

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

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF MARTIN ROSS GROUP INC.

**MOTION RECORD OF THE APPLICANT,
MARTIN ROSS GROUP INC.**
(approving claims procedure, sale transaction, interim distribution and stay extension)
(returnable May 1, 2015)

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TAB 1

Court File No. CV-14-10655-00CL

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

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF MARTIN ROSS GROUP INC.

**NOTICE OF MOTION
(approving claims procedure, sale transaction,
interim distribution and stay extension)
(returnable May 1, 2015)**

Martin Ross Group Inc. (the "**Applicant**") will make a motion to a judge presiding over the Commercial List on Friday, May 1, 2015 at 10:00 a.m., or as soon after that time as the motion can be heard at 330 University Avenue, 8th Floor, Toronto, Ontario.

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

THE MOTION IS FOR:

1. Orders substantially in the form of the draft orders attached at Tabs 3, 4 and 5 of the Motion Record for various relief, including:

- (a) if necessary, abridging the time for service and filing of the Motion Record, and validating service of the Motion Record, such that this motion is properly returnable today;

- (b) establishing a procedure for the determination of claims against the Applicant for the purpose of enabling future distribution or distributions to be made by the Applicant, including establishing a claims bar date;
- (c) approving the sale transaction (the “**Transaction**”) contemplated in an asset purchase agreement dated April 23, 2015 (the “**Bearington Agreement**”) between 1028462 Ontario Ltd. o/a Bearington Fine Jewellery (“**Bearington**”) and the Applicant with respect to certain finished goods described in Schedule A (the “**Purchased Assets**”) to the Bearington Agreement;
- (d) authorizing the Applicant to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction;
- (e) upon completion of the Transaction, vesting all of the Applicant’s right, title and interest in and to the Purchased Assets, free and clear of any and all encumbrances, in Bearington;
- (f) sealing the unredacted version of Bearington Agreement until the completion of the Transaction;
- (g) approving a further interim distribution to Sherfam Inc., the Applicant’s sole remaining secured creditor;
- (h) extending the Stay Period (as defined herein) to July 31, 2015;

- (i) approving the Seventh Report of Collins Barrow Toronto Limited (“**CBTL**”), in its capacity as court-appointed monitor of the Applicant (the “**Monitor**”) and the activities of the Monitor described therein;
- (j) approving the fees and disbursements of the Monitor and its counsel to date; and,
- (k) such further and other relief as to this Court may seem just.

THE GROUNDS FOR THE MOTION ARE

1. The Applicant was a manufacturer and wholesaler of fine jewellery, with an emphasis on products that have been mined and manufactured within Canada;
2. On August 7, 2014, MRG sought and was granted protection from its creditors under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) pursuant to the Order of the Honourable Justice Penny dated August 7, 2014 (the “**Initial Order**”);
3. Pursuant to the Initial Order, CBTL was appointed as Monitor of MRG;
4. The Stay Period (as defined in the Initial Order) has been extended on three occasions, such that the Stay Period is now set to expire, unless extended further, on May 1, 2015;

Claims Procedure

5. On January 29, 2015, the Honourable Justice Newbould granted an order (the “**Revised Inventory Liquidation Order**”) approving a revised sale process to conduct a liquidation of all of MRG’s finished goods inventory (the “**Revised Inventory Liquidation Process**”) remaining after the Retail Liquidation Sale;

6. Pursuant to the Revised Inventory Liquidation Order, MRG has now conducted and concluded the Revised Inventory Liquidation Process;
7. MRG has liquidated the majority of its assets, with the only remaining assets being its fixed assets, which it is in the process of selling, and certain other assets that MRG hopes to convert into cash in the next short while;
8. With the liquidation of MRG's assets being virtually complete, it is appropriate to commence a process to determine entitlements to the funds in MRG's hands;
9. The proposed claims procedure provides for sufficient notice to all creditors and other stakeholders, and is fair and reasonable, and appropriate in the circumstances;

Approval of Sale Transaction and Sealing Order

10. The Applicant entered into discussions with Bearington for the purchase and sale of the Purchased Assets, which discussions culminated in the Bearington Agreement;
11. The Applicant and Bearington are not related parties within the meaning of the CCAA;
12. The Monitor supports the Transaction;
13. The process that led to the Transaction was fair and reasonable in the circumstances;
14. The consideration payable in the Transaction is, in all of the circumstances, reasonable and will benefit the Applicant's economic stakeholders;

15. The Bearington Agreement contains sensitive commercial terms and information that ought to remain confidential until the completion of the Transaction, so as not to prejudice the Applicant, should the Transaction not be completed;

