

Notice and Statement of the Receiver
(Subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*)

**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.**

The Receiver gives notice and declares that:

1. By 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**”), Richter Advisory Group Inc. (“**Richter**”) was appointed receiver (the “**Receiver**”) in respect of all the assets, undertakings and properties (the “**Property**”) of J.S.N Jewellery Inc. (“**JSN Inc.**”), J.S.N. Jewellery UK Limited (“**JSN UK**”), GMJ Corp. (“**GMJ**”), 2373138 Ontario Inc. (“**237**”), Always & Forever Family Collection Incorporated (“**A&F**”) and P.M.R. Inc (“**PMR**”, and collectively with JSN Inc. JSN UK, GMJ, 237 and A&F, “**JSN**” or the “**Company**”), pursuant to section 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.
2. On the Date of Appointment, the Receiver took possession of certain of the Property as outlined below. According to the Company’s most recent internal, unaudited, financial statements as at August 16, 2016, the Property consisted of the following:

J.S.N. Jewellery Inc.	
Assets	Net Book Value (CAD \$000s)
Cash and Cash Equivalents	284
Accounts Receivable	2,432
Prepaid Expenses	364
Loan Receivable (Related Party)	46,845
Deferred Financing Costs	391
Employee Loans	168
Inventory	11,178
Consignment Inventory	2,778
Investment in UK Subsidiary	3,137
Fixed Assets	163
Total	67,740

Note: The above amounts represent book values of JSN Inc.’s assets as detailed in JSN Inc.’s book and records and do not necessarily represent sale or liquidation values. Additionally, the above amounts exclude intercompany balances between parties subject to the Receivership Order. Any USD denoted assets have been converted to CAD at an FX rate of 1.2862.



J.S.N. Jewellery UK Limited

Assets	Net Book Value (CAD \$000s)
Cash and Cash Equivalents	24
Accounts Receivable	5,289
Loan Receivable (Related Party)	6,525
Prepaid Expenses	43
Inventory	348
Consignment Inventory	284
Fixed Assets	56
Total	12,569

Note: As noted below, the Receiver has not taken possession of any of the JSN UK assets. The above amounts represent book values of the JSN UK assets as detailed in JSN UK's book and records and do not necessarily represent sale or liquidation values. Additionally, the above amounts exclude intercompany balances between parties subject to the Receivership Order. Any GBP or USD denoted assets have been converted to CAD at FX rates of 1.6743 and 1.2862, respectively.

GMJ Corp.

Assets	Net Book Value (CAD \$000s)
Accounts Receivable	1,424
Loan Receivable (Related Party)	2
Consignment Inventory	6,529
Total	7,955

Note: The above amounts represent book values of the GMJ assets as detailed in GMJ's book and records and do not necessarily represent sale or liquidation values. Additionally, the above amounts exclude intercompany balances between parties subject to the Receivership Order. Assets denoted in USD as per GMJ's books and records have been converted to CAD at an FX rate of 1.2862.

2373138 Ontario Inc.

Assets	Net Book Value (CAD \$000s)
Total	Nil

Note: The above amounts represent book values of the 237 assets as detailed in 237's book and records. Additionally, the above amounts exclude intercompany balances between parties subject to the Receivership Order.

Always & Forever Family Collection Incorporated

Assets	Net Book Value (CAD \$000s)
Cash and Cash Equivalents	8
Accounts Receivable	168
Loan Receivable (Related Party)	352
Total	528

Note: The above amounts represent book values of A&F's assets as detailed in the A&F book and records and do not necessarily represent sale or liquidation values. Additionally, the above amounts exclude intercompany balances between parties subject to the Receivership Order.

P.M.R. Inc.

Assets	Net Book Value (CAD \$000s)
Cash and Cash Equivalents	1
Accounts Receivable	376
Inventory	1,128
Fixed Assets	2
Total	1,507

Note: The above amounts represent book values of PMR's assets as detailed in PMR's book and records and do not necessarily represent sale or liquidation values. Additionally, the above amounts exclude intercompany balances between parties subject to the Receivership Order. Assets denoted in USD as per PMR's books and records have been converted to CAD at an FX rate of 1.2862.

3. The following information relates to the receivership:

(a) Address of insolvent persons:

J.S.N Jewellery Inc.
2373138 Ontario Inc.
Always & Forever Family Collection Incorporated
P.M.R. Inc.
64 Jardin Drive, Unit 4-10
Concord, Ontario, Canada
L4K 3P3

GMJ Corp.
18801 N Thompson Peak Parkway, Unit 235
Scottsdale, Arizona, USA
85255

J.S.N. Jewellery UK Limited
Unit 10 Building 2
Cannonbury Y. 190 A
New North Road, Islington N 17 BJ
London, United Kingdom

(b) Principal lines of business:
Jewellery wholesale and manufacturing. Precious metal, jewellery and gemstone recovery.

