/2016 | Katherine Forbes Sundry asset sale process activities, including call with Consensus/360, review of inventory listings, discussions re: fixed assets to include in sale. | 2.80 | 525.00 | 1,470.00 |
| 08/22/2016 | Katherine Forbes Unique deal activities including dealings with Suncor, customer letters, template for memo reconciliation tracking, costing of inventory/PWC communications. | 2.30 | 525.00 | 1,207.50 |
| 08/22/2016 | Katherine Forbes Receivership activities including mail forwarding (GMJ), banking/access to accounts, cash monitoring, lender update, statutory filings. | 3.50 | 525.00 | 1,837.50 |
| 08/22/2016 | Soazig Bourguine Emails exchange with Chicago South Wacker re. redirection of mail, email to D. Millstein K. Forbes. | 0.50 | 185.00 | 92.50 |
| 08/22/2016 | Clark Lonergan | 5.00 | 625.00 | 3,125.00 |

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| Date | Name and Description | Hours | Rate | Amount |
|------------|--|-------|--------|----------|
| 08/22/2016 | Sales process discussion, bid package discussion with Consensus/360, AR discussion, WEPPA update, etc. Dale Millstein Sent account statement & letter from the Receiver for Always & Forever Family Collection Incorporated customers. | 3.00 | 325.00 | 975.00 |
| 08/22/2016 | Caleigh Smith Sales process - teaser updates, supporting schedule updates, discussions with Consensus. | 1.50 | 285.00 | 427.50 |
| 08/22/2016 | Caleigh Smith Unique Transaction - memo reconciliation discussions with Michel on approach. | 1.50 | 285.00 | 427.50 |
| 08/22/2016 | Caleigh Smith Operational receivership items - Insurance, AR understanding. | 0.75 | 285.00 | 213.75 |
| 08/22/2016 | Caleigh Smith Internal meetings RE: status. | 1.00 | 285.00 | 285.00 |
| 08/22/2016 | Caleigh Smith UK IT access issues. | 0.25 | 285.00 | 71.25 |
| 08/22/2016 | Caleigh Smith Sales process - capital assets, review to obtain additional information. | 1.00 | 285.00 | 285.00 |
| 08/22/2016 | Caleigh Smith Bank account activity review and updates for tracking - discussions with RBC on fund transfer and Salus account sweep details. | 1.50 | 285.00 | 427.50 |
| 08/22/2016 | Caleigh Smith Discussions with contractors - to schedule Brinks for GMJ pick up. | 1.00 | 285.00 | 285.00 |
| 08/23/2016 | Carol O'Donnell Discussions with Dale Millstein and A. Sherman regarding form 87. Emails with C. Lonergan. Misc administration. Open 4 bank accounts in Ascend. Communications with D. Millstein for banking transactions information. | 2.90 | 250.00 | 725.00 |
| 08/23/2016 | Soazig Bourguine Revised EIS and email to K. Forbes D. Millstein, call to M. Millar from OSB. | 0.40 | 185.00 | 74.00 |
| 08/23/2016 | Clark Lonergan GMJ/Suncor meetings, GMJ inventory review, sales process update, etc. | 4.50 | 625.00 | 2,812.50 |
| 08/23/2016 | Adam Sherman Numerous emails/calls with Richter team re EIS, Notice and Statement of Receiver and other matters. | 1.00 | 625.00 | 625.00 |

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| Date | Name and Description | Hours | Rate | Amount |
|------------|--|-------|--------|----------|
| 08/23/2016 | Dale Millstein Sent account statement & letter from the Receiver for Always & Forever Family Collection Incorporated customers. Draft Creditor Listing for Form 87. Reviewed Draft WEPPA calculation. | 6.00 | 325.00 | 1,950.00 |
| 08/23/2016 | Caleigh Smith Discussions with contractors - assigning tasks. | 1.00 | 285.00 | 285.00 |
| 08/23/2016 | Caleigh Smith JSN status tracking list. | 0.50 | 285.00 | 142.50 |
| 08/23/2016 | Caleigh Smith Unique transaction - memo reconciliation, contacting customers. | 2.00 | 285.00 | 570.00 |
| 08/23/2016 | Caleigh Smith Updates to inventory count information from Finished Goods count. | 1.50 | 285.00 | 427.50 |
| 08/23/2016 | Caleigh Smith Discussions with CRO RE: UK Memo goods. | 0.50 | 285.00 | 142.50 |
| 08/23/2016 | Caleigh Smith Call with Unique on Memo reconciliation approach. | 0.75 | 285.00 | 213.75 |
| 08/23/2016 | Caleigh Smith Assistance with Information required for Form 87. | 1.00 | 285.00 | 285.00 |
| 08/24/2016 | Pascale Lareau Preparation document to open GST numbers for receivership mandate. | 0.70 | 185.00 | 129.50 |
| 08/24/2016 | Carol O'Donnell Misc. administration. Preparation of mailing, banking, GST. | 2.90 | 250.00 | 725.00 |
| 08/24/2016 | Katherine Forbes Banking matters, work on Form 87 and creditors listing, EIS forms, including internal review and discussions. | 3.50 | 525.00 | 1,837.50 |
| 08/24/2016 | Katherine Forbes Various communications re: Unique deal and sale process, review of email to customers re: memo reconciliation, interested parties communications. | 1.60 | 525.00 | 840.00 |
| 08/24/2016 | Soazig Bourguine Preparation of EIS for each file, various communication with DMillstein, email to all | 1.20 | 185.00 | 222.00 |
| 08/24/2016 | Soazig Bourguine Changes to EIS, communication with DMillstein | 1.00 | 185.00 | 185.00 |

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|------------|--|-------|--------|----------|
| 08/24/2016 | Soazig Bourgine Supplementary list by email, email to C. Lonergan, K. Forbes & A. Sherman. Email to D. Millstein re. supplementary list by mail. | 0.30 | 185.00 | 55.50 |
| 08/24/2016 | Clark Lonergan Review of statutory filing, suncor inventory assesment and review, AR update, sales process engagment letters finalizing, Bid package discussion for the sales process, etc. | 4.00 | 625.00 | 2,500.00 |
| 08/24/2016 | Adam Sherman Numerous emails/discussions with Richter team re EIS forms, Notice and Statement of Receiver, etc. Review and provide comments on EIS forms/Notice and Statement of Receiver. | 1.50 | 625.00 | 937.50 |
| 08/24/2016 | Dale Millstein Drafted EIS for all entities under the Receivership Order. Drafted Asset listing for each entity under the Receivership Order. Draft Creditor Listing for Form 87. | 5.50 | 325.00 | 1,787.50 |
| 08/24/2016 | Caleigh Smith Operational activities - schedule scrap metal pick up, discussions with contractors RE: GMJ pickup, RBC bank account fund transfer. | 2.50 | 285.00 | 712.50 |
| 08/24/2016 | Caleigh Smith Unique Transaction - Compilation of customer contact information and memo follow up. | 1.50 | 285.00 | 427.50 |
| 08/24/2016 | Caleigh Smith Sale process - updates to inventory count information. | 2.50 | 285.00 | 712.50 |
| 08/24/2016 | Caleigh Smith Meeting with 360 RE: sales process logistics. | 1.50 | 285.00 | 427.50 |
| 08/25/2016 | Pascale Lareau Working on creditors list. | 0.70 | 185.00 | 129.50 |
| 08/25/2016 | Carol O'Donnell Making changes to creditors list add notes update EIS. Converstion with C. Longergan regarding EIS, form 87. Emails. Misc administration. Update banking. Prepare cheque. | 3.70 | 250.00 | 925.00 |
| 08/25/2016 | Soazig Bourgine Email to K. Forbes, supplementary list by email. Email to D. Millstein, printing request form. | 1.00 | 185.00 | 185.00 |

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| Date | Name and Description | Hours | Rate | Amount |
|------------|---|-------|--------|----------|
| 08/25/2016 | Soazig Bourghne US redirection: search of information. | 0.20 | 185.00 | 37.00 |
| 08/25/2016 | Clark Lonergan Bid package review, estimated realization analysis, AR update with contractor, Unique listing, Suncor discussions, inventory update, contractor update, taxes and hst review, etc. | 9.00 | 625.00 | 5,625.00 |
| 08/25/2016 | Adam Sherman Numerous emails/calls with Richter team re EIS and Notice and Statement of Receiver. Review and further revisions to Notice and Statement of Receiver. Review and sign EIS forms. Finalize/sign Notice and Statement of Receiver. | 2.00 | 625.00 | 1,250.00 |
| 08/25/2016 | Dale Millstein Worked on draft creditor Listing for Form 87. Processed cheque requisitions for JSN. Sent account statement & letter from the Receiver for J.S.N. customers. | 5.00 | 325.00 | 1,625.00 |
| 08/25/2016 | Caleigh Smith Asset liquidation analysis preparation. | 2.50 | 285.00 | 712.50 |
| 08/25/2016 | Caleigh Smith Operational items - review of cheques received and returned goods, payroll review, contractor pay, deductions. | 2.00 | 285.00 | 570.00 |
| 08/25/2016 | Caleigh Smith - Review of items on site at JSN, owned by whitpay / Utopia. | 0.50 | 285.00 | 142.50 |
| 08/25/2016 | Caleigh Smith - Accompanying terminated employees onsite to obtain belongings. | 0.25 | 285.00 | 71.25 |
| 08/25/2016 | Caleigh Smith Unique transaction - understanding IP on site. | 0.50 | 285.00 | 142.50 |
| 08/25/2016 | Caleigh Smith Internal status update. | 1.25 | 285.00 | 356.25 |
| 08/26/2016 | Pascale Lareau Working on creditors listing, preparation cheque for insurance. | 1.40 | 185.00 | 259.00 |
| 08/26/2016 | Peter Rosenfeld Prepare mailings. | 1.00 | 45.00 | 45.00 |
| 08/26/2016 | Katherine Forbes Emails re: sale process, finalize consensus agreement and email to Salus, review model offer to purchase and approval and vesting order, including internal discussions. | 2.20 | 525.00 | 1,155.00 |

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| Date | Name and Description | Hours | Rate | Amount |
|-------------|--|--------------|-------------|---------------|
| 08/26/2016 | Soazig Bourgine Various communication with D. Millstein, Forms faxed to OSB. | 0.50 | 185.00 | 92.50 |
| 08/26/2016 | Soazig Bourgine Mailing to Creditors, labels, website posting, affidavit. | 2.50 | 185.00 | 462.50 |
| 08/26/2016 | Soazig Bourgine Email to C. Smith re. funds. | 0.10 | 185.00 | 18.50 |
| 08/26/2016 | Clark Lonergan Estimated realization update, sale process update, Suncor discussion, lot listing, Unique update/memo, Sharon stone drafting and review, etc. | 7.00 | 625.00 | 4,375.00 |
| 08/26/2016 | Dale Millstein Finalized creditor listing for Notice and Statement of Receiver (Form 87). Sent account statement & letter from the Receiver for J.S.N. customers. | 4.50 | 325.00 | 1,462.50 |
| 08/26/2016 | Caleigh Smith Asset realization analysis - understanding AR, review of budget and costs. | 3.00 | 285.00 | 855.00 |
| 08/26/2016 | Caleigh Smith Sales process - review of bid package, updates to count information. | 1.50 | 285.00 | 427.50 |
| 08/26/2016 | Caleigh Smith Review of Suncor agreement. | 0.50 | 285.00 | 142.50 |
| 08/26/2016 | Caleigh Smith Internal status update and transition items. | 0.75 | 285.00 | 213.75 |
| 08/26/2016 | Caleigh Smith Calls - counsel & Salus. | 1.25 | 285.00 | 356.25 |
| 08/29/2016 | Pascale Lareau Sending cheque for insurance par courier, verify banking information of deposit received. | 0.20 | 185.00 | 37.00 |
| 08/29/2016 | Carol O'Donnell Enter deposit and scan. Email filing. | 0.20 | 250.00 | 50.00 |
| 08/29/2016 | Katherine Forbes Sale process - Finalizing bid document, including discussions with Consensus and 360 Merchants, discussions re: viewings, discussions with counsel re: process. | 4.10 | 525.00 | 2,152.50 |
| 08/29/2016 | Katherine Forbes Unique transaction - IP requests from purchaser and communications with CRO, memo reconciliation activities, follow up with auditors. | 0.70 | 525.00 | 367.50 |

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|------------|--|-------|--------|----------|
| 08/29/2016 | Katherine Forbes Banking matters including following up on account status, etc. | 0.90 | 525.00 | 472.50 |
| 08/29/2016 | Soazig Bourgine Redirection of mail from Scottsdale to Chicago. | 1.00 | 185.00 | 185.00 |
| 08/29/2016 | Soazig Bourgine Affidavit finalized and faxed to OSB. | 0.30 | 185.00 | 55.50 |
| 08/29/2016 | Dale Millstein Sent customer account statements, approval & vesting order and notification letter from the Receiver (by way of email, fax and mail). Updated tracking document. | 2.50 | 325.00 | 812.50 |
| 08/29/2016 | Caleigh Smith Inventory viewing supervision. | 1.00 | 285.00 | 285.00 |
| 08/29/2016 | Caleigh Smith Preparation of inventory for viewing. | 0.75 | 285.00 | 213.75 |
| 08/29/2016 | Caleigh Smith Discussions with contractors on outstanding tasks. | 1.50 | 285.00 | 427.50 |
| 08/29/2016 | Caleigh Smith Meetings with interested parties, responding to queries. | 0.75 | 285.00 | 213.75 |
| 08/29/2016 | Caleigh Smith Preparation of cheques for other operational expenses. | 1.50 | 285.00 | 427.50 |
| 08/29/2016 | Caleigh Smith Internal status update. | 1.50 | 285.00 | 427.50 |
| 08/29/2016 | Caleigh Smith Discussions with CRO RE: UK entity. | 0.75 | 285.00 | 213.75 |
| 08/29/2016 | Caleigh Smith AR letter update. | 0.50 | 285.00 | 142.50 |
| 08/30/2016 | Pascale Lareau Preparation employees and contractors cheques. | 0.80 | 185.00 | 148.00 |
| 08/30/2016 | Katherine Forbes Discussion of tax returns with T. Greenidge, and providing information. Discussion with contractor on various matters. Reviewing priority of claims, approving payments and reviewing supporting info. | 2.10 | 525.00 | 1,102.50 |
| 08/30/2016 | Katherine Forbes Sale process - interested parties, overseeing and scheduling viewings, bld package adjustments and listings, discussions re timeline and offers process, etc. | 4.10 | 525.00 | 2,152.50 |

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|------------|---|-------|--------|----------|
| 08/30/2016 | Katherine Forbes Unique transaction - follow-up on memo reconciliation and customer letters, including discussions with contractor. | 1.20 | 525.00 | 630.00 |
| 08/30/2016 | Adam Sherman Emails/call with K. Forbes re HST and duty. | 0.20 | 625.00 | 125.00 |
| 08/30/2016 | Dale Millstein Sent customer account statements, approval & vesting order and notification letter from the Receiver (by way of email, fax and mail). Updated tracking document. | 1.00 | 325.00 | 325.00 |
| 08/30/2016 | Caleigh Smith Inventory viewing supervision, preparation, follow up and response to questions on sales process. | 4.50 | 285.00 | 1,282.50 |
| 08/30/2016 | Caleigh Smith Other sales process items, bid package, updates to listing, contacts. | 1.00 | 285.00 | 285.00 |
| 08/30/2016 | Caleigh Smith Bank activity, discussions with C. O'Donnell, meetings with contractors. | 2.50 | 285.00 | 712.50 |
| 08/31/2016 | Pascale Lareau Prepare cheques for employees. | 0.80 | 185.00 | 148.00 |
| 08/31/2016 | Carol O'Donnell Discussions with P. Lareau, K. Forbes regarding pre receivership payroll and vacation. Prepare deposit, scan and save. Redo cheques. Misc. administration. | 2.50 | 250.00 | 625.00 |
| 08/31/2016 | Katherine Forbes Lender and lender counsel update, payment of employee claims and other invoices, tax returns discussions, onsite receivership matters, etc. | 2.80 | 525.00 | 1,470.00 |
| 08/31/2016 | Katherine Forbes Sale process - ongoing inquiries from interested parties, coordinating communications with Consensus on information to be sent to distribution list, supervising viewings, etc. | 1.50 | 525.00 | 787.50 |
| 08/31/2016 | Katherine Forbes Unique transaction - meeting to discuss inventory costing, incl. pre-call with Consensus. | 0.90 | 525.00 | 472.50 |
| 08/31/2016 | Katherine Forbes Utopia asset claims - discussion with counsel. | 0.30 | 525.00 | 157.50 |
| 08/31/2016 | Adam Sherman | 0.40 | 625.00 | 250.00 |