16. A short term sealing order is therefore fair and reasonable in the circumstances;

Further Interim Distribution

17. On January 14, 2015, the Honourable Justice Newbould approved an interim distribution (the “**Interim Distribution Order**”) to the Applicant’s major secured creditors, RP Holdings Inc., which has now been paid in full, and Sherfam Inc., to whom there are still funds owing on a secured basis;

18. Sherfam Inc. was not paid in full because of a discrepancy in the amounts recorded by MRG and Sherfam as being secured. Sherfam and MRG have now agreed on the amounts payable to Sherfam on a secured basis;

19. MRG, therefore, proposes to make a further interim distribution of \$86,995.48 USD to pay the amounts owing to Sherfam Inc., the only remaining secured creditor, in full;

Stay of Proceedings

20. The Applicant seeks an extension of the Stay Period until July 31, 2015 to allow the Monitor to receive and review the claims pursuant to the proposed claims procedure, and for the Applicant to continue realization of its remaining assets;

21. The Applicant has acted and continues to act in good faith and with due diligence in these proceedings;

22. The Monitor supports the relief sought herein;
23. Sections 11.02(2), 20, and 36 of the CCAA;
24. Section 100 of the *Courts of Justice Act*, R.S.O. c. C.43, as amended;
25. Rules 2.03, 3.02, 16.08 and 37 of the *Rules of Civil Procedure*; and
26. Such further and other grounds as the lawyers may advise.

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

1. The Affidavit of Allen Shechtman, affirmed April 23, 2015 and the exhibits thereto;
2. The Seventh Report of the Monitor; and,
3. Such further and other evidence as the lawyers may advise and this Court may permit.

April 24, 2015

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TAB 2

Court File No. CV-14-1065500CL

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

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF MARTIN ROSS GROUP INC.

**AFFIDAVIT OF ALLEN SHECHTMAN
(affirmed April 23, 2015)**

I, ALLEN SHECHTMAN, of the City of Toronto, in the Province of Ontario, DO
SOLEMNLY AFFIRM:

1. I am the Chief Executive Officer and sole director of the Applicant, Martin Ross Group Inc. (“**MRG**” or the “**Company**”), and as such, have personal knowledge and information with respect to the matters to which I hereinafter depose. Where matters are stated to be based on information, I state the source of such information and I verily believe them to be true.

2. I make this affidavit in support of a motion by MRG for an order, among other things:

(a) if necessary, abridging the time for service and filing of the Motion Record, and validating service of the Motion Record, such that this motion is properly returnable today;

- (b) establishing a procedure for the determination of claims against the Company for the purpose of enabling future distributions to be made by the Company, including establishing a claims bar date;
- (c) approving the sale transaction ("**Transaction**") contemplated in an asset purchase agreement dated April 23, 2015 ("**Bearington Agreement**") between 1028462 Ontario Ltd. o/a Bearington Fine Jewellery ("**Bearington**") and the Company with respect to certain finished goods described in Schedule A to the Bearington Agreement ("**Purchased Assets**");
- (d) authorizing the Company to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction;
- (e) upon completion of the Transaction, vesting all of the Company's right, title and interest in and to the Purchased Assets, free and clear of any and all encumbrances, in Bearington;
- (f) sealing the unredacted version of the Bearington Agreement until the completion of the Transaction;
- (g) approving a further interim distribution to Sherfam Inc., the Company's remaining secured creditor;
- (h) extending the Stay Period (as defined herein) to July 31, 2015;

- (i) approving the Seventh Report of Collins Barrow Toronto Limited (“CBTL”), in its capacity as court-appointed monitor of the Company (the “Monitor”) and the activities of the Monitor described therein; and
- (j) approving the fees and disbursements of the Monitor and its counsel to date.

3. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the prior affidavits of Cameron Gillies filed in these proceedings and sworn August 5, 2014 (the “**First Gillies Affidavit**”), September 5, 2014 (the “**Second Gillies Affidavit**”), October 15, 2014 (the “**Third Gillies Affidavit**”) and November 25, 2014 (the “**Fourth Gillies Affidavit**”), respectively, and in my affidavits affirmed on January 12, 2015 (the “**First Shechtman Affidavit**”), and January 26, 2015 (the “**Second Shechtman Affidavit**”).

INTRODUCTION

4. As described in the First Gillies Affidavit, MRG was a manufacturer and wholesaler of fine jewellery, with an emphasis on products that were mined and manufactured within Canada.

5. On August 7, 2014, MRG sought and was granted protection from its creditors pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”). A copy of the Initial Order granted by the Honourable Justice Penny is attached hereto and marked as **Exhibit “A”**.