(c) Location(s) of business:

J.S.N Jewellery Inc.
2373138 Ontario Inc.
Always & Forever Family Collection Incorporated
P.M.R. Inc.
64 Jardin Drive, Unit 4-10
Concord, Ontario, Canada
L4K 3P3

GMJ Corp.
18801 N Thompson Peak Parkway, Unit 235
Scottsdale, Arizona, USA
85255

J.S.N. Jewellery UK Limited
Unit 10 Building 2
Cannonbury Y. 190 A
New North Road, Islington N 17 BJ
London, United Kingdom

- (d) The estimated amounts owed, as at August 16, 2016, by the Company to each creditor who holds security on the Property described above, pursuant to the Company's books and records and a search of the Personal Property Security Registration System (Ontario), is as follows (please note the below amounts are based on the Company's books and records and have not been audited or otherwise verified by the Receiver):

<u>Secured Creditor</u>	<u>Estimated Claim</u>
Salus Capital Partners, LLC (" Salus "), as agent (Note 1)	\$ 63,890,120
Pace Savings & Credit Union Limited (" Pace ") (Note 2)	6,425,003

*Note 1: The above amount excludes any proceeds that may have been paid to Salus as part of the restructuring proceedings commenced by Ben Moss Jewellers Western Canada Ltd. ("**Ben Moss**"), which is jointly and severally liable for the above-noted obligation to Salus, as per the credit agreement(s) entered into with Salus by the Company and Ben Moss. Please note that any USD denoted obligations have been converted to CAD at an FX rate of 1.2862*

Note 2: PMR is guarantor to a credit agreement between Pace and G.A.J.S. Holdings Inc., an entity affiliated with the Company.

- (e) A consolidated list of the Company's other creditors and the amount owed to each creditor, as per the Company's books and records, is set out in the attached schedule. Please note that the Receiver has not audited or otherwise verified this information.
- (f) The intended plan of action of the Receiver during the receivership, to the extent that such a plan has been determined, is as follows:
- (i) Prior to the Receiver's appointment, on August 15, 2016, JSN (after the completion of a sales process for the Company's assets) entered into a purchase agreement with Unique Designs Inc. (the "**Purchase Agreement**") for the sale of certain Company assets (intellectual property, consignment inventory, and open-order finished goods inventory), subject to Court approval. The Purchase Agreement was approved by the Court at the time of the granting of the Receivership Order and the Receiver was authorized and directed by the Court to take such steps as necessary to complete the Purchase Agreement;
 - (ii) The Receivership Order also approved and authorized the Receiver to conduct a sales process (the "**Sales Process**") with respect to the remaining Company assets (i.e. assets not subject to the Purchase Agreement, including finished goods inventory, loose gemstones and FF&E) following the completion of the Purchase Agreement; and
 - (iii) Should any Property remain following the completion of the Purchase Agreement and the Sales Process, the Receiver would seek to monetize the Property for the benefit of the Company's stakeholders.

Please note that, as noted above, the Receiver has not taken possession of any of the assets of JSN UK. JSN UK is currently undertaking an orderly wind-down of its operations, under the oversight and management of FAAN Advisors Group Inc., the Chief Restructuring Officer (“**CRO**”) appointed by the Court at the time of the granting of the Receivership Order, to manage the Company (including the wind-down of JSN UK) under the direction of the Receiver. Once the wind-down of the JSN UK operations is complete, the net realizations are to be forwarded by the CRO to the Receiver for the benefit of the Company’s stakeholders.

(g) Contact person for Receiver:

Caleigh Smith, CA, CPA,
Telephone: (416) 488-2345 X 2338
Fax: 416.488.3765
E-mail: claims@richter.ca

4. Further information regarding the receivership proceedings and materials related to the proceedings, including copies of the Receivership Order, may be obtained from the Receiver’s website at <http://www.richter.ca/en/folder/insolvency-cases/j/jsn-jewellery-inc>.

Dated at Toronto, in the Province of Ontario, on August 25, 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.

Per:



Adam Sherman, MBA, CIRP, LIT
Senior Vice President

List of Creditors

J.S.N. Jewellery Inc., J.S.N. Jewellery UK Limited, 2373138 Ontario Inc. , GMJ Corp., Always & Forever Family Collection Incorporated and P.M.R. Inc.