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 Date: 09/16/2016



| Date | Name and Description | Hours | Rate | Amount |
|----------------------------|---|---------------|-------------|----------------------|
| | Review and sign cheques, including emails/discussions with Richter team. | | | |
| 08/31/2016 | Dale Millstein Sent customer account statements, approval & vesting order and notification letter from the Receiver (by way of email, fax and mail). | 2.00 | 325.00 | 650.00 |
| 08/31/2016 | Caleigh Smith Sales process - inventory package prep, calls/ meetings with interested parties, supervision of viewings. | 1.50 | 285.00 | 427.50 |
| 08/31/2016 | Caleigh Smith Preparation of payroll cheques and supervision of employees onsite. | 2.00 | 285.00 | 570.00 |
| 08/31/2016 | Caleigh Smith Operational activities - discussions with contractors, FedEx, United Precious Metals, taxes, WEPPA. | 2.00 | 285.00 | 570.00 |
| Fees Total | | 312.35 | | \$ 125,894.75 |
| Date | Name and Description | Hours | Rate | Amount |
| 08/30/2016 | Disbursements | | | \$ 1,173.94 |
| Disbursements Total | | | | \$ 1,173.94 |

Invoice No.: 20401183
Date: 09/16/2016



Remittance Form

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

Invoice Summary

| | | |
|---------------------------|------------|----------------------|
| Sub-Total | | \$ 127,068.69 |
| GST/HST #885435842 RT0001 | | 16,518.93 |
| Total Due | CAD | \$ 143,587.62 |

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: TDOMCATTTOR
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

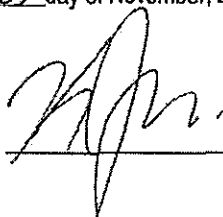
Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca

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 RECEIVERSHIP
Re: J.S.N. Jewellery Inc. et al**

**Time Summary
August 16, 2016 to November 18, 2016**

Time Summary and applicable rates

| | <u>Hours</u> | <u>Rate</u> | <u>Total</u> |
|------------------------------|----------------|-------------|-------------------|
| Adam Sherman | 14.0 | 625.00 | 8,750.00 |
| Ann Stremski | 11.1 | 185.00 | 2,053.50 |
| Caleigh Smith | 439.3 | 285.00 | 125,186.25 |
| Carol O'Donnell | 73.6 | 250.00 | 18,400.00 |
| Clark Lonergan | 281.9 | 625.00 | 176,156.25 |
| Dale Millstein | 54.5 | 325.00 | 17,712.50 |
| Katherine Forbes | 241.1 | 525.00 | 126,577.50 |
| Pascale Lareau | 17.2 | 185.00 | 3,182.00 |
| Patrick Lareau | 1.5 | 425.00 | 637.50 |
| Peter Rosenfield | 1.0 | 45.00 | 45.00 |
| Soazig Bourgine | 17.1 | 185.00 | 3,163.50 |
| | <u>1,152.2</u> | | <u>481,864.00</u> |
| Less courtesy discount | | | (15,000.00) |
| Total | | | <u>466,864.00</u> |
| Average Hourly Amount | | | <u>\$ 405.19</u> |

Tab D

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

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**

**AFFIDAVIT OF STUART BROTMAN
(Affirmed November 25, 2016)**

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

1. I am a partner in the law firm of Fasken Martineau DuMoulin LLP ("**Fasken**"), solicitors to 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. 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, redacted for privilege, in respect of services rendered to the Receiver for the period from July 8, 2016 through October 31, 2016. During that period, the total fees incurred were \$242,605.50 plus disbursements of \$4,112.17 and applicable taxes of \$32,052.53, for an aggregate amount of \$278,770.20.

3. As set out in the following chart, 366.60 hours were incurred by Fasken, for the period from July 8, 2016 through October 31, 2016:

| Name | Total Hours | Hourly Rate (\$) |
|----------------------|-------------|------------------|
| Ronald Nobrega | 0.8 | 925 |
| Clifford Sosnow | 1.8 | 865 |
| Aubrey Kauffman | 98.1 | 825 |
| Paul Casuccio | 14.9 | 795 |
| Stuart Brotman | 64.30 | 775 |
| Armand Benitah | 0.70 | 725 |
| Wojtek Baraniak | 9.10 | 600 |
| Natasha De Cicco | 123.90 | 575 |
| Dylan Chochla | 36.2 | 410 |
| Christelle Gedeon | 3.0 | 435 |
| Sarah Goodwin | 0.6 | 410 |
| David Steinhauer | 3.8 | 370 |
| Daniel Conrad | 4.9 | 360 |
| Kai Kramer (Student) | 2.5 | 250 |
| Adam Simon | 2.0 | 150 |

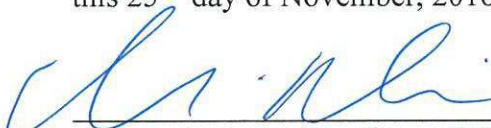
| Name | Total Hours | Hourly Rate (\$) |
|--------|-------------|------------------|
| TOTAL: | 366.60 | |

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

5. During the period reflected herein, Fasken has been paid \$214,338.50 on account of fees, \$3,592.51 on account of disbursements, and \$28,312.63 on account of applicable taxes, for an aggregate amount of \$246,243.64.

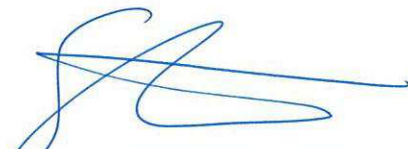
6. I affirm this affidavit in support of a motion for, *inter alia*, approval of the fees and disbursements of Fasken.

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



 A Commissioner for taking affidavits, etc.

NATASHA DE CICCO



STUART BROTMAN

THIS IS EXHIBIT "A"

Referred to in this Affidavit of

Stuart Brotman affirmed before me this 25th day of

November, 2016



A Commissioner for Taking Affidavits

W M DE CICCO

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

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

Bay Adelaide Centre
333 Bay Street, Suite 2400
P.O. Box 20
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 #: 1045129
HST #: 87937 6127 RT0001

Attention: Clark Lonergan

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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

| | |
|--------------------------------------|-------------------------|
| Total Fees | \$ 25,027.50 |
| Total Disbursements | 369.66 |
| Total Taxes | 3,301.64 |
| Total Amount Owning This Bill | CAD \$ 28,698.80 |

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, 4th Floor, Toronto, Ontario, M5H 3R3
Account Name: Fasken Martineau DuMoulin LLP
CAD\$ Account No: 476961041614, Transit No. 47696 Bank ID: 002
SWIFT code: NOSCCAT

Please send a payment notice to credits@fasken.com

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

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

Bay Adelaide Centre
333 Bay Street, Suite 2400
P.O. Box 20
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 #: 1045129
HST #: 87937 6127 RT0001

Attention: Clark Lonergan

FEE MEMORANDUM

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

| | | | |
|------------|--|-----------|-------------|
| 07/08/2016 | Attendance on call with C. Lonergan, K. Rosenstein and S. Babe regarding possible proceedings and realization approach; Considering issues relating to same; Stuart Brotman | 0.90 hrs. | \$ 697.50 |
| 07/10/2016 | Exchange of emails with K. Rosenstein; Stuart Brotman | 0.10 hrs. | \$ 77.50 |
| 07/14/2016 | Attendance on call with C. Lonergan, K. Rosenstein and S. Babe; Considering issues arising from same; Stuart Brotman | 0.60 hrs. | \$ 465.00 |
| 07/15/2016 | Reviewing e-mails regarding transaction status; Reviewing steps summary prepared by client; Stuart Brotman | 0.20 hrs. | \$ 155.00 |
| 07/17/2016 | Reviewing exchange of emails regarding inventory reconciliation; Stuart Brotman | 0.10 hrs. | \$ 77.50 |
| 07/18/2016 | Brief review of draft purchase agreement; Exchange of emails with client and K. Rosenstein regarding same; Telephone call with C. Lonergan; Stuart Brotman | 0.60 hrs. | \$ 465.00 |
| 07/19/2016 | Reviewing and commenting on draft asset purchase agreement with Unique Designs, Inc. Natasha De Cicco | 2.00 hrs. | \$ 1,150.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

Page 3
Invoice #: 1045129

| | | | |
|------------|--|-----------|-------------|
| 07/19/2016 | Considering and responding to email from K. Rosenstein regarding sale of JSN consignment inventory; Reviewing e-mails from S. Babe and K. Rosenstein regarding purchase agreement; Instructing N. De Cicco regarding review of same; Stuart Brotman | 0.50 hrs. | \$ 387.50 |
| 07/20/2016 | Reviewing S. Brotman's comments on draft asset purchase agreement; office conference re: same; circulating same to C. Lonergan; reading email from E. Pillon re: issues list. Natasha De Cicco | 3.30 hrs. | \$ 1,897.50 |
| 07/20/2016 | Reviewing draft purchase agreement; email to N. De Cicco regarding same; Conference with N. De Cicco regarding same; Telephone call from E. Pillon; Reviewing issues list received from E. Pillon; Stuart Brotman | 2.40 hrs. | \$ 1,860.00 |
| 07/21/2016 | Telephone call with C. Lonergan re: status update; office conference with S. Brotman re: same; reviewing list of JSN and FJI Salus loan documents; considering estimate of fees for security review memo. Natasha De Cicco | 1.50 hrs. | \$ 862.50 |
| 07/21/2016 | Reviewing exchange of emails regarding outstanding purchase transaction issues; Telephone call with C. Lonergan; Conference with N. De Cicco regarding purchase agreement; Reviewing e-mail from E. Pillon addressing high-level comments on purchase agreement; Stuart Brotman | 1.10 hrs. | \$ 852.50 |
| 07/22/2016 | Arranging for corporate searches re J.S.N. JEWELLERY INC. for N. De Cicco; Correspondence re same. Adam Simon | 0.40 hrs. | \$ 60.00 |
| 07/22/2016 | Conference call with S. Brotman and W. Baraniak re: draft JSN asset purchase agreement, background and next steps; email to W. Baraniak re: background information and documents. Natasha De Cicco | 1.00 hrs. | \$ 575.00 |
| 07/22/2016 | Conference with N. De Cicco and W. Baraniak regarding purchase agreement issues and review; Stuart Brotman | 0.30 hrs. | \$ 232.50 |
| 07/22/2016 | Reviewing exchange of emails between E. Pillon and K. Rosenstein regarding purchase agreement issues; Stuart Brotman | 0.10 hrs. | \$ 77.50 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

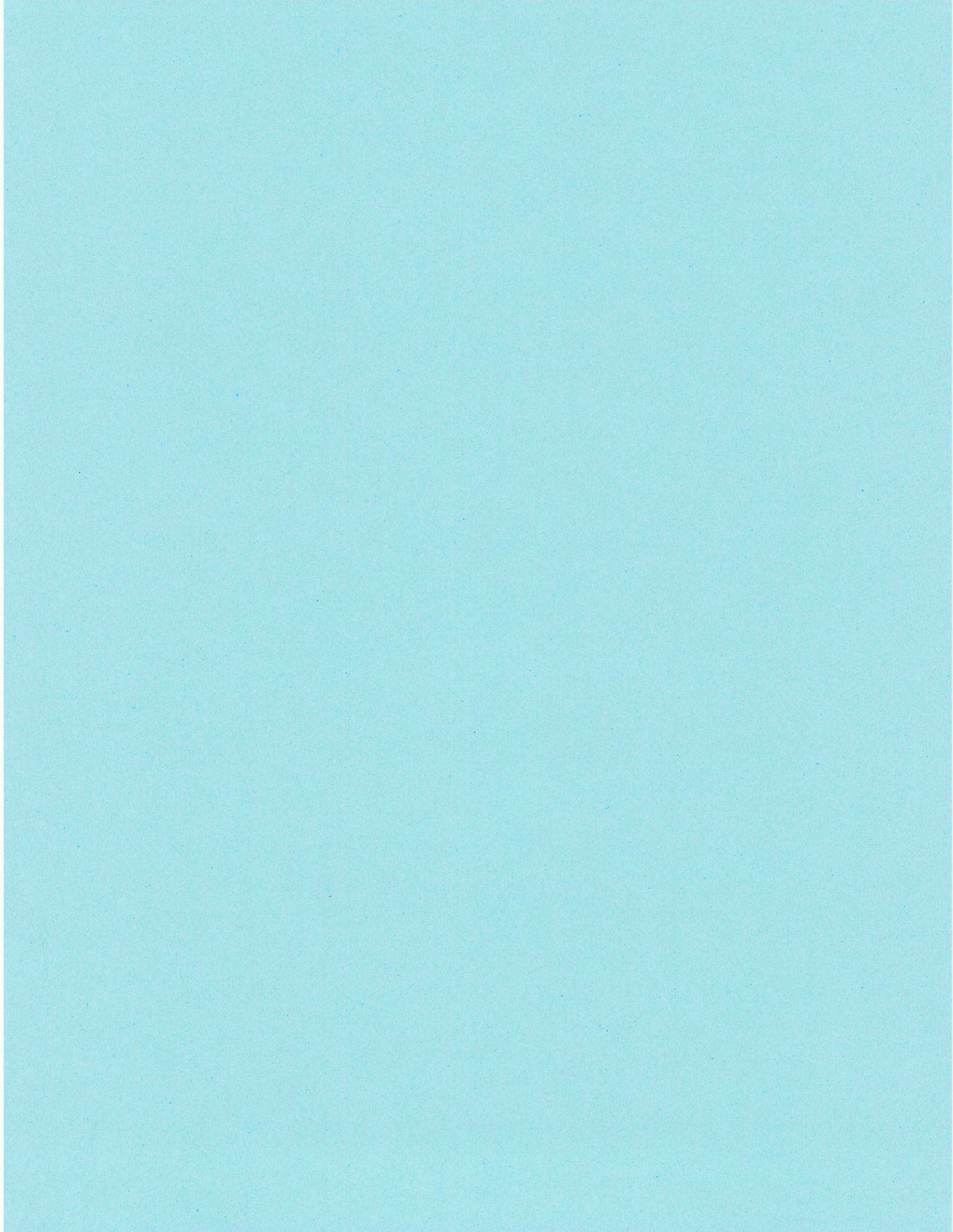
| | | | |
|------------|--|-----------|-------------|
| 07/22/2016 | Reviewed email from N. De Cicco re JSN sale. Meeting with N. De Cicco and S. Brotman re same. Wojtek Baraniak | 0.70 hrs. | \$ 420.00 |
| 07/23/2016 | Reviewing e-mails from K. Rosenstein regarding outstanding transactions point and revisions to purchase agreement; Stuart Brotman | 0.30 hrs. | \$ 232.50 |
| 07/25/2016 | Organizing and delivering ON PPSA Searches re JSN Jewellery Inc. to S. Brotman. Adam Simon | 0.20 hrs. | \$ 30.00 |
| 07/25/2016 | Reviewing e-mail from S. Babe and brief review of attached revised draft purchase agreement; E-mail to W. Baraniak regarding same; Telephone call to W. Baraniak; Stuart Brotman | 0.40 hrs. | \$ 310.00 |
| 07/25/2016 | Reviewed revised Asset Purchase Agreement and made comments on same. Wojtek Baraniak | 1.90 hrs. | \$ 1,140.00 |
| 07/26/2016 | Attendance on call with C. Lonergan, S. Babe and K. Rosenstein; Conference with W. Baraniak regarding purchase agreement review; Telephone call from E. Pillon regarding purchase transaction structure and related issues; Attendance on telephone call with E. Pillon and S. Babe; Exchange of emails with W. Baraniak; Reviewing preliminary draft affidavit; Stuart Brotman | 2.20 hrs. | \$ 1,705.00 |
| 07/26/2016 | Discussions with S. Brotman. Reviewed and revised Asset Purchase Agreement. Circulated same to S. Brotman. Wojtek Baraniak | 4.30 hrs. | \$ 2,580.00 |
| 07/27/2016 | Reviewing revised draft purchase agreement; Revising same; E-mail to S. Babe regarding same; Stuart Brotman | 2.30 hrs. | \$ 1,782.50 |
| 07/28/2016 | Reviewing e-mail from H. Murray and attached APA comments; Reviewing exchange of emails regarding same; E-mail to W. Baraniak regarding same; Reviewing e-mail from S. Babe; Telephone call to S. Babe; Reviewing e-mail from K. Forbes regarding sale process for sundry assets; Reviewing entity summary prepared by client; Reviewing revised draft APA; Stuart Brotman | 0.80 hrs. | \$ 620.00 |
| 07/28/2016 | Reviewed revised draft of Asset Purchase Agreement. Discussions with S. Brotman re Asset Purchase Agreement. Wojtek Baraniak | 0.30 hrs. | \$ 180.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