6. Pursuant to the Initial Order, CBTL was appointed as Monitor of MRG.

7. The Stay Period (as defined in the Initial Order) has been extended on a number of occasions, most recently by the Order of the Honourable Justice Newbould, dated January 29, 2015, such that the Stay Period currently will expire, unless extended further, on May 1, 2015.

8. On October 17, 2014, the Honourable Justice Pattillo approved a multi-faceted liquidation process (the "**Liquidation Process Order**") that, among other things, approved:

- (a) a Liquidation Services Agreement in respect of the finished goods inventory;
- (b) a Loose Diamonds Liquidation Process; and,
- (c) the sale of the Company's surplus inventory, fixed assets and equipment (as part of the Remaining Assets as defined in the Liquidation Process Order) without further court approval, provided that each sale transaction does not exceed \$100,000 or \$1.75 million in the aggregate.

Attached hereto and marked as **Exhibit "B"** is a true copy of the Liquidation Process Order.

9. On January 14, 2015, the Honourable Justice Newbould approved an interim distribution payment to the Company's major secured creditors, RP Holdings Inc., whose secured claim against MRG has now been paid in full, and Sherfam Inc., to whom there are still funds owing on a secured basis. Attached hereto and marked as **Exhibit "C"** is a true copy of the Order of Justice Newbould dated January 14, 2015 (the "**Interim Distribution Order**").

10. On January 29, 2015, the Honourable Justice Newbould granted an order (the "**Revised Inventory Liquidation Order**") approving a revised sale process to conduct a liquidation of what remained of MRG's finished goods inventory (the "**Revised Inventory**

Liquidation Process”) following the Retail Liquidation Sale. Attached hereto and marked as **Exhibit “D”** is a copy of the Revised Inventory Liquidation Order.

11. Pursuant to the Revised Inventory Liquidation Order, MRG conducted the Revised Inventory Liquidation Process.

12. At this point, MRG has now sold substantially all of its inventory and fixed assets and therefore now seeks the approval of this court for a claims procedure (“**Claims Procedure**”), including a claims bar date. The proposed Claims Procedure will enable MRG to receive and evaluate any claims against the company that may exist, following which MRG can propose a distribution of the cash in MRG’s hands.

13. In addition, the Company seeks an extension of the Stay Period to permit the Monitor sufficient time to implement and complete the contemplated Claims Procedure.

14. In this affidavit, I will deal with the following matters:

- (a) the results of the Revised Inventory Liquidation Process;
- (b) update on the sale of other assets;
- (c) the proposed Claims Procedure;
- (d) a sale of certain finished goods to Bearington;
- (e) an update on additional matters including,
 - i. the termination of a licence agreement;

- ii. the Eligible Employee Payments and status of the Company's employees;
 - iii. the balance owed to Sherfam Inc. on a secured basis;
 - iv. the status of the Company's accounts receivable; and,
 - v. the Company's plans to liquidate the remainder of its assets; and,
- (f) the Company's request for an extension of the Stay Period.

REVISED INVENTORY LIQUIDATION PROCESS

15. Pursuant to the Revised Inventory Liquidation Process Order, MRG contacted a number of potential purchasers, 12 of whom contacted MRG for additional information. From February 23 to March 11, 2015, MRG arranged for viewings of the finished goods at MRG's facilities.

16. MRG received offers to purchase until 4:00 PM on March 12, 2015. At approximately 4:15 PM, on March 12, 2015, the offers were opened in the presence of the Monitor at the Monitor's offices.

17. MRG received a total of six offers, three of which were in respect of all of the lots available for purchase, and three further offers, each of which was in respect of a few discrete lots. One of the offers for the discrete lots offered a purchase price that provided a greater realization in respect of the particular lot than the best en bloc offer.

18. The Revised Inventory Liquidation Process permitted MRG to negotiate with any offeror with respect to any provision of an offer submitted. As a result, MRG approached one of

the offerors of all of the lots and asked if it would still agree to proceed with the purchase if one of the lots was removed, or if they were prepared to improve their overall offer, which the said offeror agreed to do. MRG also approached another offeror, SimplexDiam, Inc. (“Simplex”), to ask if it was prepared to increase its bid in respect of all lots.

19. The Monitor was kept apprised of MRG’s negotiations and efforts to obtain a better price.

20. Ultimately, Simplex offered to purchase all of the lots for \$4,100,000 CDN, which MRG accepted on March 23, 2015, as authorized by the Revised Inventory Liquidation Process Order. After a final physical count of the inventory, the sale price was adjusted to \$4,064,349.57. The resulting sale price results in realizations for MRG of 37% of the listed wholesale price of the finished goods inventory, which is the best price that MRG obtained out of the Revised Inventory Liquidation process.