0847290 BC LTD.	298.02	
2348163 ONTARIO LTD.	1,017.00	
407 ETR	330.34	
4119658 MANITOBA INC.	156.61	
629852 ONTARIO INC.	11,299.98	
A & S MOTORS	622.84	Note 3
ADWAR	3,741.40	Note 2
AGIGEMS LTD	272.64	Note 3
AIRMAX RICHMOND HILL	1,376.40	
ALLSTREAM	12.63	
ALPHERA FINANCIAL SERVICES	4,985.61	Note 3
AMEX BANK OF CANADA	539.80	
ANDREW SHILON	2,049.22	
BANYAN COMMERCE CORP	880.21	
BELL CANADA	75.20	
BELL CANADA - ADVANTAGE TOLL	178.70	
BEN MOSS HO & STORES	6,318,849.97	Note 1
BER-COOL MECHANICAL	562.18	
CANADA POST	44.20	
CANADA REVENUE AGENCY - DUTY	55,580.57	
CARLA EISNOR	199,876.39	
CLASSIC SOFTWARE CORPORATION	1,253.17	
CTO JANITORIAL SERVICES LTD.	1,186.50	
DEETH & CO. LLP	508.50	
D'ORO DESIGNS	107.28	
DYLAN DAVID INC.	222.14	
EDINBURGH ASSAY OFFICE	1,132.56	Note 3
ELITE SAFE-SECURITY SERVICES	285.27	Note 3
ELIYAHU BASHARI DIAMONDS LTD.	6,497.91	Note 2
ENBRIDGE	Unknown	
EPIC MIND STUDIO	449.74	
FAMILY RESPONSIBILITY OFFICE	216.00	
FEDERAL EXPRESS	3,899.84	
FEDEX	3,410.41	Note 2
FOREVER JEWELLERY	562,215.25	Note 1
GEM REVIEW INC.	67.80	
GEMMA DIAMONDS	3,415.57	Note 3
GIA LABORATORY	1,305.49	Note 2
GIANCARLO INTINI	1,900.00	
GLOBALTOP SERVICES LTD.	4,641.16	Note 3
H M CUSTOMS & EXCIS (DEFERMENT)	26,307.36	Note 3
HADAR PAISS CONSULTING	4,109.41	Note 2
HI TECH-C SYSTEMS INC.	1,976.37	
HMRC - TAXES	477,799.35	
I.S.& CO.	64,110.52	Note 3
INT. GEMOLOGICAL INSTITUTE	574.88	Note 2
ISLINGTON COUNCIL	11,227.86	Note 3
J-TECH S.R.L.	16,853.64	Note 2
JUST BROTHERS & CO.	2,677.21	Note 3

List of Creditors

J.S.N. Jewellery Inc., J.S.N. Jewellery UK Limited, 2373138 Ontario Inc. , GMJ Corp., Always & Forever Family Collection Incorporated and P.M.R. Inc.

LAURA FISCALETTI	34,705.01	
LUBADVERT LTD	502.29	Note 3
LYRECO CANADA	293.91	
M & N INSURANCE SERVICE LTD.	887.38	Note 3
MALCA-AMIT	727.99	Note 3
MAXBOND CONSTRUCTION LTD.	2,542.50	
MICHAEL DAVIDOV DIAMONDS	11,371.23	Note 2
MISTINGTON LTD	5,078.97	Note 3
MY DIAMOND PRIVATE LTD.	417,873.22	Note 1,2
ONECONNECT	Unknown	
POWERSTREAM	Unknown	
PRAXAIR CANADA INC.	341.24	
PRINT THREE	3,354.33	
PRIORITY SOFTWARE LTD.	15,901.29	Note 2
REGAL JEWELLERY	0.08	Note 3
REGENCY SHIPPING LTD.	209.96	Note 3
RESPONSIBLE JEWELLERY	2,829.64	Note 2
RESTRINGING CENTRE INC.	98.31	
RIVE GAUCHE MEDIA INC.	3,040.00	
ROI BEN MENACHEM HOLDINGS LTD.	57,879.00	Note 2
ROSE COMMUNICATIONS	1,533.98	Note 3
ROYAL MAIL	2,367.76	Note 3
S. VINODKUMAR USA, INC.	80,300.68	Note 2
S+C PARTNERS LLP	Unknown	
SUNCOR JEWELLERY LTD.	30,719.87	Note 2
THE GRAPEVINE KOSHER WINE	1,915.55	Note 3
TOWNSHIP OF SEGUIN	1,610.23	
TYCO	Unknown	
UPS BILLING CENTER	102.90	Note 2
UTOPIA DIAMONDS	556,002.24	Note 1,2
UTOPIA JEWELLERY LTD.	47,394,833.74	Note 1,2
VICTOR FRANCISCO	2,585.83	
VIKING INDUSTRIAL SUPPLIES INC.	298.61	
W.H. BLACK INC	356.23	
WHITPAY INC.	899,537.21	Note 1
WM. J. TROTTER & ASSOCIATES	139,610.50	
WORKPLACE SAFETY & INSURANCE BOARD	1,380.73	
Y.S.A.	30,611.56	Note 2
Total	57,502,505.07	

Note:

(1) Related/affiliated company balances owing to Utopia Jewellery Ltd., Utopia Diamonds, My Diamond Private Ltd., Ben Moss Ho & Stores, Whitpay Inc. & Forever Jewellery Inc. may have offsetting loan receivable/accounts receivable balances which have not been reconciled by the Company as of this date.

(2) USD amount translated to CAD at August 16, 2016 Bank of Canada noon rate - \$1.2862

(3) GBP amount translated to CAD at August 16, 2016 Bank of Canada noon rate - \$1.6743