Page 7
Invoice #: 1045129

| | | |
|--|--|--------------------------------|
| Our Fees | | \$ 25,027.50 |
| HST | | 3,253.58 |
| Total Fees Including Taxes | | <u>\$ 28,281.08</u> |
| Disbursements | | |
| <u>Taxable</u> | | |
| 07/11/16 | LPIC Levy - Civil Litigation Law Pro Levy - | 50.00 |
| 07/21/16 | Lasercopy | 11.50 |
| 07/22/16 | Lasercopy | 0.50 |
| 07/22/16 | Articles/Filing Fees J.S.N. JEWELLERY INC. - | 71.00 |
| 07/22/16 | Articles/Filing Fees J.S.N. JEWELLERY INC. - | 45.00 |
| 07/22/16 | Lasercopy | 170.25 |
| 07/27/16 | Lasercopy | 17.00 |
| 07/31/16 | Telephones Charges Stuart Brotman - Conference | 1.53 |
| 07/31/16 | Telephones Charges Stuart Brotman - Conference | 2.88 |
| Total Disbursements | | <u>369.66</u> |
| HST | | 48.06 |
| Total Disbursements Including Taxes | | <u>417.72</u> |
| Total Fees, Disbursements and Taxes | | <u>CAD \$ 28,698.80</u> |

| | | |
|-----------------------------------|--|-----------------|
| Tax Summary | | |
| HST | | 3,301.64 |
| Total Taxes Included in This Bill | | <u>3,301.64</u> |



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

September 07, 2016
Invoice #: 1043857
HST #: 87937 6127 RT0001

Attention: Clark Lonergan

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

For Professional Services rendered through August 15, 2016 as described in the attached memorandum

| | |
|-------------------------------------|-------------------------|
| Total Fees | \$ 50,278.00 |
| Total Disbursements | 504.25 |
| Total Taxes | 6,585.21 |
| Total Amount Owing This Bill | CAD \$ 57,367.46 |

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, 4th 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

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

Bay Adelaide Centre
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+ 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

September 07, 2016
Invoice #: 1043857
HST #: 87937 6127 RT0001

Attention: Clark Lonergan

FEE MEMORANDUM

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

| | | | |
|------------|---|-----------|-------------|
| 08/01/2016 | Reviewing revised draft offer to purchase; E-mail to client regarding same; Reviewing e-mails from client regarding same; Reviewing draft affidavit; Telephone call with K. Forbes; E-mail to S. Babe regarding draft affidavit; Exchange of emails with C. Lonergan regarding draft report; Stuart Brotman | 2.20 hrs. | \$ 1,705.00 |
| 08/02/2016 | Review of draft affidavit and meeting with S. Brotman for briefing; Aubrey Kauffman | 0.60 hrs. | \$ 495.00 |
| 08/02/2016 | Exchange of emails with K. Forbes; Conference with N. De Cicco; Reviewing exchange of emails between S. Babe and B. Pukier; Brief review of executed offer; E-mail to counsel for purchaser and Salus regarding same; E-mail to client regarding same; E-mail to counsel for purchaser and Salus regarding intellectual property assignments; Stuart Brotman | 0.70 hrs. | \$ 542.50 |
| 08/03/2016 | Review of revisions to draft order and commenting; Aubrey Kauffman | 0.30 hrs. | \$ 247.50 |
| 08/03/2016 | Exchange of emails with K. Forbes; Reviewing and considering issues relating to draft orders; Conference with K. Forbes regarding same; Revising same; E-mail to S. Babe regarding same; reviewing various emails regarding court hearing; Reviewing and commenting on draft report; Reviewing and considering purchaser comments on draft vesting order; E-mail to S. Babe regarding same; Stuart Brotman | 4.40 hrs. | \$ 3,410.00 |



Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

| | | | |
|------------|--|-----------|-------------|
| 08/04/2016 | Review of revised draft orders and drafts of Proposed Receiver's Report. Review of offer. Review of numerous e mails amongst counsel re court material. Conference call with client and S. Babe; Aubrey Kauffman | 2.10 hrs. | \$ 1,732.50 |
| 08/04/2016 | Exchange of emails with C. Lonergan and K. Forbes; Telephone call with K. Forbes regarding comments on draft report; Reviewing further revised draft; Attendance on conference call with K. Forbes and S. Babe; Attendance on conference call with N. Manzoor, D. Sobel, K. Forbes and S. Babe; Reviewing exchange of emails regarding purchaser comments on draft order; Further exchange of emails with client; Exchange of emails with W. Baraniak; Stuart Brotman | 2.90 hrs. | \$ 2,247.50 |
| 08/04/2016 | Exchange of emails with C. Lonergan and K. Forbes; Stuart Brotman | 0.20 hrs. | \$ 155.00 |
| 08/05/2016 | Review of Motion Record and commenting. Further comments on Proposed Receiver's Report. Telephone calls with client and various e mails. Review of Aird & Berlis' on draft Report and related e mails. E mails re UK law firm ; Aubrey Kauffman | 2.90 hrs. | \$ 2,392.50 |
| 08/05/2016 | Telephone call with S. Babe (Aird & Berlis) re: update. Natasha De Cicco | 0.20 hrs. | \$ 115.00 |
| 08/05/2016 | Emails and discussions with W. Baraniak re sales tax matters. Paul V. Casuccio | 0.40 hrs. | \$ 318.00 |
| 08/05/2016 | Exchange of emails with K. Forbes; reviewing emails regarding proposed receiver's report and transaction issues; telephone call with K. Forbes; Stuart Brotman | 0.70 hrs. | \$ 542.50 |
| 08/06/2016 | Review of revised draft report; Aubrey Kauffman | 0.40 hrs. | \$ 330.00 |
| 08/08/2016 | Review of final Report. Various e mails and calls re court documents and closing documents. Arranging service of Report. E mail re HST issue; Aubrey Kauffman | 2.40 hrs. | \$ 1,980.00 |
| 08/08/2016 | Office conference with N. De Cicco re: closing; reviewing emails re: same. Dylan Chochla | 0.60 hrs. | \$ 246.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

Page 4
Invoice #: 1043857

| | | | | |
|------------|---|------------------|-----------|-------------|
| 08/08/2016 | Email correspondence with Aird & Berlis, Salus and Stikeman re: closing; telephone call with L. Pillon (Stikeman) re: same; reviewing offer to purchase; considering closing deliverables; reviewing and commenting on draft IP assignment agreement; email to Stikeman re: same; reviewing and considering tax issues; email exchanges with P. Casuccio re: same; telephone call with K. Forbes re: proposed tax comments and asset allocation; reviewing and considering security review issues; email exchange with S. Brotman re: same; office discussion with D. Chochla re: background and providing instructions re: drafting of post-closing undertaking. | Natasha De Cicco | 4.60 hrs. | \$ 2,645.00 |
| 08/08/2016 | Review and consider APA re sales tax matters; emails with N. De Cicco and S. Brotman re same. | Paul V. Casuccio | 2.60 hrs. | \$ 2,067.00 |
| 08/08/2016 | Reviewing exchange of emails regarding tax comments on sale transaction; Conference with N. De Cicco; | Stuart Brotman | 0.40 hrs. | \$ 310.00 |
| 08/09/2016 | E mail re IP assignment. Conference call with CRO, client and counsel re UK office. Review of court material to prepare for court. Telephone call with client re comparison of offers. Telephone call with CRO and Osler re HST holdback; | Aubrey Kauffman | 1.90 hrs. | \$ 1,567.50 |
| 08/09/2016 | Discussing file with N. De Cicco; reviewing offer to purchase; reviewing agenda; drafting undertaking and indemnity. | David Steinhauer | 1.80 hrs. | \$ 666.00 |
| 08/09/2016 | Office conference with N. De Cicco re: status; instruction to D. Steinhauer re: drafting closing documents. | Dylan Chochla | 0.50 hrs. | \$ 205.00 |
| 08/09/2016 | Email correspondence re: IP assignment agreement; telephone call with S. Brotman re: security review; telephone call with L. Pillon (Stikeman) re: tax comments and other issues related to the purchase agreement and closing; circulating tax comments on purchase agreement; office discussion with D. Steinhauer re: background and closing; office conference with P. Casuccio re: tax matters; reviewing draft IP releases to be signed by Salus; reviewing and commenting on draft closing agenda; circulating same; email exchanges and telephone call with K. Forbes re: transfer taxes and other closing matters. | Natasha De Cicco | 4.50 hrs. | \$ 2,587.50 |
| 08/09/2016 | Considering sales tax matters; emails and meeting with N. De Cicco re same. | Paul V. Casuccio | 0.80 hrs. | \$ 636.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

| | | | | |
|------------|---|------------------|-----------|-------------|
| 08/09/2016 | Exchange of emails with L. Pillon regarding transaction terms and closing mechanics; Exchange of emails and conference with N. De Cicco regarding same; | Stuart Brotman | 0.40 hrs. | \$ 310.00 |
| 08/10/2016 | Review of Applicant's factum and book of authorities. Review of revised receivership order from Osler raising CRO issues. Telephone call and e mails re CRO issue. Meeting with client to discuss CRO issue and receivership operational issues. Conference call with CRO, client and Aird & Berlis; | Aubrey Kauffman | 5.00 hrs. | \$ 4,125.00 |
| 08/10/2016 | Coordinating and populating closing folders; discussing closing with N. De Cicco; discussing tax indemnity. | David Steinhauer | 1.00 hrs. | \$ 370.00 |
| 08/10/2016 | Engaged in transaction; reviewing and commenting on revised forms of orders and purchase agreement in anticipation of application returnable on August 11, 2016; preparing for closing; reviewing and revising draft closing documents; meeting with D. Steinhauer re: same; email corresponding and conference calls with Richter and Stikeman re: tax issues. | Natasha De Cicco | 6.70 hrs. | \$ 3,852.50 |
| 08/10/2016 | Review of emails from Richter and N. De Cicco re closing and tax matters; prep for and conference call with same; further emails and conference call with Stikeman and Richter re same; calls with N. De Cicco and D. Steinhauer re tax indemnity; considering same. | Paul V. Casuccio | 3.30 hrs. | \$ 2,623.50 |
| 08/11/2016 | Prepare for and attendance at court to argue receivership/sale approval order; | Aubrey Kauffman | 3.10 hrs. | \$ 2,557.50 |
| 08/11/2016 | Email correspondence re: execution and delivery of IP assignments by CRO; conference call with Osler and Stikeman re: same; reviewing and commenting on template termination letter; conference call with Stikeman re: transfer taxes; telephone call with C. Lonergan and K. Forbes re: same; reading emails among working group on status. | Natasha De Cicco | 2.60 hrs. | \$ 1,495.00 |
| 08/12/2016 | Review of revised offer sent by Stikeman's and providing initial comments. Conference call with client to obtain comments on Stikeman amendments. Review of Aird & Berlis' comments on Stikeman's amendments. Conference call with Aird & Berlis to discuss next steps. E mail to Aird & Berlis summarizing the proposed approach; | Aubrey Kauffman | 2.90 hrs. | \$ 2,392.50 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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Invoice #: 1043857

| | | | |
|------------|--|-----------|-------------|
| 08/12/2016 | Received instructions from P. Casuccio re research into applicability of Manitoba RST to transaction; researched same; prepared email explaining findings to P. Casuccio. Daniel Conrad | 1.30 hrs. | \$ 468.00 |
| 08/12/2016 | Reviewing revised draft purchase agreement; conference call and email exchange with C. Lonergan, K. Forbes and A. Kauffman re: same; conference call and email exchange with Richter, Fasken, Aird+Berlis re: same; emails re: purchase agreement and revised structure. Natasha De Cicco | 3.00 hrs. | \$ 1,725.00 |
| 08/12/2016 | Instructing D. Conrad re research re Manitoba clearance certificates; emails and discussions with same re same; emails with Fasken team re tax matters. Paul V. Casuccio | 1.30 hrs. | \$ 1,033.50 |
| 08/13/2016 | Email correspondence re: status. Natasha De Cicco | 0.10 hrs. | \$ 57.50 |
| 08/14/2016 | Email correspondence re: status. Natasha De Cicco | 0.10 hrs. | \$ 57.50 |
| 08/15/2016 | Review of revised offer to purchase. Review of Responding Motion Record of Sharon Stone and reporting to client. Review of various e mails re amendments to offer;. Review of revised Approval and Vesting Order and commenting; Aubrey Kauffman | 1.60 hrs. | \$ 1,320.00 |
| 08/15/2016 | Email correspondence re: status; reviewing revised drafts of the purchase agreement and approval and vesting order; email correspondence re: same; reviewing responding application record re: Sharon Stone claim. Natasha De Cicco | 1.30 hrs. | \$ 747.50 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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Invoice #: 1043857

Professional Summary

| <u>Professional</u> | <u>Title</u> | <u>Rate</u> | <u>Hours</u> | <u>Fees</u> |
|---------------------|--------------|-------------|--------------|------------------|
| Paul V. Casuccio | Partner | 795.00 | 8.40 | 6,678.00 |
| Stuart Brotman | Partner | 775.00 | 11.90 | 9,222.50 |
| Aubrey Kauffman | Partner | 825.00 | 23.20 | 19,140.00 |
| Dylan Chochla | Associate | 410.00 | 1.10 | 451.00 |
| David Steinhauer | Associate | 370.00 | 2.80 | 1,036.00 |
| Daniel Conrad | Associate | 360.00 | 1.30 | 468.00 |
| Natasha De Cicco | Counsel | 575.00 | 23.10 | 13,282.50 |
| | | Total | 71.80 | CAD \$ 50,278.00 |

Matter Number: 300245.00004
 Matter: JSN Jewellery Inc.
 Responsible Professional: Stuart Brotman

| | |
|----------------------------|---------------------|
| Our Fees | \$ 50,278.00 |
| HST | 6,536.14 |
| Total Fees Including Taxes | <u>\$ 56,814.14</u> |