21. On March 25, 2015, MRG received payment by wire transfer of the balance of the purchase price, for a total of \$4,064,349.57, from Simplex. On March 26, 2015, Simplex took delivery of all of the finished goods purchased.

22. On April 8, 2015, MRG delivered a bill of sale to Simplex, thereby completing the transaction in question. Pursuant to paragraph 4 of the Revised Inventory Liquidation Process Order, upon delivery of the bill of sale from MRG to Simplex, all right, title and interest in and to the purchased goods vested in Simplex.

UPDATE ON SALE OF OTHER ASSETS

A. *Fixed assets and equipment*

23. As described in the Second Shechtman Affidavit, MRG attempted to find purchasers for its fixed assets, who were also prepared to negotiate a new tenancy agreement with the landlord of the premises, or purchase the premises outright, as it appeared that the removal and transportation of the fixed assets would be costly and time consuming. However, MRG was not able to find any potential purchasers for the fixed assets, who were also prepared to negotiate a new tenancy agreement with the landlord, or purchase the premises and so, MRG advised the court that it would seek proposals from a number of equipment liquidators.

24. MRG met with four potential liquidators with respect to MRG's fixed assets and equipment and received proposals from three of them. One proposal included an estimated value of gross realizations in the range of \$40,000 to \$60,000. Each of the proposals provided for commission payable in various amounts ranging from 5% to 10%, plus marketing expenses payable by MRG. The amount anticipated for marketing expenses in the three proposals ranged from \$6,000 to \$12,500 plus HST.

25. In its proposal, TCL Asset Group Inc. ("TCL") offered an alternative approach whereby it would agree to purchase the fixed assets from MRG outright for \$50,000.

26. Based on the risk of an underperforming auction, the estimated gross realizations as disclosed in the proposal as noted above, and the expenses associated with an auction, MRG decided that an outright sale to TCL was the most appropriate course of action with minimal risk and appropriate realizations on the assets.

27. As a result, MRG engaged in discussions with TCL for the sale of the assets. The purchase price was revised to reflect the fact that MRG had agreed to sell certain fixed assets in separate, discrete transactions. Ultimately, MRG sold the remaining fixed assets to TCL on terms and conditions set out in an agreement dated April 2, 2015 for \$42,500 plus HST (the “**TCL Agreement**”). Attached hereto and marked as **Exhibit “E”** is a true copy of the TCL Agreement.

28. The TCL Agreement provides that TCL will purchase all of the assets en bloc (the “**TCL Purchased Assets**”), save and except certain items listed in Schedule “A” to that agreement, namely remaining moulds and models, miscellaneous finished goods, scrap precious metals, leased equipment, and personal property of employees.

29. The TCL Agreement also permits TCL to conduct its own auction of the TCL Purchased Assets from MRG’s premises. TCL will conduct an on-site auction at MRG’s premises and MRG agreed to permit access for this purpose to TCL until May 31, 2015. Within the next few weeks, the available items are expected to be listed online, with the onsite auction to take place during the week of May 13. During the auction, bidders may also make bids through an online bidding process. TCL will be permitted to use MRG’s names in advertising and marketing. In addition, if MRG has additional moulds, finished goods or raw materials still on hand at that time, TCL has indicated that it would be willing to include them in its auction for a commission.

30. The TCL Agreement provides that any unsold items could be abandoned by TCL at the premises. If the TCL Purchased Assets were not purchased and simply auctioned as initially contemplated, MRG would be required to deal with and dispose of unsold items as well. Thus, there is no additional prejudice to MRG or any stakeholders.

31. The Monitor was advised of the sale to TCL and did not have any objection, assuming that MRG was satisfied with TCL's ability to abandon unsold items.

32. On April 10, 2015, TCL provided MRG with a cheque for \$48,025.00 (being the purchase price plus HST).

33. In addition to the sale of the TCL Purchased Assets, MRG has also sold additional fixed assets in a series of smaller discrete transactions. In total, the sale of the these fixed assets and equipment, including the sale of the TCL Purchased Assets, aggregate approximately \$56,500 which is on the upper end of the range of realizations, before expenses and commission, as originally estimated in the referenced proposal.

B. Sale of Unsold Surplus Finished Goods

34. There are also a number of finished goods that were not sold in the Revised Inventory Liquidation Process, largely because these items had not been catalogued and processed for the Revised Inventory Liquidation Process due to their quantity and relative low value.

i. Sale to Simplex and Sparkling Jewellery

35. MRG organized some of these finished goods into Lots 46A and B. MRG then solicited interest in Lots 46A and B from a number of potential purchasers, including Gordon Bros, Simplex, and Bearington. Gordon Bros advised that it was not interested in bidding on the lots. Simplex offered to purchase Lot 46A, and also introduced MRG to another company, Sparkling Jewellery, who offered to purchase Lot 46B. The amount of the offers from Simplex

and Sparkling Jewellery together represented approximately 34% of the wholesale list price for the items for sale. MRG then approached Bearington who advised that it was not prepared to offer an amount equivalent to 34% of the wholesale value of the goods.

36. As a result, MRG entered into further negotiations with Simplex and Sparkling Jewellery, culminating in an agreement to sell Lot 46A to Simplex and Lot 46B to Sparkling Jewellery, for \$60,000 USD and \$77,500 USD, respectively, which sums together represent approximately 37.5% of the wholesale list price, and more than the originally negotiated amounts.

37. By way of comparison, the best offer received (and accepted) during the Revised Inventory Liquidation Process (again from Simplex) was an amount equivalent to approximately 37% of the wholesale price of the purchased inventory. As a result, I believe that the price offered for Lots 46A and B are the best offers, and are, in the circumstances, fair and reasonable offers. As each of these transactions is in an amount of less than \$100,000, pursuant to the Initial Order, MRG was permitted to sell these assets without further Court approval.

38. The Monitor was advised of the particulars with respect to the sale of Lots 46A and B and did not object to the sale transactions to either Simplex or Sparkling Jewellery.

ii. Sale to Bearington

39. MRG also invited potential purchasers to view and inspect its remaining finished goods inventory. In total, four people inspected the various items. MRG was ultimately successful in negotiating an offer from Bearington for the purchase of the Purchased Assets, which represents a significant portion of the remaining surplus finished goods inventory at a

price that was, in the view of MRG, fair and reasonable and the best overall price in the circumstances.

40. On April 23, 2015, MRG and Bearington agreed to enter into the Bearington Agreement, subject to Court approval, for the sale of the Purchased Assets. The consideration payable by Bearington is in excess of \$100,000, thus requiring further court approval of the Transaction. The parties expect to execute the Bearington Agreement on April 24, 2015.

41. Attached hereto and marked as **Exhibit "F"** is a redacted copy of the unsigned Bearington Agreement. The financial terms of the Bearington Agreement are by their nature commercially sensitive, and if publicly disclosed, may prejudice the ability of MRG to sell these assets in the event that the Bearington Transaction does not close. An unredacted version of the Bearington Agreement will be filed separately with the Court and will be the subject of a sealing order request.

42. Therefore, in MRG's view, the Bearington Transaction constitutes the best realizations for these particular assets, and is the result of a fair and reasonable process.

43. Further, MRG acted at all times in good faith in respect of this transaction.

44. The Monitor has been advised of this transaction and the process leading up to the transaction. The Monitor has indicated that it is not opposed to MRG completing the Bearington Transaction.

iii. Other assets

45. Finally, there are some additional surplus finished goods items, precious scrap metal (small amounts of scrap gold and other precious metals), and a small quantity of loose diamonds that MRG is continuing its efforts to sell. Once these items have been sold, MRG will advise the court.

CLAIMS PROCEDURE

46. As of today's date, MRG has approximately \$6.43 million in its Canadian bank accounts and approximately \$1.12 million USD in its US account.

47. As set out above, the only assets that remain for realization are miscellaneous finished goods pieces, precious scrap metal, small quantity of loose diamonds, and accounts receivable.

48. Accordingly, at this time, MRG has now realized on the majority of its assets and is in possession of funds that it wishes to distribute to its creditors and other stakeholders.

49. As a result, MRG seeks approval of a claims procedure to:

- (a) solicit proofs of claim for the various claims and outline the manner in which such proofs of claim will be evaluated;
- (b) establish a date by which all claims must be filed against MRG, failing which any such claims will be forever barred; and,

- (c) outline a process to resolve any disputes that may arise in respect of any determinations that may be made in respect of any such claims.

50. The draft order proposed by MRG, and included at Tab 3 of the Motion Record, sets out a claims procedure (the “**Claims Procedure**”) that contemplates the determination of all remaining claims against MRG, based on the filing of proofs of claim in a manner that is substantially similar to the determination of claims under the *Bankruptcy and Insolvency Act*. I have been advised by MRG’s insolvency counsel Mervyn D. Abramowitz that the proposed Claims Procedure is very similar to that proposed and approved by this court in other insolvency files in which his firm participated, and those approved by this court involving other counsel in other insolvency files in Toronto.