Disbursements

Non-Taxable

| | | |
|----------|--|--------|
| 08/08/16 | Court Cost Fee - Payable to: MINISTER OF FINANCE Aug 8/16- filing motion record of the proposed receiver returnable Aug 11/2016 | 127.00 |
|----------|--|--------|

Taxable

| | | |
|----------|---|-------|
| 08/02/16 | Lasercopy | 12.00 |
| 08/04/16 | Lasercopy | 7.75 |
| 08/05/16 | Lasercopy | 5.50 |
| 08/08/16 | Lasercopy | 31.00 |
| 08/08/16 | Lasercopy | 8.00 |
| 08/08/16 | Lasercopy | 8.00 |
| 08/08/16 | Lasercopy | 14.25 |
| 08/08/16 | Lasercopy | 4.00 |
| 08/08/16 | Photocopies Photocopies Aubrey Kauffman copies | 75.00 |
| 08/08/16 | Colour Copies Photocopies Aubrey Kauffman | 5.00 |
| 08/08/16 | Delivery/Courier Expense FedEx - 734088812, | 20.36 |
| 08/09/16 | Delivery/Courier Expense UM - PACE SAVINGS & | 10.99 |
| 08/09/16 | Lasercopy | 11.25 |
| 08/09/16 | Lasercopy | 2.50 |
| 08/10/16 | Lasercopy | 15.50 |
| 08/10/16 | Lasercopy | 9.25 |
| 08/10/16 | Lasercopy | 2.00 |
| 08/10/16 | Lasercopy | 6.50 |
| 08/10/16 | Lasercopy | 12.50 |
| 08/10/16 | Lasercopy | 1.50 |
| 08/11/16 | Lasercopy | 12.00 |
| 08/11/16 | Lasercopy | 0.75 |
| 08/11/16 | Lasercopy | 7.25 |
| 08/12/16 | Lasercopy | 19.25 |
| 08/12/16 | Lasercopy | 17.50 |
| 08/12/16 | Telephones Charges Telephone | 0.85 |

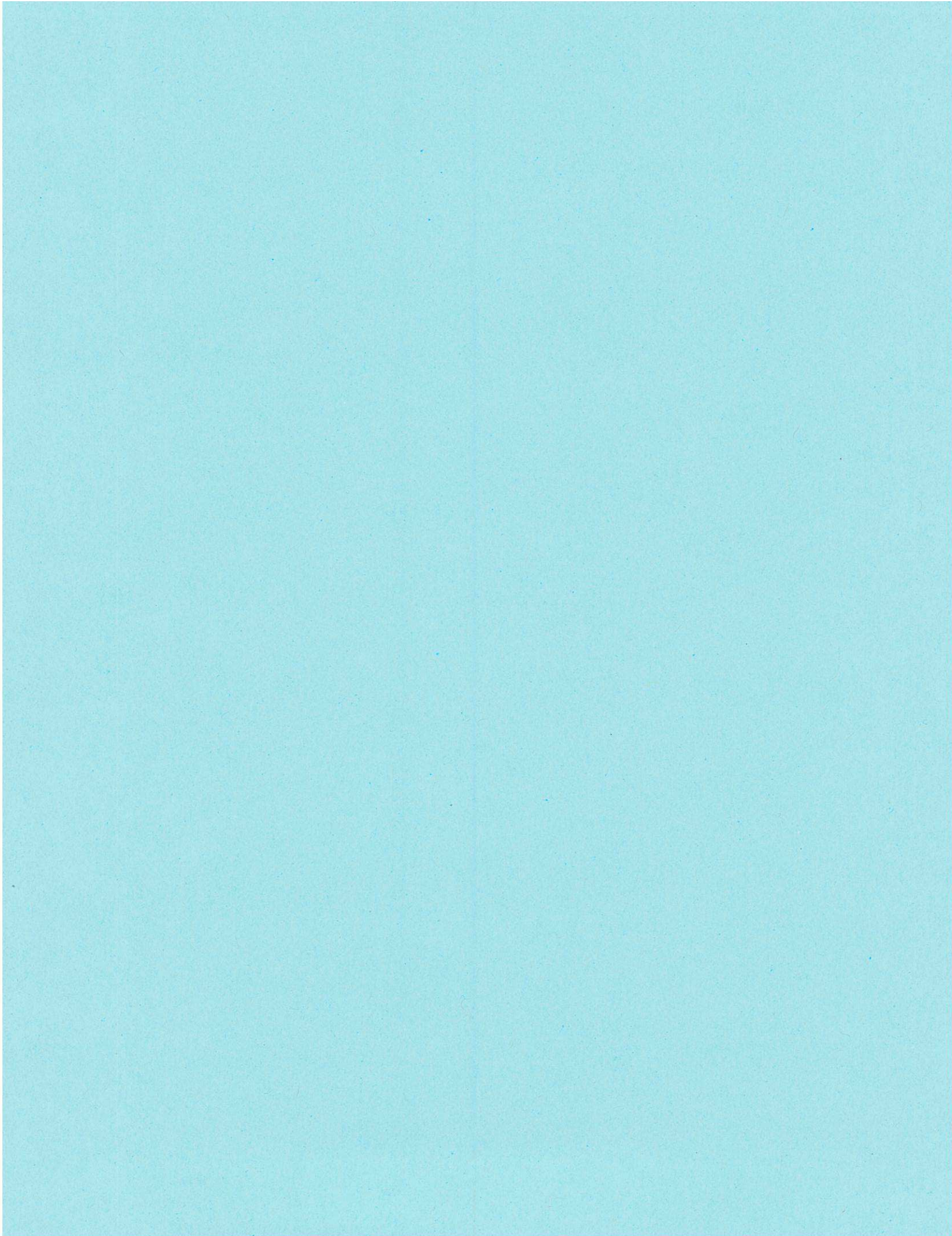
Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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| | | | |
|----------|--|--------|--------------------------------|
| | Charges 17 min(s) | | |
| 08/12/16 | Telephones Charges Telephone | 0.15 | |
| | Charges 3 min(s) | | |
| 08/12/16 | Telephones Charges Telephone | 0.15 | |
| | Charges 3 min(s) | | |
| 08/12/16 | Telephones Charges Telephone | 0.25 | |
| | Charges 5 min(s) | | |
| 08/15/16 | Lasercopy | 23.25 | |
| 08/15/16 | Lasercopy | 22.25 | |
| 08/15/16 | Lasercopy | 10.75 | |
| | Total Disbursements | 504.25 | |
| | HST | 49.07 | |
| | Total Disbursements Including Taxes | | 553.32 |
| | Total Fees, Disbursements and Taxes | | <u>CAD \$ 57,367.46</u> |

Tax Summary

| | |
|-----------------------------------|-----------------|
| HST | 6,585.21 |
| Total Taxes Included in This Bill | <u>6,585.21</u> |



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

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1 800 268 8424 Toll-free

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

fasken.com



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

September 21, 2016
Invoice #: 1047541
HST #: 87937 6127 RT0001

Attention: Clark Lonergan

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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

| | |
|-------------------------------------|-------------------------|
| Total Fees | \$ 43,829.50 |
| Total Disbursements | 412.47 |
| Total Taxes | 5,749.42 |
| Total Amount Owing This Bill | CAD \$ 49,991.39 |

Fasken Martineau DuMoulin LLP

A handwritten signature in black ink, appearing to be 'S. 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, 4th Floor, Toronto, Ontario, M5H 3R3
Account Name: Fasken Martineau DuMoulin LLP
CAD\$ Account No: 476981041614, Transit No. 47696 Bank ID: 002
SWIFT code: NOSCCAT

Please send a payment notice to credits@fasken.com



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

September 21, 2016
Invoice #: 1047541
HST #: 87937 6127 RT0001

Attention: Clark Lonergan

FEE MEMORANDUM

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

| | | | |
|------------|--|-----------|-------------|
| 08/16/2016 | Attendance at court to obtain Receivership Order and Sale Approval and Vesting Order. Follow up e mail with J. Simpson. Various e mails re first day issues and closing issues. Attendance at conference call to discuss closing issues; Aubrey Kauffman | 3.60 hrs. | \$ 2,970.00 |
| 08/16/2016 | Reviewing further revised draft purchase agreement; email correspondence with L. Pillon (Stikeman) re: same; engaged in transaction; all-hands conference call re: closing; reviewing and commenting on draft closing documents; circulating same to working group; co-ordinating tax review with P. Casuccio. Natasha De Cicco | 3.50 hrs. | \$ 2,012.50 |
| 08/16/2016 | Voicemail, email and call with N. De Cicco re sales tax matters; review, consider and amend Undertaking re sales tax matters; emails and call with J-G Schooner re same. Paul V. Casuccio | 1.60 hrs. | \$ 1,272.00 |
| 08/17/2016 | Review of letters and e mails dealing with Utopia and Suncor. Attendance at conference call with Richter, Stikemans and Aird & Berlis re letters to customers. E mails with J. Simpson re samples; Aubrey Kauffman | 1.70 hrs. | \$ 1,402.50 |
| 08/17/2016 | Attending at Richter office to notarize signatures. David Steinhauer | 0.50 hrs. | \$ 185.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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Invoice #: 1047541

| | | | |
|------------|--|-----------|-------------|
| 08/17/2016 | Engaged in closing; arranging for Receiver's signatures in escrow; settling documents with Stikeman; telephone calls and emails with C. Lonergan and K. Forbes re: update; reviewing and commenting on draft teaser; conference call with CRO, Osler and Richter re: instructions to CRO. Natasha De Cicco | 3.40 hrs. | \$ 1,955.00 |
| 08/18/2016 | Engaged in telephone conference with N. De Cicco re: delay for correcting registrant name in the records of the United Kingdom Intellectual Property Office (UKIPO) in connection with a trademark registration; engaged discussing same with B. Romano and revising e-mail to U.K. associate; A. Benitah | 0.30 hrs. | \$ 217.50 |
| 08/18/2016 | Review of US pleadings re Suncor replevin. Review of e mails re background to Suncor sample claim. Drafting customer letter. Drafting response to J. Simpson (Unique) letter. Review of draft Richter letter to Suncor and providing comments. Review of Unique's draft letter to customers and commenting. Various e mails and call relating to these matters; Aubrey Kauffman | 4.30 hrs. | \$ 3,547.50 |
| 08/18/2016 | Instructions from P. Casuccio re research re application of HST to sale of IP. Daniel Conrad | 0.30 hrs. | \$ 108.00 |
| 08/18/2016 | Instructions to N. De Cicco re: delivering receiver's certificate; email to working group enclosing same. Dylan Chochla | 0.20 hrs. | \$ 82.00 |
| 08/18/2016 | Engaged in transaction; reviewing and commenting on Consensus engagement letter; considering general receivership matters. Natasha De Cicco | 4.50 hrs. | \$ 2,587.50 |
| 08/18/2016 | Meeting with D. Conrad re research re application of HST to sale of IP. Paul V. Casuccio | 0.30 hrs. | \$ 238.50 |
| 08/19/2016 | Engaged considering e-mail from U.K. associate and reporting to N. De Cicco on delays for correcting registrant name in the records of the United Kingdom Intellectual Property Office (UKIPO) in connection with a trademark registration; A. Benitah | 0.10 hrs. | \$ 72.50 |
| 08/19/2016 | Review of various e mails re samples and designs and drafting e mail to Aird & Berlis summarizing issues. Review of Aird & Berlis' IP memo. Telephone call with K. Rosenstein. Revision of letter to J. Simpson and to Suncor. Various e mails and call with Aird & Berlis and client; Aubrey Kauffman | 2.60 hrs. | \$ 2,145.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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| | | | |
|------------|--|-----------|-------------|
| 08/19/2016 | Drafting backpage to receiver's certificate; instructions to K. Kramer re: filing same. Dylan Chochla | 0.20 hrs. | \$ 82.00 |
| 08/19/2016 | Filing in Superior court for client. Kai C. Kramer | 1.00 hrs. | \$ 250.00 |
| 08/19/2016 | Attending to and advising the Receiver on post-closing matters; reviewing and commenting on Consensus and 360 engagement letters; telephone calls with C. Lonergan and K. Forbes re: same. Natasha De Cicco | 2.70 hrs. | \$ 1,552.50 |
| 08/22/2016 | Review of e mails re negotiations with Suncor. Various e mails re Utopia motion. Conference call with Stikemans and Aird & Berlis to discuss litigation response to Utopia claim. E mails to CRO re Utopia claim. E mail to Simpson re Sharon Stone motion and litigation schedule; Aubrey Kauffman | 0.90 hrs. | \$ 742.50 |
| 08/22/2016 | Researched inter-provincial place of supply rules for determining applicability of provincial-portion of HST to sale of intellectual property; drafted questionnaire to determine same; submitted draft questionnaire to P. Casuccio for comments. Daniel Conrad | 2.10 hrs. | \$ 756.00 |
| 08/22/2016 | Conference with A. Kauffman; Reviewing revised draft 360MS engagement letter; Stuart Brotman | 0.20 hrs. | \$ 155.00 |
| 08/23/2016 | Review of Utopia Notice of Motion. Meeting with S. Goodwin to discuss Aird & Berlis' copyright memo. Review of Pyrrha Design case and sending e mail to Stikemans and Aird & Berlis; Aubrey Kauffman | 1.10 hrs. | \$ 907.50 |
| 08/23/2016 | Meeting with A. Kauffman to discuss background; reviewing IP memo prepared by Aird & Berlis; sending Federal Court case regarding copyright protection in jewellery to A. Kauffman. Sarah Goodwin | 0.60 hrs. | \$ 246.00 |
| 08/23/2016 | Reviewing e-mail from K. Forbes and attached draft bill of sale; E-mail to K. Forbes regarding same; Brief conference with D. Chochla regarding preparation of offer form for sundry assets; E-mails to D. Chochla regarding same; Stuart Brotman | 0.50 hrs. | \$ 387.50 |
| 08/24/2016 | Prepare for and attendance at meeting at Stikemans with CRO and Aird & Berlis to discuss Utopia claim; Aubrey Kauffman | 2.50 hrs. | \$ 2,062.50 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