51. Based on this advice, I am of the view that the proposed Claims Procedure, including the timelines established therein, is fair and reasonable to all of the Company’s stakeholders, including its creditors.

UPDATE ON ADDITIONAL MATTERS

A. Termination of licence agreement

52. As part of MRG’s business, it designed, manufactured and sold certain branded jewellery under an exclusive licence agreement (the “**Licence Agreement**”) with Mimran Group Inc. (“**Mimran**”). As the Licence Agreement was not terminated prior to the date of the Initial Order, the term of the agreement continued to run, such that it would end on December 31, 2015.

53. The Licence Agreement provided for an annual minimum royalty payment of \$13,750. Some of the amounts payable to Mimran pursuant to the Licence Agreement were post-filing amounts, including some amount for part of 2014, and an amount for what was owed in respect of the 2015 minimum royalty payment.

54. Following its filing under the CCAA, MRG decided not to continue selling the branded jewellery. MRG determined that any purchasers of such jewellery would likely not be willing to pay a premium for the brand, as MRG would no longer be manufacturing and supplying the branded product.

55. In the circumstances, MRG could only continue to sell the products, if the particular brand or logo markings on the products were removed. As the cost to remove the markings from the jewellery items was less than the amount of the royalty payments that would be payable on any sale of the branded jewellery pursuant to the Licence Agreement, MRG decided to proceed to sell the products without the particular markings.

56. Based on my discussions with Saul Mimran, the principal of Mimran, I also understand that Mimran, for its part, was interested in terminating the Licence Agreement. Further, I understand that Mimran wished to grant the exclusive licence rights to another entity to continue the presence, and preserve the reputation, of the brand in the marketplace.

57. As the Initial Order provided that the Licence Agreement could not be terminated, except with the consent of the Company and the Monitor, or with leave of the Court, MRG and Mimran entered into discussions that culminated in an agreement on March 16, 2015 that provided for the termination of the Licence Agreement in exchange for a release by Mimran of

any and all claims against MRG, including any claims in respect of royalty payments. The Monitor signed an acknowledgement signifying its consent to the termination of the Licence Agreement.

B. Eligible Employee Payment and employees

58. On October 8, 2014, the Honourable Justice Pattillo granted an order (the “**Eligible Employee Payment Order**”) authorizing and directing MRG to receive, and hold in trust, certain amounts from 2436768 Ontario Inc. (“**243**”) and to disburse these amounts to employees of MRG in accordance with a distribution schedule set out in my affidavit sworn on October 6, 2014 (“**Eligible Employee Payment**”) in connection with a motion brought by 243 in this proceeding.

59. The Eligible Employee Payment Order also authorized and directed 243 to bring a further order for payment and distribution of a Contingent Additional Payment (as defined in my October 6, 2014 affidavit) following the liquidation of MRG’s assets, if and only if, the net amounts available for distribution to MRG’s unsecured creditors is greater than \$9,000,000.

60. All eligible employees participated in the Eligible Employee Payment distribution and as a result, all of the amounts received by MRG for distribution in that regard have been disbursed.

61. Further, based on the results of the liquidation of MRG’s assets to date, there is no expectation that the net total realizations will be greater than \$9,000,000. Therefore, it does not appear that there will be additional funds available for distribution to the employees.

62. On March 31, 2015, all remaining MRG employees completed their term of employment. These employees were paid their usual wages and statutory entitlements up to and including their last day of service.

63. In order to continue the orderly wind-down of MRG's operations, MRG has since retained a consultant (the "Consultant") to assist in the completion of various steps involved in the wind-down of the CCAA process. The Consultant is a corporation whose principal is a former employee of MRG who was involved in the CCAA process prior to his departure from the company and who is, therefore, very familiar with MRG's operations. Thus, in my view, it is appropriate that the Consultant be requested to perform the duties to complete the steps involved in the CCAA process.

64. In addition, MRG has retained 2 individuals on a short-term contract basis to also provide services to MRG for the purpose of assisting in the anticipated steps remaining in the CCAA process. It is expected that these individuals will assist MRG for approximately one month, until April 30, 2015. These individuals are also former employees of MRG and are therefore also familiar with MRG's business.

65. Finally, MRG has also requested its former bookkeeper provide part-time services to the Company for approximately 2 days per week, or as needed, also until April 30, 2015.

66. The Monitor was consulted with respect to these arrangements and advised that it was not opposed to the Company retaining these persons for the services indicated.

C. Secured amounts owing to Sherfam Inc.

67. Pursuant to the Interim Distribution Order, MRG paid its secured creditors, RP Holdings Inc. and Sherfam Inc., the sums of \$3,400,000 CDN and \$1,800,000 USD, respectively. The amount paid to RP Holdings Inc. satisfied its secured claim in full.

68. The amount paid to Sherfam Inc. was a partial payment, as there was some discrepancy regarding the amounts recorded as owing to Sherfam by MRG, and the amount that Sherfam claimed as being secured.

69. Since that time, MRG and Sherfam Inc. have reviewed their records and have agreed that the sum of \$86,995.48 USD remains payable by MRG to Sherfam Inc. on a secured basis.

70. As noted above, MRG currently has approximately \$1.12 million USD in its US account. As a result, MRG seeks a further order permitting the interim distribution to its remaining secured creditor, Sherfam Inc., the sum of \$86,995.48 USD. Following this payment, MRG will have paid all amounts owing to its secured creditors.

D. Accounts receivables

71. As of today's date, the Company's accounts receivable are in the amount of \$2.12 million. MRG does not expect that it will have collected these amounts in full by April 30, 2015.

72. In some cases, accounts receivable have been provided to lawyers and collection agencies for collection, and are subject to the usual compensation structures for these types of collection files.

73. In addition, MRG's agreement with the Consultant provides for a separate process whereby the Consultant will engage in efforts to collect accounts receivables on MRG's behalf, particularly in relation to those accounts with a good chance of recovery and which have not been provided to lawyers or collection agencies for collection. Pursuant to the said agreement, the Consultant will receive a fee in an amount equivalent to 12.5% of the amounts collected by the Consultant.

74. I am advised by my counsel Mervyn D. Abramowitz that these are common industry practices and that the compensation offered to the persons involved in these efforts is in line with common industry practices. In the circumstances, I believe that this is an appropriate manner to continue MRG's efforts to realize value for the benefit of MRG's stakeholders. I am also advised that the Monitor is aware of these agreements in respect of the collection of the accounts receivable and is not opposed to them.

E. Company's plans to liquidate the remainder of its assets

75. By the end of May, the Company expects to have liquidated all of its fixed assets and inventory, leaving only the accounts receivable. The Company expects to be in a position to vacate the leased premises by June 30, 2015.

76. Based on the timelines proposed in the Claims Procedure, and unless there are claims disputes that remain unresolved at that time, the Company expects that it will be in a position to make an interim distribution to its unsecured creditors by the end of July.

EXTENSION OF STAY PERIOD

77. The Stay Period is currently set to expire on May 1, 2015. MRG requests an extension of the Stay Period to July 31, 2015 so that TCL can conduct and complete its on-site auction and so that MRG can implement and conduct the Claims Procedure, and continue its efforts to realize on the remaining assets.

78. As noted above, MRG anticipates being able to return to Court before July 31, 2015 to seek an order permitting the distribution of funds to those creditors whose claims have been determined as being valid in accordance with the proposed Claims Procedure referred to above.

79. While MRG has largely ceased operations, it has prepared a further Cash Flow Statement for the period ending July 31, 2015, a copy of which is attached to this affidavit and marked as **Exhibit "G"**. The Cash Flow Statement has been prepared using the information available to MRG and is, to the best of my knowledge, information and belief, based on reasonable assumptions and projections, and is, therefore accurate.

80. Further, as indicated in the Cash Flow Statement, MRG continues to expect to have sufficient cash available to pay its current obligations, including the professional fees of MRG's counsel, the Monitor and its counsel, to conduct and complete the Claims Procedure and other steps through to July 31, 2015.

81. The Monitor has indicated that it supports an extension of the Stay Period until July 31, 2015, by which time, it is anticipated that MRG will have completed the Claims Procedure and be in a position to seek a distribution order.

82. Based on the information available to me, I do not believe that any creditor of MRG will suffer any material prejudice if the Stay Period is extended until July 31, 2015.

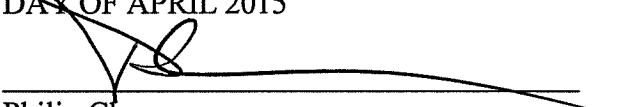
83. Further, since the issuance of the Initial Order, MRG has acted, and continues to act, in good faith and with due diligence.

84. I understand that the Monitor will be filing its Seventh Report in these proceedings and supports the relief sought by the Company.

AFFIRMED BEFORE ME AT THE CITY)
OF TORONTO, IN THE PROVINCE)
OF ONTARIO, THIS 23rd)
DAY OF APRIL 2015)



ALLEN SHECHTMAN



Philip Cho
A Commissioner, etc.