| | | | |
|------------|--|-----------|-------------|
| 08/25/2016 | Review of Ben Moss CIM. Review of Utopia employee list. E mail with L. Pillon re Thailand IP lawyer. Drafting of letter to J. Simpson requesting information related to Utopia claim. E mails re letter with Aird & Berlis and Stikemans; Aubrey Kauffman | 1.20 hrs. | \$ 990.00 |
| 08/25/2016 | Drafting purchase agreement re: jewellery and FF&E. Dylan Chochla | 4.40 hrs. | \$ 1,804.00 |
| 08/25/2016 | Reviewing and responding to email from C. Smith re: delivery of IP assets; telephone call with C. Lonergan re: update and status. Natasha De Cicco | 0.40 hrs. | \$ 230.00 |
| 08/26/2016 | Review of Stikeman's comments on letter to J. Simpson asking for documents. Telephone call with client; Aubrey Kauffman | 0.20 hrs. | \$ 165.00 |
| 08/26/2016 | Telephone call with client to discuss US trip and the Utopia motion. Review e mail from J. Simpson re process and responding. E mails and calls re hearing before Wilton Seigel J relating to FJI motion; Aubrey Kauffman | 1.10 hrs. | \$ 907.50 |
| 08/26/2016 | Instructions from P. Casuccio re confirmation of tax characterization of diamonds; research re same. Daniel Conrad | 1.00 hrs. | \$ 360.00 |
| 08/26/2016 | Draft Approval and Vesting Order; revising purchase offer and draft Order to incorporate comments received from N. De Cicco; email to client enclosing same. Dylan Chochla | 1.60 hrs. | \$ 656.00 |
| 08/26/2016 | Reviewing revised draft of Consensus engagement letter; email to C. Lonergan re: same; reviewing and commenting on draft offer to purchase and form of approval and vesting order. Natasha De Cicco | 1.80 hrs. | \$ 1,035.00 |
| 08/26/2016 | Voicemail and call with D. Chochla re HST matters; instructing D. Conrad re same. Paul V. Casuccio | 0.40 hrs. | \$ 318.00 |
| 08/26/2016 | Conference with A. Kauffman regarding correspondence from Torkin Manes and background to court endorsement in related receivership; Stuart Brotman | 0.20 hrs. | \$ 155.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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| | | | |
|------------|---|-----------|-------------|
| 08/29/2016 | Telephone call with L. Pillon to discuss letter to J. Simpson. Revision of letter. Reporting to client. Start of review of CRO memo of August 29,2016 and attachments. ; Aubrey Kauffman | 3.00 hrs. | \$ 2,475.00 |
| 08/29/2016 | Revising draft purchase offer to incorporate comments received from client; final review of same. Dylan Chochla | 1.20 hrs. | \$ 492.00 |
| 08/29/2016 | Telephone call with K. Forbes re: comments on draft offer to purchase and approval and vesting order; reviewing and considering same; email to D. Chochla re: adding confidentiality clause and revising tax clause to include an indemnity; email to C. Lonergan and K. Forbes re: post-closing matters relating to the Kiran transaction. Natasha De Cicco | 0.90 hrs. | \$ 517.50 |
| 08/29/2016 | Telephone call from K. Forbes regarding additional inventory and sale process; E-mail to D. Chochla and N. De Cicco regarding same; Conference with N. De Cicco; Stuart Brotman | 0.40 hrs. | \$ 310.00 |
| 08/30/2016 | Review of CRO memo of August 29, 2016 and attachments. Review of Ben Moss CRA court filings. Review of Forever Jewellery Inc court filings. Various e mails with respect to the above; Aubrey Kauffman | 3.50 hrs. | \$ 2,887.50 |
| 08/30/2016 | Reviewing message from K. Forbes; E-mail to A. Kauffman regarding asserted interest in equipment; Conference with A. Kauffman regarding same; E-mail to K. Forbes; Stuart Brotman | 0.20 hrs. | \$ 155.00 |
| 08/31/2016 | Commencement of drafting of Receiver's Report; Aubrey Kauffman | 5.00 hrs. | \$ 4,125.00 |
| 08/31/2016 | Conference with A. Kauffman regarding Utopia financial statements; Telephone call with K. Forbes regarding asserted interest in equipment and inventory count preparation; Stuart Brotman | 0.40 hrs. | \$ 310.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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Invoice #: 1047541

Professional Summary

| <u>Professional</u> | <u>Title</u> | <u>Rate</u> | <u>Hours</u> | <u>Fees</u> |
|---------------------|--------------|-------------|--------------|-------------------------|
| Paul V. Casuccio | Partner | 795.00 | 2.30 | 1,828.50 |
| Stuart Brotman | Partner | 775.00 | 1.90 | 1,472.50 |
| A. Benitah | Partner | 725.00 | 0.40 | 290.00 |
| Aubrey Kauffman | Partner | 825.00 | 30.70 | 25,327.50 |
| Dylan Chochla | Associate | 410.00 | 7.60 | 3,116.00 |
| Sarah Goodwin | Associate | 410.00 | 0.60 | 246.00 |
| David Steinhauer | Associate | 370.00 | 0.50 | 185.00 |
| Daniel Conrad | Associate | 360.00 | 3.40 | 1,224.00 |
| Natasha De Cicco | Counsel | 575.00 | 17.20 | 9,890.00 |
| Kai C. Kramer | Student | 250.00 | 1.00 | 250.00 |
| | Total | | 65.60 | CAD \$ 43,829.50 |

Matter Number: 300245.00004
 Matter: JSN Jewellery Inc.
 Responsible Professional: Stuart Brotman

| | |
|----------------------------|---------------------|
| Our Fees | \$ 43,829.50 |
| HST | 5,697.84 |
| Total Fees Including Taxes | <u>\$ 49,527.34</u> |

Disbursements

Non-Taxable

| | | |
|----------|--|-------|
| 08/16/16 | Delivery/Courier Expense - Payable to: DHL EXPRESS (CANADA) LTD. YHM0001021561 - | 16.25 |
|----------|--|-------|

Taxable

| | | |
|----------|--|-------|
| 08/08/16 | Tab's Tab's - 08/08/2016 | 3.30 |
| 08/08/16 | Binding Binding - 08/08/2016 | 2.16 |
| 08/10/16 | Telephones Charges Natasha De Cicco - | 2.43 |
| 08/10/16 | Telephones Charges Natasha De Cicco - | 3.47 |
| 08/10/16 | Telephones Charges Natasha De Cicco - | 4.82 |
| 08/10/16 | Telephones Charges Natasha De Cicco - | 5.50 |
| 08/10/16 | Telephones Charges Aubrey Kauffman - Conference | 5.41 |
| 08/10/16 | Telephones Charges Aubrey Kauffman - Conference | 5.59 |
| 08/12/16 | Telephones Charges Aubrey Kauffman - Conference | 2.53 |
| 08/12/16 | Telephones Charges Aubrey Kauffman - Conference | 3.25 |
| 08/16/16 | Lasercopy | 25.00 |
| 08/16/16 | Lasercopy | 0.50 |
| 08/16/16 | Lasercopy | 3.75 |
| 08/16/16 | Lasercopy | 17.00 |
| 08/17/16 | Lasercopy | 2.75 |
| 08/17/16 | Telephones Charges Aubrey Kauffman - Conference | 1.44 |
| 08/17/16 | Telephones Charges Aubrey Kauffman - Conference | 4.32 |
| 08/17/16 | Lasercopy | 3.00 |
| 08/18/16 | Lasercopy | 0.50 |
| 08/18/16 | Lasercopy | 30.75 |
| 08/18/16 | Lasercopy | 0.50 |
| 08/19/16 | Lasercopy | 22.00 |

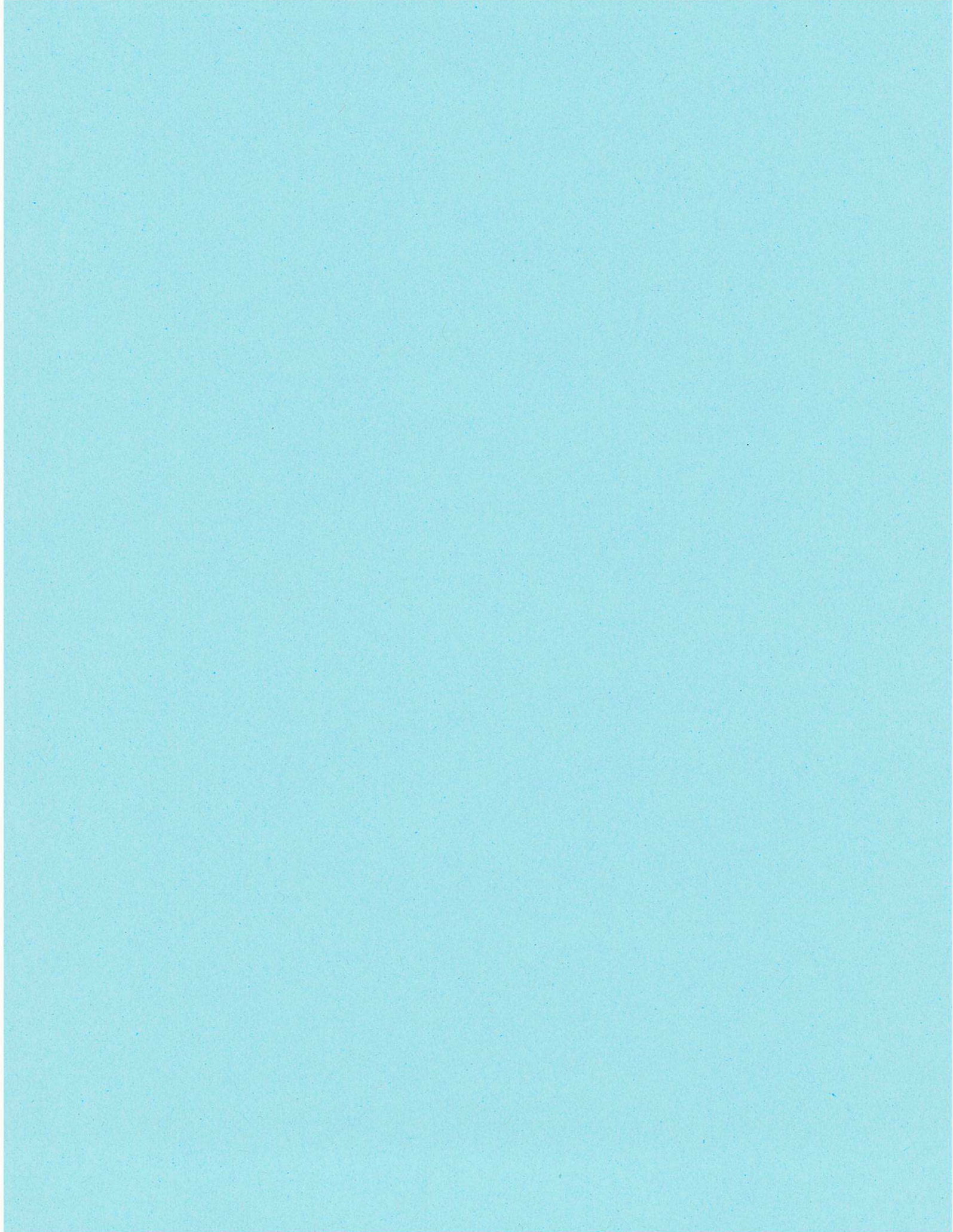
Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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Invoice #: 1047541

| | | | |
|--|-----------|--------|--------------------------------|
| 08/19/16 | Lasercopy | 1.25 | |
| 08/19/16 | Lasercopy | 1.50 | |
| 08/19/16 | Lasercopy | 1.25 | |
| 08/22/16 | Lasercopy | 3.25 | |
| 08/23/16 | Lasercopy | 22.25 | |
| 08/23/16 | Lasercopy | 0.75 | |
| 08/24/16 | Lasercopy | 17.00 | |
| 08/25/16 | Lasercopy | 9.50 | |
| 08/25/16 | Lasercopy | 6.50 | |
| 08/25/16 | Lasercopy | 3.50 | |
| 08/25/16 | Lasercopy | 1.50 | |
| 08/25/16 | Lasercopy | 1.75 | |
| 08/26/16 | Lasercopy | 1.00 | |
| 08/26/16 | Lasercopy | 5.50 | |
| 08/29/16 | Lasercopy | 0.75 | |
| 08/29/16 | Lasercopy | 5.00 | |
| 08/29/16 | Lasercopy | 117.50 | |
| 08/30/16 | Lasercopy | 4.00 | |
| 08/30/16 | Lasercopy | 34.25 | |
| 08/31/16 | Lasercopy | 7.25 | |
| 08/31/16 | Lasercopy | 0.50 | |
| 08/31/16 | Lasercopy | 0.50 | |
| Total Disbursements | | 412.47 | |
| HST | | 51.58 | |
| Total Disbursements Including Taxes | | | 464.05 |
| Total Fees, Disbursements and Taxes | | | <u>CAD \$ 49,991.39</u> |

Tax Summary

| | |
|-----------------------------------|-----------------|
| HST | 5,749.42 |
| Total Taxes Included in This Bill | <u>5,749.42</u> |



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

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

October 21, 2016
Invoice #: 1055767
HST #: 87937 6127 RT0001

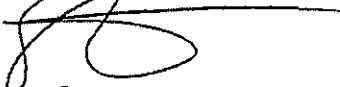
Attention: Clark Lonergan

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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

| | |
|-------------------------------------|--------------------------|
| Total Fees | \$ 95,203.50 |
| Total Disbursements | 2,306.13 |
| Total Taxes | 12,676.36 |
| Total Amount Owing This Bill | CAD \$ 110,185.99 |

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, 4th 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

Fasken Martineau DuMotailin 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

October 21, 2016
Invoice #: 1055767
HST #: 87937 6127 RT0001

Attention: Clark Lonergan

FEE MEMORANDUM

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

| | | | |
|------------|---|-----------|-------------|
| 09/01/2016 | Continuing to draft Receiver's Report and telephone call with Stikemans re Thailand copyright law; Aubrey Kauffman | 3.00 hrs. | \$ 2,475.00 |
| 09/02/2016 | Drafting Receiver's Report; Aubrey Kauffman | 4.50 hrs. | \$ 3,712.50 |
| 09/06/2016 | Review of J. Simpson e mail of September 2, 2016 and drafting response. Review of N. McHaffie e mail of September 6, 2016. Drafting e mail to Baker Mackenzie re Thai IP law opinion. E mail to Alvarez & Marsal re information concerning Sharon Stone; Aubrey Kauffman | 2.40 hrs. | \$ 1,980.00 |
| 09/06/2016 | Meeting with P. Casuccio re research findings on application of RST. Daniel Conrad | 0.20 hrs. | \$ 72.00 |
| 09/06/2016 | Meeting with N. De Cicco re: security review. Dylan Chochla | 0.30 hrs. | \$ 123.00 |
| 09/06/2016 | Office conference with S. Brotman re: security review.; office conference with and instructing D. Chochla re: same. Natasha De Cicco | 0.50 hrs. | \$ 287.50 |
| 09/06/2016 | Considering application of sales taxes; meeting with D. Conrad re same; email to N. De Cicco re same. Paul V. Casuccio | 0.60 hrs. | \$ 477.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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Invoice #: 1055767

| | | | |
|------------|---|-----------|-------------|
| 09/06/2016 | Telephone call with C. Lonergan; E-mail to C. Lonergan regarding proposed distribution and review of security; Exchange of emails with K. Rosenstein; Telephone call with K. Rosenstein; Reviewing materials relating to claimed interest in assets; Exchange of emails with K. Forbes regarding same; Stuart Brotman | 1.20 hrs. | \$ 930.00 |
| 09/07/2016 | Review of FAAN's comments on draft report. Review Stikeman's comments on draft report; Aubrey Kauffman | 0.70 hrs. | \$ 577.50 |
| 09/07/2016 | Reviewing sundry asset bid summary. Natasha De Cicco | 0.30 hrs. | \$ 172.50 |
| 09/07/2016 | Emails with N. De Cicco re HST matters; considering strategy re same. Paul V. Casuccio | 0.40 hrs. | \$ 318.00 |
| 09/08/2016 | Attendance at meeting with Stikemans, Aird & Berlis and client to discuss draft report. Conference call with Alvarez & Marsal and Davies re background facts for receiver's report; Aubrey Kauffman | 3.40 hrs. | \$ 2,805.00 |
| 09/08/2016 | Conference with N. De Cicco; Exchange of emails with L. Podair; Telephone call with C. Lonergan and K. Forbes; Stuart Brotman | 0.90 hrs. | \$ 697.50 |
| 09/09/2016 | Review of e mails sent by Alvarez & Marsal and attachments. E mail re PWC indemnity and confidentiality issue. E mail to A. Zalev re Sharon Stone. Review of Ben Moss CCAA court material. Review of Baker McKenzie e mail with estimate of fees and e mail to client; Aubrey Kauffman | 1.70 hrs. | \$ 1,402.50 |
| 09/09/2016 | Preparing for and participating in a conference call with S. Brotman, L. Podair and J. Divack re: receivership and US security opinion; providing L. Podair and J. Divack with documents and background information re: same; reviewing and commenting on PwC letter re: audit information; telephone call with K. Forbes re: same; email correspondence with C. Lonergan and K. Forbes re: Kiran transaction, IP and purchased assets; voicemail message for Liz Pillon (Stikeman) re: same. Natasha De Cicco | 4.10 hrs. | \$ 2,357.50 |
| 09/09/2016 | Preparation for and attendance on telephone call with US counsel; Stuart Brotman | 0.90 hrs. | \$ 697.50 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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|------------|--|-----------|-------------|
| 09/09/2016 | Reviewing e-mails regarding release of samples and intellectual property; Conference with N. De Cicco regarding same; Brief review of draft Suncor agreement; Call with C. Lonergan; Stuart Brotman | 0.70 hrs. | \$ 542.50 |
| 09/09/2016 | Reviewing PWC non-reliance letter and considering issues regarding same; Telephone call with K. Forbes regarding same; Stuart Brotman | 0.70 hrs. | \$ 542.50 |
| 09/10/2016 | Telephone call with J. Wang re: background, UK security review and other UK legal issues relating to the Unique and sundry asset sale transactions. Natasha De Cicco | 0.50 hrs. | \$ 287.50 |
| 09/10/2016 | Reviewing e-mail from N. De Cicco regarding UK security review; Stuart Brotman | 0.10 hrs. | \$ 77.50 |
| 09/11/2016 | Email to J. Wang re: background and documents re: UK matters. Natasha De Cicco | 0.50 hrs. | \$ 287.50 |
| 09/11/2016 | Reviewing e-mail from N. De Cicco regarding UK security review; Exchange of emails with K. Forbes; Stuart Brotman | 0.20 hrs. | \$ 155.00 |
| 09/12/2016 | Arranging for corporate searches re J.S.N. Jewellery Inc. from D. Chochla; Correspondence re same. Adam Simon | 0.40 hrs. | \$ 60.00 |
| 09/12/2016 | E mails with Thai counsel and K. Rosenstein. Review of D. Sobel comments on draft report; Aubrey Kauffman | 0.80 hrs. | \$ 660.00 |
| 09/12/2016 | Instructions to A. Simon re: corporate searches for security review memorandum; reviewing loan and security documents and drafting memorandum. Dylan Chochla | 3.60 hrs. | \$ 1,476.00 |
| 09/12/2016 | Preparing for and participating in conference call with C. Lonergan, S. Brotman and US counsel re: US security opinion, priority claims and taxes; conference call with C. Lonergan and S. Brotman re: Kiran and sundry asset transaction; email correspondence with L. Podair re: US matters; email correspondence with D. Chochla re: sundry asset transactions and bills of sale. Natasha De Cicco | 1.80 hrs. | \$ 1,035.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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| | | | |
|------------|--|-----------|-------------|
| 09/12/2016 | Attendance on call with C. Lonergan and K. Forbes regarding status of various matters; Attendance on call with US counsel and C. Lonergan; Stuart Brotman | 2.10 hrs. | \$ 1,627.50 |
| 09/12/2016 | Reviewing and revising Paris letter; e-mail to client regarding same; Reviewing draft US counsel engagement letter; Attendance on call with client and US counsel; Telephone call with L. Moher; Call with client regarding PWC letter issues; Composing email to L. Moher; Conference with client regarding sundry asset sales; Conference with N. De Cicco regarding same; Stuart Brotman | 2.40 hrs. | \$ 1,860.00 |
| 09/13/2016 | Correspondence with D. Chochla re corporate searches for GMJ CORPORATION et al.; Organizing and delivering ON PPSA Searches re same. Adam Simon | 0.40 hrs. | \$ 60.00 |
| 09/13/2016 | E mail to Thai lawyer re corporate searches; Aubrey Kauffman | 0.10 hrs. | \$ 82.50 |
| 09/13/2016 | Telephone call with D. Sobel and C. Lonergan to discuss report issues. Revisions to draft report; Aubrey Kauffman | 5.00 hrs. | \$ 4,125.00 |
| 09/13/2016 | Continuing to review security and loan documents and drafting security review memorandum. Dylan Chochla | 8.30 hrs. | \$ 3,403.00 |
| 09/13/2016 | Office conference with S. Brotman re: inventory reconciliation; voicemail message for C. Lonergan re: same; telephone call and email correspondence with K. Forbes re: same; telephone call and email correspondence with H. Murray re: same; emails to US and UK counsel re: US and UK security reviews and related matters. Natasha De Cicco | 2.10 hrs. | \$ 1,207.50 |
| 09/13/2016 | Telephone call with L. Moher; Conference with client regarding same; E-mail to L. Moher; Conferene with N. De Cicco regarding closing matters and security reviews; Stuart Brotman | 0.60 hrs. | \$ 465.00 |
| 09/14/2016 | Further revision to draft report; Aubrey Kauffman | 2.40 hrs. | \$ 1,980.00 |
| 09/14/2016 | Continuing to draft security review memorandum re: Salus security. Dylan Chochla | 4.10 hrs. | \$ 1,681.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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| | | | |
|------------|---|-----------|-------------|
| 09/14/2016 | Drafting Amending Agreement to APA; circulating same to H. Murray (Stikeman); email correspondence with Richter and US counsel on various matter; preparing bills of sale, approval and vesting orders and officer's certificates re: Simplex and Sparkle transactions; telephone call with P. Casuccio re: Canadian taxes. Natasha De Cicco | 3.60 hrs. | \$ 2,070.00 |
| 09/14/2016 | Discussion with N. De Cicco re sales tax matters; follow-up consideration re same. Paul V. Casuccio | 0.30 hrs. | \$ 238.50 |
| 09/14/2016 | Reviewing e-mail and attachment from L. Moher; E-mail to client regarding same; Conference with N. De Cicco regarding security reviews; Reviewing exchange of emails with US counsel; Conference with A. Kauffman regarding Sharon Stone claim; Stuart Brotman | 0.70 hrs. | \$ 542.50 |
| 09/15/2016 | Continuing to draft security review memorandum re: Salus security. Dylan Chochla | 0.60 hrs. | \$ 246.00 |
| 09/15/2016 | Telephone calls and email correspondence with T. Wexler re: UK matters; reviewing and commenting on draft Ontario security review memo; emails with K. Forbes re: sundry asset sales. Natasha De Cicco | 2.90 hrs. | \$ 1,667.50 |
| 09/15/2016 | Discussion with N. De Cicco re cross border asset sale. Wojtek Baraniak | 0.20 hrs. | \$ 120.00 |
| 09/16/2016 | Review of Thai corporate searches and e mails with Baker McKenzie related thereto. Review of draft Thai IP memo and e mails to Stikemans. E mails to client, Aird & Berlis and Stikemans re draft report; Aubrey Kauffman | 1.70 hrs. | \$ 1,402.50 |
| 09/16/2016 | Received instructions from D. Chochla to review IP assets and conducted searches confirming status of assets listed in a Notice of Security interest (supplied); Conducted IP searches for J.N.S. Jewellery, Ben Moss and Forever Jewellery of the Canadian intellectual property databases; Prepared tables summarizing the valid assets and any security interests recorded against them; Drafted reporting email and sent same to D. Chochla. Christelle Gedeon | 3.00 hrs. | \$ 1,305.00 |
| 09/16/2016 | Revising security review memorandum re: Salus security to incorporate comments received from N. De Cicco; instructions to C. Gedeon re: intellectual property searches. Dylan Chochla | 2.20 hrs. | \$ 902.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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| | | | |
|------------|--|-----------|-------------|
| 09/16/2016 | Reviewing, considering and commenting on draft JSN security review memo; telephone call with C. Lonergan re: Kiran transaction and inventory reconciliation; email correspondence with US counsel re: US security opinion and tax issues. Natasha De Cicco | 2.80 hrs. | \$ 1,610.00 |
| 09/17/2016 | E mail to Thai counsel re draft report; Aubrey Kauffman | 0.40 hrs. | \$ 330.00 |
| 09/17/2016 | Reviewing exchange of emails between client and D. Walton; Stuart Brotman | 0.20 hrs. | \$ 155.00 |
| 09/19/2016 | E mails to Baker McKenzie re corporate searches. E mail re transfer pricing information from PWC. Further revision of draft report. E mail to J. Simpson re court appointment; Aubrey Kauffman | 2.60 hrs. | \$ 2,145.00 |
| 09/19/2016 | Continuing to draft memorandum re: review of Salus security to incorporate further comments received from N. De Cicco. Dylan Chochla | 1.30 hrs. | \$ 533.00 |
| 09/19/2016 | Reviewing email from C. Lonergan re: inventory reconciliation and proposed break down of balance of purchase price; considering same; reviewing draft US security opinion; email to T. Wexler re: status of UK security opinion and other matters; telephone call with C. Lonergan re: various matters; preparing to draft and drafting Second Amending Agreement to APA; telephone call and email correspondence with H. Murray re: various post-closing matters; reviewing and considering Simplex's comments on bill of sale and approval and vesting order; email to C. Lonergan re: same; reviewing and commenting on draft Ontario security review memo; email correspondence with US counsel re: various matters; email to Suncor's counsel re: property. Natasha De Cicco | 5.20 hrs. | \$ 2,990.00 |
| 09/19/2016 | Reviewing email from A. Kauffman regarding information request; E-mail to L. Moher (PWC) regarding same; Stuart Brotman | 0.20 hrs. | \$ 155.00 |
| 09/19/2016 | Brief review of draft US security review memorandum; Conference with N. De Cicco; E-mail to L. Moher regarding inquiry; conference with D. Chochla regarding scheduling court hearing for sale approval and preparation for same; Stuart Brotman | 0.80 hrs. | \$ 620.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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|------------|--|-----------|-------------|
| 09/20/2016 | Drafting of experts affidavit for Baker McKenzie. Review of Stikeman's comments on draft report and responding. Attendance on conference call to obtain final comments on draft report. Further revision of draft report; Aubrey Kauffman | 3.10 hrs. | \$ 2,557.50 |
| 09/20/2016 | Corresponding with counsel re: availability for hearing to approve distribution; reviewing service list; reviewing hearing request form for 9:30 hearing. Dylan Chochla | 0.30 hrs. | \$ 123.00 |
| 09/20/2016 | Drafting security review memorandum re: Salus security. Dylan Chochla | 0.90 hrs. | \$ 369.00 |
| 09/20/2016 | Attending to post-closing matters, payment of balance of purchase price and transfer taxes; email exchanges and telephone calls with Richter and Stikeman re: same; telephone calls with US counsel re: draft US security opinion and related matters; conference call with K. Forbes and H. Murray re: purchase price allocation, carve out for 2 UK customers and related matters. Natasha De Cicco | 3.50 hrs. | \$ 2,012.50 |
| 09/20/2016 | Reviewing draft security review memorandum; Reviewing e-mail exchange with US counsel regarding US security opinion; Conference with N. De Cicco; Reviewing e-mail from L. Moher (PWC); E-mail to A. Kauffman regarding same; Stuart Brotman | 1.60 hrs. | \$ 1,240.00 |
| 09/21/2016 | Arranging for certificate of compliance and incorporation re Richter Advisory Group Inc. for N. De Cicco. Adam Simon | 0.20 hrs. | \$ 30.00 |
| 09/21/2016 | Finalization of the Report. E mails with Alvarez & Marsal; E mails with Baker McKenzie. Review of timeline; Aubrey Kauffman | 3.20 hrs. | \$ 2,640.00 |
| 09/21/2016 | Attending to delivery of hearing request form for hearing to approve certain transactions and interim distribution to secured creditors; meeting with S. Brotman and N. De Cicco re: revisions to security review memorandum re: Salus security; revising same to incorporate comments received. Dylan Chochla | 2.30 hrs. | \$ 943.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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|------------|--|-----------|-------------|
| 09/21/2016 | Attending to post-closing matters and payment of balance of the purchase price and transfer taxes; telephone calls and email correspondence with Richter and Stikeman re: same; office conference with S. Brotman and D. Chochla re: Ontario security review memo; office conference with R. Nobrega re: Canadian transfer taxes; revising Simplex bill of sale and approval and vesting order; email to Simplex re: same. Natasha De Cicco | 3.80 hrs. | \$ 2,185.00 |
| 09/21/2016 | Meeting with N. De Cicco; review of Stikeman GST/sales tax client Ronald E. Nobrega | 0.50 hrs. | \$ 462.50 |
| 09/21/2016 | Revising draft letter; e-mail regarding same; Telephone call from C. Lonergan; Meeting with A. Kauffman regarding Utopia/Sharon Stone motion materials; Reviewing e-mails regarding security opinions and transaction issues; Stuart Brotman | 1.70 hrs. | \$ 1,317.50 |
| 09/22/2016 | Correspondence with N. De Cicco and Government of Canada re corporate copies for Richter Advisory Group Inc. Adam Simon | 0.20 hrs. | \$ 30.00 |
| 09/22/2016 | Review of draft opinion letter and telephone call with Stikemans; Aubrey Kauffman | 0.30 hrs. | \$ 247.50 |
| 09/22/2016 | Continuing to revise security review memorandum re: Salus security to incorporate comments received. Dylan Chochla | 2.00 hrs. | \$ 820.00 |
| 09/22/2016 | Numerous emails re: post-closing matters and payment of balance of purchase price; reviewing and commenting on revised draft Ontario security review memo; co-ordinating escrow closing of Simplex transaction; email correspondence re: same. Natasha De Cicco | 1.90 hrs. | \$ 1,092.50 |
| 09/22/2016 | Email on GST issues; meeting with N. De Cicco thereon and email to P. Casuccio. Ronald E. Nobrega | 0.30 hrs. | \$ 277.50 |
| 09/23/2016 | Correspondence with N. De Cicco re RICHTER & PARTNERS; Arranging for Quebec corporate searches re same. Adam Simon | 0.20 hrs. | \$ 30.00 |
| 09/23/2016 | Drafting security review opinion re: Salus security. Dylan Chochla | 0.60 hrs. | \$ 246.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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|------------|---|-----------|-------------|
| 09/23/2016 | Attending to UK security review matters; reviewing and commenting on draft US security opinion and UK security opinion; attending to post-closing matters re: Unique transaction. Natasha De Cicco | 4.00 hrs. | \$ 2,300.00 |
| 09/23/2016 | Email correspondence re: sale of sundry assets to Simplex. Natasha De Cicco | 0.20 hrs. | \$ 115.00 |
| 09/23/2016 | Exchange of emails with C. Lonergan; Reviewing e-mail from UK counsel; Conference with N. De Cicco regarding status of transaction and foreign opinions/advice; Reviewing draft US security opinion; Reviewing draft UK security opinion; Further conference with N. De Cicco regarding same; Stuart Brotman | 1.40 hrs. | \$ 1,085.00 |
| 09/26/2016 | Attending to post-closing matters; telephone call with H. Meredith re: Signet; conference call with C. Lonergan and C. Smith re: Whitpay leases and Signet; finalizing US and UK security opinions; telephone call with L. Podair; telephone call with T. Wexler. Natasha De Cicco | 2.80 hrs. | \$ 1,610.00 |
| 09/26/2016 | Reviewing e-mails regarding tax and transaction issues; Exchange of emails with C. Lonergan regarding draft court report; Conference with N. De Cicco regarding UK security opinion; Reviewing e-mails regarding same; Reviewing and revising draft report; Stuart Brotman | 1.20 hrs. | \$ 930.00 |
| 09/27/2016 | Review of draft experts report and commenting; Aubrey Kauffman | 0.30 hrs. | \$ 247.50 |
| 09/27/2016 | Dictation of Supplement to the First Report; Aubrey Kauffman | 0.40 hrs. | \$ 330.00 |
| 09/27/2016 | Attending at Richter office to notarize documents. David Steinhauer | 0.50 hrs. | \$ 185.00 |
| 09/27/2016 | Email correspondence with Richter re: outstanding matters; email correspondence re: UK taxes; reviewing and commenting on draft second report. Natasha De Cicco | 3.50 hrs. | \$ 2,012.50 |
| 09/27/2016 | Conference with N. De Cicco regarding revisions to report; Stuart Brotman | 0.20 hrs. | \$ 155.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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|------------|--|-----------|-------------|
| 09/28/2016 | Finalization of Supplementary Motion Record. Review of and comment on draft receiver's report re distribution to Salus; Aubrey Kauffman | 0.90 hrs. | \$ 742.50 |
| 09/28/2016 | Reviewing revised draft second report; finalizing UK and US opinions; attending to UK matters; attending to post-closing matters; reviewing and commenting on draft auction agreement; circulating same. Natasha De Cicco | 4.30 hrs. | \$ 2,472.50 |
| 09/28/2016 | Reviewing and revising draft report; exchange of emails with C. Lonergan; reviewing revised draft US and UK security opinions and related memoranda; responding to questions regarding same; meeting with C. Lonergan; preparing draft order; Stuart Brotman | 2.70 hrs. | \$ 2,092.50 |
| 09/29/2016 | Engaged in telephone conference with N. De Cicco re: [REDACTED] in connection with sale of fixtures and display cases [REDACTED] [REDACTED]; engaged revising draft e-mail received from N. De Cicco; A. Benitah | 0.30 hrs. | \$ 217.50 |
| 09/29/2016 | Engaged in finalizing and serving motion record returnable October 6, 2016. Natasha De Cicco | 4.50 hrs. | \$ 2,587.50 |
| 09/29/2016 | Drafting auction approval order; email to client regarding same; reviewing revised security opinion and security review memorandum; conference with N. De Cicco regarding same; drafting notice of motion; attendance on call with client to review draft report; reviewing and revising draft approval and vesting orders; instructions regarding service list and compilation of court record; exchange of emails with S. Babe; reviewing court record; instructing assistant regarding service; Stuart Brotman | 4.40 hrs. | \$ 3,410.00 |
| 09/30/2016 | Attending to service by courier of motion record. Dylan Chochla | 0.30 hrs. | \$ 123.00 |
| 09/30/2016 | Attendance on call with client and Aird & Berlis regarding [REDACTED]; Stuart Brotman | 0.30 hrs. | \$ 232.50 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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Professional Summary

| <u>Professional</u> | <u>Title</u> | <u>Rate</u> | <u>Hours</u> | <u>Fees</u> |
|---------------------|--------------|-------------|--------------|------------------|
| Ronald E. Nobrega | Partner | 925.00 | 0.80 | 740.00 |
| Paul V. Casuccio | Partner | 795.00 | 1.30 | 1,033.50 |
| Stuart Brotman | Partner | 775.00 | 25.20 | 19,530.00 |
| A. Benitah | Partner | 725.00 | 0.30 | 217.50 |
| Aubrey Kauffman | Partner | 825.00 | 36.90 | 30,442.50 |
| Wojtek Baraniak | Partner | 600.00 | 0.20 | 120.00 |
| Christelle Gedeon | Associate | 435.00 | 3.00 | 1,305.00 |
| Dylan Chochla | Associate | 410.00 | 26.80 | 10,988.00 |
| David Steinhauer | Associate | 370.00 | 0.50 | 185.00 |
| Daniel Conrad | Associate | 360.00 | 0.20 | 72.00 |
| Natasha De Cicco | Counsel | 575.00 | 52.80 | 30,360.00 |
| Adam Simon | Paralegal | 150.00 | 1.40 | 210.00 |
| | Total | | 149.40 | CAD \$ 95,203.50 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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| | |
|----------------------------|----------------------|
| Our Fees | \$ 95,203.50 |
| HST | 12,376.46 |
| Total Fees Including Taxes | <u>\$ 107,579.96</u> |

Disbursements

Taxable

| | | |
|----------|---|--------|
| 09/01/16 | Lasercopy | 3.50 |
| 09/01/16 | Lasercopy | 0.50 |
| 09/02/16 | Lasercopy | 16.00 |
| 09/06/16 | Lasercopy | 5.75 |
| 09/07/16 | Lasercopy | 16.75 |
| 09/07/16 | Lasercopy | 7.50 |
| 09/08/16 | Lasercopy | 4.00 |
| 09/08/16 | Lasercopy | 8.50 |
| 09/09/16 | Lasercopy | 19.00 |
| 09/09/16 | Lasercopy | 23.75 |
| 09/09/16 | Lasercopy | 1.50 |
| 09/12/16 | Lasercopy | 277.75 |
| 09/12/16 | Lasercopy | 5.50 |
| 09/12/16 | Lasercopy | 0.25 |
| 09/12/16 | Lasercopy | 3.00 |
| 09/12/16 | Telephones Charges Natasha De Cicco - | 5.05 |
| 09/12/16 | Telephones Charges Natasha De Cicco - | 2.93 |
| 09/12/16 | Articles/Filing Fees J.S.N. JEWELLERY INC. - | 15.00 |
| 09/12/16 | Articles/Filing Fees J.S.N. JEWELLERY INC. - | 125.00 |
| 09/12/16 | Articles/Filing Fees ALWAYS & FOREVER FAMILY | 260.00 |
| 09/13/16 | Articles/Filing Fees 2373138 ONTARIO INC. - DTD | 488.00 |
| 09/13/16 | Lasercopy | 2.25 |
| 09/13/16 | Lasercopy | 8.25 |
| 09/13/16 | Lasercopy | 14.25 |
| 09/13/16 | Lasercopy | 10.25 |
| 09/14/16 | Lasercopy | 9.75 |
| 09/14/16 | Lasercopy | 1.50 |
| 09/14/16 | Lasercopy | 32.75 |
| 09/14/16 | Lasercopy | 8.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

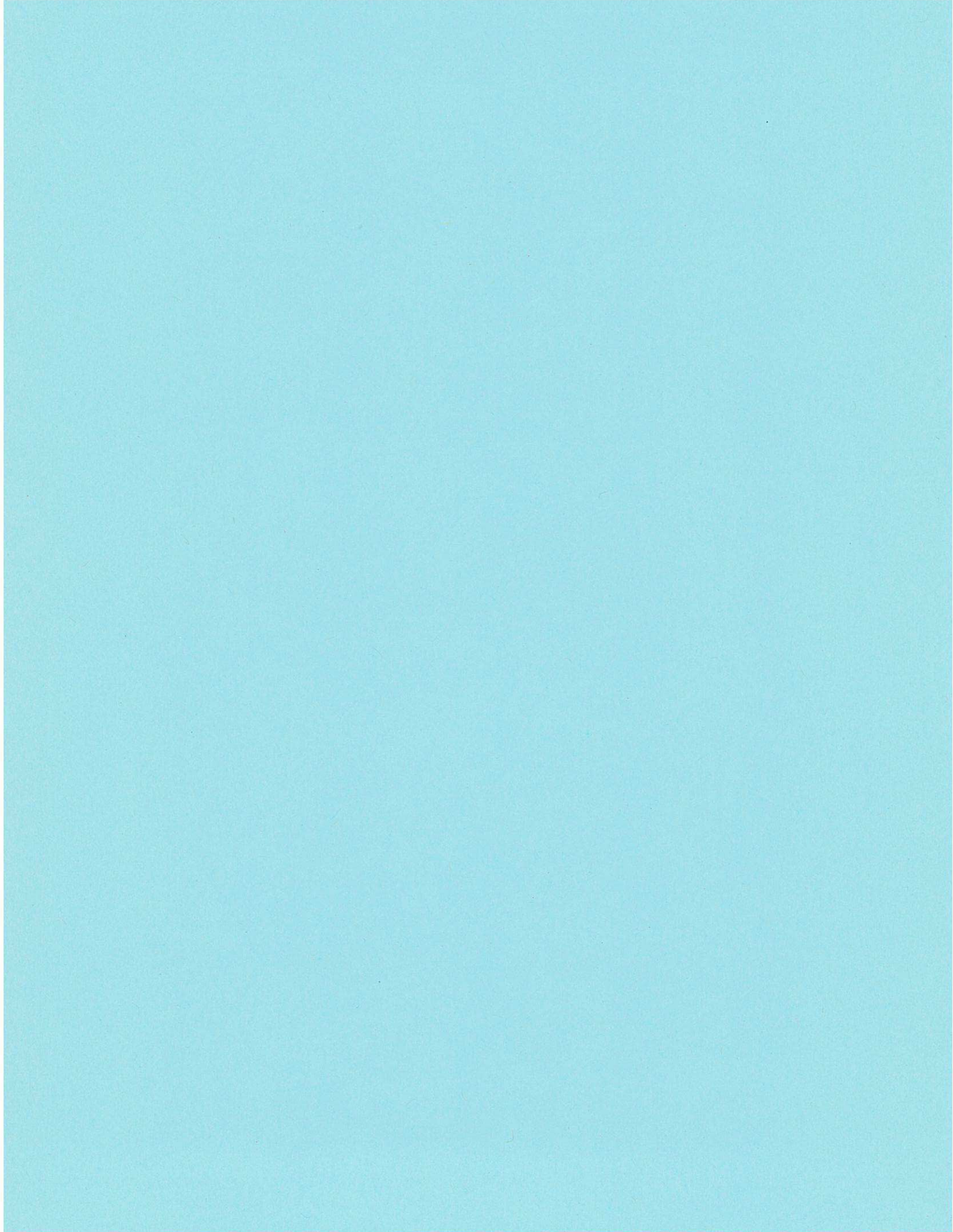
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| | | |
|----------|--|--------|
| 09/14/16 | Lasercopy | 2.50 |
| 09/15/16 | Lasercopy | 1.00 |
| 09/15/16 | Articles/Filing Fees BEN MOSS JEWELLERS WESTERN | 63.00 |
| 09/16/16 | Lasercopy | 1.75 |
| 09/16/16 | Lasercopy | 1.50 |
| 09/16/16 | Lasercopy | 2.75 |
| 09/19/16 | Lasercopy | 29.00 |
| 09/19/16 | Lasercopy | 6.50 |
| 09/19/16 | Lasercopy | 13.25 |
| 09/20/16 | Telephones Charges Aubrey Kauffman - Conference | 3.65 |
| 09/20/16 | Telephones Charges Aubrey Kauffman - Conference | 6.80 |
| 09/20/16 | Telephones Charges Aubrey Kauffman - Conference | 1.17 |
| 09/20/16 | Telephones Charges Aubrey Kauffman - Conference | 3.65 |
| 09/20/16 | Telephones Charges Aubrey Kauffman - Conference | 0.63 |
| 09/20/16 | Lasercopy | 4.25 |
| 09/20/16 | Lasercopy | 7.50 |
| 09/20/16 | Lasercopy | 1.25 |
| 09/21/16 | Photocopies Photocopies 9885 COPYROOM copies | 0.50 |
| 09/21/16 | Lasercopy | 10.75 |
| 09/21/16 | Lasercopy | 12.50 |
| 09/21/16 | Lasercopy | 18.50 |
| 09/22/16 | Lasercopy | 56.75 |
| 09/22/16 | Lasercopy | 21.75 |
| 09/22/16 | Lasercopy | 9.25 |
| 09/22/16 | Photocopies Photocopies Aubrey Kauffman copies | 119.50 |
| 09/23/16 | Lasercopy | 0.25 |
| 09/23/16 | Lasercopy | 14.50 |
| 09/23/16 | Lasercopy | 1.50 |
| 09/23/16 | Photocopies Photocopies Dylan Chochla copies | 3.00 |
| 09/23/16 | Articles/Filing Fees RICHTER & PARTNERS - DTD | 42.00 |
| 09/26/16 | Lasercopy | 8.25 |
| 09/26/16 | Lasercopy | 6.00 |
| 09/27/16 | Lasercopy | 9.50 |
| 09/27/16 | Lasercopy | 19.50 |
| 09/28/16 | Lasercopy | 8.75 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

| | | | |
|----------|--|----------|---------------------------------|
| 09/28/16 | Lasercopy | 3.50 | |
| 09/28/16 | Lasercopy | 4.50 | |
| 09/28/16 | Document Scan Scan job sent to | 4.50 | |
| 09/29/16 | Lasercopy | 86.25 | |
| 09/29/16 | Lasercopy | 2.00 | |
| 09/29/16 | Lasercopy | 7.75 | |
| 09/29/16 | Lasercopy | 0.50 | |
| 09/29/16 | Photocopies Photocopies Stuart Brotman copies | 275.00 | |
| 09/30/16 | Lasercopy | 3.00 | |
| 09/30/16 | Process Server Fee - Payable to: RELIABLE | 30.00 | |
| | Total Disbursements | 2,306.13 | |
| | HST | 299.90 | |
| | Total Disbursements Including Taxes | | 2,606.03 |
| | Total Fees, Disbursements and Taxes | | <u>CAD \$ 110,185.99</u> |

| | | |
|-----------------------------------|--|------------------|
| Tax Summary | | |
| HST | | 12,676.36 |
| Total Taxes Included in This Bill | | <u>12,676.36</u> |



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

November 23, 2016
Invoice #: 1065092
HST #: 87937 6127 RT0001

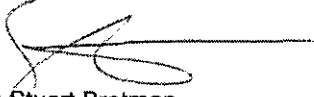
Attention: Clark Lonergan

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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

| | |
|-------------------------------------|-------------------------|
| Total Fees | \$ 28,267.00 |
| Total Disbursements | 519.66 |
| Total Taxes | 3,739.90 |
| Total Amount Owing This Bill | CAD \$ 32,526.56 |

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, 4th 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

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

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

November 23, 2016
Invoice #: 1065092
HST #: 87937 6127 RT0001

Attention: Clark Lonergan

FEE MEMORANDUM

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

| | | | |
|------------|--|-----------|-------------|
| 09/20/2016 | Emails with N. De Cicco and Stikeman re tax matters. Paul V. Casuccio | 0.50 hrs. | \$ 397.50 |
| 09/21/2016 | Emails with R. Nobrega and N. De Cicco re tax matters. Paul V. Casuccio | 0.20 hrs. | \$ 159.00 |
| 09/22/2016 | Emails with N. De Cicco and Stikemans re tax reps and inventory. Paul V. Casuccio | 0.60 hrs. | \$ 477.00 |
| 09/23/2016 | Emails with Stikemans re tax reps and inventory; review of same reps. Paul V. Casuccio | 0.30 hrs. | \$ 238.50 |
| 09/26/2016 | Email to N. De Cicco. Paul V. Casuccio | 0.20 hrs. | \$ 159.00 |
| 10/03/2016 | Reviewing confidential appendices for filing with the Court; reviewing and considering National Leasing leases and emails from Whitpay representative; advising Richter re: same; reviewing and considering email from J. Csontos; advising Richter re: same; email to K. Rosenstein re: same; attending to US, Canadian and UK tax matters re: sundry asset transactions; drafting direction, undertaking and indemnity re: same. Natasha De Cicco | 3.10 hrs. | \$ 1,782.50 |
| 10/04/2016 | Review of documents re Sharon Stone sent by Thai lawyer and e mail to client; Aubrey Kauffman | 0.30 hrs. | \$ 247.50 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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Invoice #: 1065092

| | | | |
|------------|---|-----------|-------------|
| 10/04/2016 | Telephone call with P. Casuccio re: Canadian tax matters; revising closing documents re: Sundry Asset Transactions; circulating same; email to the Receiver re: US, UK and Canadian transfer taxes in connection with Sundry Asset Transactions. Natasha De Cicco | 2.10 hrs. | \$ 1,207.50 |
| 10/04/2016 | Considering HST matters; messages with N. De Cicco re same; call with same; email with same; drafting amendments to Undertaking and Indemnity documents; drafting email for client re [REDACTED] Paul V. Casuccio | 1.10 hrs. | \$ 874.50 |
| 10/05/2016 | E mail with court office re hearing date; Aubrey Kauffman | 0.20 hrs. | \$ 165.00 |
| 10/05/2016 | Preparing court materials for sale approval hearing. Dylan Chochia | 0.40 hrs. | \$ 164.00 |
| 10/05/2016 | Attending to various matters re: sundry asset transactions; telephone call with Sparkle Gems and counsel re: various closing matters including escrow conditions; revising and circulating closing documents re: same; email exchanges with Richter re: same. Natasha De Cicco | 2.40 hrs. | \$ 1,380.00 |
| 10/06/2016 | Telephone call to L. Pillion; Aubrey Kauffman | 0.20 hrs. | \$ 165.00 |
| 10/06/2016 | Engaged in closing sundry asset transactions. Natasha De Cicco | 1.50 hrs. | \$ 862.50 |
| 10/07/2016 | Telephone call with L. Pillion. E mails with counsel re delivery of Reply material. E mail to J. Simpson; Aubrey Kauffman | 0.50 hrs. | \$ 412.50 |
| 10/07/2016 | Reading email from N. De Cicco regarding Kimberley certificate; considering issue of responsibility for certificate. Clifford Sosnow | 0.40 hrs. | \$ 346.00 |
| 10/11/2016 | Review of M. Spence e mail re timing of motion. Telephone call to L. Pillion; Aubrey Kauffman | 0.20 hrs. | \$ 165.00 |
| 10/11/2016 | Analysis of legislation and regulations in light of situation; providing views and issues to N. De Cicco. Clifford Sosnow | 0.80 hrs. | \$ 692.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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| | | | |
|------------|--|-----------|-------------|
| 10/11/2016 | Phone call with N. De Cicco re: receiver's certificates; reviewing same; instructions to K. Kramer re: filing same. Dylan Chochla | 0.30 hrs. | \$ 123.00 |
| 10/11/2016 | Telephone calls with C. Sosnow, R. Shirriff and R. Gashinski re: sale of rough diamonds and KP certificates; telephone call with S. Brotman re: same; telephone call with K. Forbes re: various matters. Natasha De Cicco | 2.90 hrs. | \$ 1,667.50 |
| 10/11/2016 | Conference with N. De Cicco regarding rough diamond export issues; Stuart Brotman | 0.20 hrs. | \$ 155.00 |
| 10/12/2016 | Attempted filing of Receivership certificates with commercial list. Kai C. Kramer | 0.50 hrs. | \$ 125.00 |
| 10/12/2016 | Telephone call with Anna at National Leasing; drafting direction, release and indemnity re: National Leasing; drafting receipt, release and indemnity re: Whitpay; email correspondence with K. Forbes re: same; co-ordinating filing of receiver's certificates re: sundry asset transactions and circulating same. Natasha De Cicco | 2.00 hrs. | \$ 1,150.00 |
| 10/13/2016 | Review of e mail from Stikeman re settlement of Sharon Stone claim. Telephone call with L. Pillion. Reporting e mail to client; Aubrey Kauffman | 0.50 hrs. | \$ 412.50 |
| 10/13/2016 | Filed Receivership certificates with commercial list. Kai C. Kramer | 1.00 hrs. | \$ 250.00 |
| 10/13/2016 | Preparing for and participating in telephone call with H. Meredith re: Signet claim; telephone call with K. Forbes re: same; email to K. Forbes re: Sparkle Gems transaction; reviewing and commenting on draft email to purchaser re: KP certificates. Natasha De Cicco | 1.70 hrs. | \$ 977.50 |
| 10/13/2016 | Conferences with N. De Cicco regarding status of rough diamond issue; Stuart Brotman | 0.30 hrs. | \$ 232.50 |
| 10/13/2016 | Reviewing draft correspondence regarding rough diamond matter and removal of same from premises; E-mail to N. De Cicco regarding same; Stuart Brotman | 0.20 hrs. | \$ 155.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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Invoice #: 1065092

| | | | |
|------------|--|-----------|-------------|
| 10/14/2016 | Prepare for scheduling hearing. Review of e mails dealing with settlement and draft settlement documents. Commenting on draft settlement documents; Aubrey Kauffman | 1.00 hrs. | \$ 825.00 |
| 10/14/2016 | Email from N. De Cicco regarding Kimberley Process certificate and application of law to polished diamonds; drafting email setting out provisions confirming government understanding on scope of Kimberley Process certificates. Clifford Sosnow | 0.60 hrs. | \$ 519.00 |
| 10/14/2016 | Telephone call with D. Sobel re: Signet; telephone calls and email correspondence with K. Forbes and C. Smith re: Sparkle Gems and KP certificate; revising draft email re: same. Natasha De Cicco | 1.80 hrs. | \$ 1,035.00 |
| 10/14/2016 | Conference with N. De Cicco regarding rough diamonds and export certificate issues; Reviewing exchange of emails with client regarding same; Stuart Brotman | 0.30 hrs. | \$ 232.50 |
| 10/17/2016 | Attendance at court at scheduling hearing; Aubrey Kauffman | 1.10 hrs. | \$ 907.50 |
| 10/17/2016 | Email exchanges with S. Brotman, C. Lonergan, K. Forbes and C. Smith re: Sparkle Gems and KP Certificate; reviewing and considering Export and Import of Rough Diamonds Act; reply email to Signet re: Unique transaction and terms of the approval and vesting order and the interim distribution order; email to C. Lonergan re: Unique and outstanding VAT. Natasha De Cicco | 1.60 hrs. | \$ 920.00 |
| 10/19/2016 | E-mail to D. Sobel regarding rough diamonds issue; Reviewing reply; E-mail to diamond purchaser regarding same; Telephone call from N. Manzoor; Stuart Brotman | 0.60 hrs. | \$ 465.00 |
| 10/20/2016 | E mails re settlement of Sharon Stone claim. Review revised settlement proposal and commenting; Aubrey Kauffman | 0.50 hrs. | \$ 412.50 |
| 10/20/2016 | Office conference with S. Brotman re: auction; reviewing and revising draft invoice re: Sparkle Gems. Natasha De Cicco | 0.50 hrs. | \$ 287.50 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

| | | | |
|------------|---|-----------|-----------|
| 10/20/2016 | Reviewing and responding to email from C. Smith regarding rough diamonds; Reviewing further emails regarding same; Attendance on call with client and purchaser regarding same; Telephone call with C. Lonergan; Stuart Brotman | 0.80 hrs. | \$ 620.00 |
| 10/21/2016 | Telephone call with Aird & Berlis to discuss Sharon Stone settlement issues; Aubrey Kauffman | 0.30 hrs. | \$ 247.50 |
| 10/21/2016 | Telephone call from C. Lonergan regarding property retrieval; Stuart Brotman | 0.40 hrs. | \$ 310.00 |
| 10/23/2016 | Review of various drafts of the Sharon Stone settlement agreement and commenting. Various e mails to counsel; Aubrey Kauffman | 1.00 hrs. | \$ 825.00 |
| 10/23/2016 | Conference with C. Lonergan; Reviewing emails regarding Chisolm; Stuart Brotman | 0.20 hrs. | \$ 155.00 |
| 10/24/2016 | Follow up e mails re settlement;. Review of revised documents Aubrey Kauffman | 0.40 hrs. | \$ 330.00 |
| 10/24/2016 | Conference with A. Kauffman; conference with N. De Cicco regarding release of leased equipment; telephone call with C. Lonergan; Stuart Brotman | 0.40 hrs. | \$ 310.00 |
| 10/25/2016 | Review of revised Sharon Stone Settlement Agreement and commenting; Aubrey Kauffman | 0.20 hrs. | \$ 165.00 |
| 10/25/2016 | Telephone call with C. Lonergan re: National Leasing. Natasha De Cicco | 0.30 hrs. | \$ 172.50 |
| 10/25/2016 | Reviewing e-mail regarding requested release of leased equipment; Reviewing e-mail from C. Lonergan; Telephone call with C. Lonergan; Revising draft letter to counsel for Richview; Stuart Brotman | 0.60 hrs. | \$ 465.00 |
| 10/26/2016 | Telephone call and email to with H. Murray re: Unique UK VAT; email correspondence re: National Leasing leases; reviewing document package re: lease of gold testing equipment; email to Richter re: same. Natasha De Cicco | 0.80 hrs. | \$ 460.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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Invoice #: 1065092

| | | | |
|------------|---|-----------|-----------|
| 10/26/2016 | Reviewing e-mail from C. Lonergan regarding status update; Telephone call with C. Lonergan; Stuart Brotman | 0.20 hrs. | \$ 155.00 |
| 10/26/2016 | Revising letter to counsel for Richview; e-mail to client regarding same; Reviewing client comments on same; Finalizing letter; Conference with N. De Cicco regarding leased property; Reviewing exchange of emails regarding same; Reviewing exchange of emails regarding purchase price allocation; Reviewing message from counsel for Richview; E-mail to client regarding same; Stuart Brotman | 0.90 hrs. | \$ 697.50 |
| 10/27/2016 | Review of e mails with amendments to settlement documents. E mail re Dismissal Order; Aubrey Kauffman | 0.50 hrs. | \$ 412.50 |
| 10/27/2016 | Reviewing drafting email re: leased equipment; email correspondence re: UK VAT matters; telephone call with C. Lonergan re: leased equipment and numerous issues; revising form of release and indemnity; drafting email re: same. Natasha De Cicco | 1.50 hrs. | \$ 862.50 |
| 10/27/2016 | Reviewing exchange of emails regarding Sharon Stone settlement; Reviewing exchange of emails regarding purchase price allocation; Reviewing letter from A. Davis and attached sworn declaration; E-mail to C. Lonergan regarding same; Stuart Brotman | 0.40 hrs. | \$ 310.00 |
| 10/28/2016 | Telephone call with client re [REDACTED] and re distribution. E mail to counsel re status of settlement documents; Aubrey Kauffman | 0.40 hrs. | \$ 330.00 |
| 10/28/2016 | Email correspondence re: Suncor. Natasha De Cicco | 0.30 hrs. | \$ 172.50 |
| 10/28/2016 | Reviewing and revising draft email to C. Eisnor re: leased equipment; revising and revising form of release; email to client re: same. Natasha De Cicco | 0.30 hrs. | \$ 172.50 |
| 10/28/2016 | Conference with A. Kauffman regarding distribution; Reviewing exchange of emails regarding Sharon Stone claim settlement; Reviewing exchange of emails regarding Suncor claim; Stuart Brotman | 0.30 hrs. | \$ 232.50 |
| 10/31/2016 | Email to J. Wong re: UK VAT. Natasha De Cicco | 0.20 hrs. | \$ 115.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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Invoice #: 1065092

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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Invoice #: 1065092

Professional Summary

| <u>Professional</u> | <u>Title</u> | <u>Rate</u> | <u>Hours</u> | <u>Fees</u> |
|---------------------|--------------|-------------|--------------|-------------------------|
| Clifford Sosnow | Partner | 865.00 | 1.80 | 1,557.00 |
| Paul V. Casuccio | Partner | 795.00 | 2.90 | 2,305.50 |
| Stuart Brotman | Partner | 775.00 | 5.80 | 4,495.00 |
| Aubrey Kauffman | Partner | 825.00 | 7.30 | 6,022.50 |
| Dylan Chochla | Associate | 410.00 | 0.70 | 287.00 |
| Natasha De Cicco | Counsel | 575.00 | 23.00 | 13,225.00 |
| Kai C. Kramer | Student | 250.00 | 1.50 | 375.00 |
| | Total | | <u>43.00</u> | <u>CAD \$ 28,267.00</u> |

Matter Number: 300245.00004
 Matter: JSN Jewellery Inc.
 Responsible Professional: Stuart Brotman

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 Invoice #: 1065092

| | |
|----------------------------|---------------------|
| Our Fees | \$ 28,267.00 |
| HST | 3,674.71 |
| Total Fees Including Taxes | <u>\$ 31,941.71</u> |

Disbursements

Non-Taxable

| | | |
|----------|---|-------|
| 10/11/16 | Delivery/Courier Expense - Payable to: DHL EXPRESS (CANADA) LTD. Express WWIDE DOC. Inv#YHM0001053324 11/10/16 | 18.29 |
|----------|---|-------|

Taxable

| | | |
|----------|--|-------|
| 09/12/16 | Binding Binding - 12/09/2016 | 1.24 |
| 09/12/16 | Tabs Tabs - 12/09/2016 | 4.62 |
| 09/30/16 | Tabs Tabs - 30/09/2016 | 8.47 |
| 09/30/16 | Binding Binding - 30/09/2016 | 3.22 |
| 10/03/16 | Binding Binding - 03/10/2016 | 0.84 |
| 10/03/16 | Photocopies Photocopies Stuart Brotman copies | 20.25 |
| 10/03/16 | Lasercopy | 11.00 |
| 10/03/16 | Lasercopy | 8.00 |
| 10/03/16 | Delivery/Courier Expense UM - HER MAJESTY THE | 2.00 |
| 10/03/16 | Delivery/Courier Expense UM - PAXCE SAVINGS & | 10.99 |
| 10/04/16 | Lasercopy | 2.25 |
| 10/04/16 | Lasercopy | 1.00 |
| 10/04/16 | Lasercopy | 0.25 |
| 10/05/16 | Lasercopy | 2.25 |
| 10/05/16 | Lasercopy | 49.00 |
| 10/05/16 | Lasercopy | 3.00 |
| 10/06/16 | Lasercopy | 15.50 |
| 10/06/16 | Lasercopy | 9.75 |
| 10/06/16 | Lasercopy | 2.50 |
| 10/12/16 | Lasercopy | 1.00 |
| 10/12/16 | Lasercopy | 4.50 |
| 10/14/16 | Lasercopy | 3.00 |
| 10/14/16 | Lasercopy | 1.75 |
| 10/19/16 | Lasercopy | 0.25 |
| 10/20/16 | Telephone Charges - Payable to: DE CICCO, | 22.50 |
| 10/21/16 | Process Server Fee - Payable to: | 70.00 |

Matter Number: 300245.00004
Matter: JSN Jewellery Inc.
Responsible Professional: Stuart Brotman

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Invoice #: 1065092

| | | | |
|----------|---|--------|--------------------------------|
| | RELIABLE | | |
| 10/21/16 | Process Server Fee - Payable to: RELIABLE | 30.00 | |
| 10/21/16 | Process Server Fee - Payable to: RELIABLE | 177.39 | |
| 10/21/16 | Lasercopy | 0.25 | |
| 10/24/16 | Lasercopy | 0.75 | |
| 10/26/16 | Lasercopy | 16.00 | |
| 10/26/16 | Lasercopy | 5.25 | |
| 10/26/16 | Delivery/Courier Expense UM - MR ABRAHAM BARRY | 6.85 | |
| 10/27/16 | Lasercopy | 5.75 | |
| | Total Disbursements | 519.66 | |
| | HST | 65.19 | |
| | Total Disbursements Including Taxes | | 584.85 |
| | Total Fees, Disbursements and Taxes | | <u>CAD \$ 32,526.56</u> |

Tax Summary

| | |
|-----------------------------------|-----------------|
| HST | 3,739.90 |
| Total Taxes Included in This Bill | <u>3,739.90</u> |

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

**AFFIDAVIT OF STUART BROTMAN
(Affirmed November 25, 2016)**

FASKEN MARTINEAU DUMOULIN LLP

Barristers and Solicitors
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Stuart Brotman (LSUC# 43430D)

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Dylan Chochla (LSUC# 62137I)

Tel: 416 868 3425
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dchochla@fasken.com

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

Tab E

TAB E
CONFIDENTIAL APPENDIX 1

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

**MOTION RECORD OF RICHTER ADVISORY
GROUP INC., IN ITS CAPACITY AS THE
COURT-APPOINTED RECEIVER**

**(Re: Summary Judgment, Interim Distribution
and Fee Approval)**

FASKEN MARTINEAU DUMOULIN LLP

Barristers and Solicitors
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Stuart Brotman (LSUC# 43430D)

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Fax: 416 364 7813
dchochla@fasken.com

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