TAB A

This is Exhibit "A" referred to in the Affidavit of Allen Shechtman affirmed April 23, 2015

A handwritten signature in black ink, appearing to read 'Philip Cho', is written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)

PHILIP CHO

Court File No. CV-14-10655-002

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE Mr .)

THURSDAY, THE 7TH

JUSTICE Penny)

DAY OF AUGUST, 2014

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF MARTIN ROSS GROUP INC. (the
"Applicant")

INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Cameron Gillies sworn August 5, 2014 and the Exhibits thereto, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicant, no one appearing for Sherfam Inc., RP Holdings Inc., or Dell Financial Services Canada Limited, although duly served as appears from the affidavit of service of Stephen Wolpert affirmed August 5, 2014 and on reading the consent of Collins Barrow Toronto Limited to act as the Monitor,

SERVICE

1. THIS COURT ORDERS that the time for service 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.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "Business") and Property. The Applicant is authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges:

6. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

7. THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

8. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("Rent"), for the period

commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$1,000,000 in the aggregate
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "Restructuring").

11. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant'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 Applicant'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 Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

12. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

13. THIS COURT ORDERS that until and including September 6, 2014, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the

Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (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 RIGHTS

15. THIS COURT ORDERS that during the Stay Period, 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 Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

16. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant 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 Business or the Applicant, 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 Applicant, and that the Applicant shall be entitled to the continued use of its current premises, 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 Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

17. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or

licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

18. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION

19. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

APPOINTMENT OF MONITOR

20. THIS COURT ORDERS that Collins Barrow Toronto Limited is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

21. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Applicant in its preparation of the Applicant's cash flow statements which information shall be reviewed with the Monitor;
- (d) advise the Applicant in its development of the Plan and any amendments to the Plan;
- (e) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (h) perform such other duties as are required by this Order or by this Court from time to time.

22. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

23. THIS COURT ORDERS that nothing herein contained shall require the Monitor 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 Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor'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.

24. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicant with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

25. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

26. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a monthly basis and, in addition, the Applicant is hereby authorized

to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the amount[s] of \$50,000 , respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time

27. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor 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 the Monitor, counsel to the Monitor, if any, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$500,000.00, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraph 30 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

29. THIS COURT ORDERS that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

30. THIS COURT ORDERS that the Administration Charge (as constituted and defined herein) shall constitute a charge on the Property and such charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.

31. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Administration Charge, unless the Applicant also obtains the prior written consent of the Monitor and the beneficiaries of the Administration Charge, or further Order of this Court.

32. THIS COURT ORDERS that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge (collectively, the "Chargees") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- (c) the payments made by the Applicant pursuant to this Order, and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

33. THIS COURT ORDERS that any charge created by this Order over leases of real property in Canada shall only be a charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

34. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in The National Post a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly

available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

35. 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/e-service-protocol/>) 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 <http://www.collinsbarrow.com/en/toronto-ontario/martin-ross-group>

36. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are 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 Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant 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

37. THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

38. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

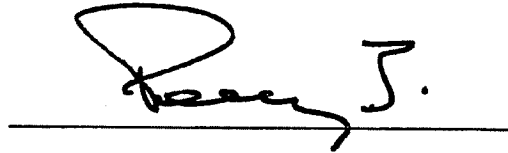
39. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give

effect to this Order and to assist the Applicant, the Monitor and their respective 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 Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

40. THIS COURT ORDERS that each of the Applicant and the Monitor 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 Monitor 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.

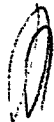
41. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

42. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Daylight Time on the date of this Order.



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

AUG 7 2014



IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MARTIN ROSS GROUP INC.

Court File No. CV-14-10655-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

INITIAL ORDER

KRONIS, ROTSZTAIN, MARGLES, CAPPEL LLP
Barristers and Solicitors
8 King Street East, Suite 1000
Toronto ON M5C 1B5

Mervyn D. Abramowitz (LSUC # 28323R)
mabramowitz@krmc-law.com

Philip Cho (LSUC #456125U)
pcho@krmc-law.com

Stephen Wolpert (LSUC # 57609Q)
swolpert@krmc-law.com

Tel: (416) 225-8750

Fax: (416) 306-9874

Lawyers for the Applicant, Martin Ross Group Inc.

TAB B

This is Exhibit "B" referred to in the Affidavit of Allen Shechtman
affirmed April 23, 2015

A handwritten signature in black ink, appearing to be 'PHILIP CHO', written over a horizontal line.

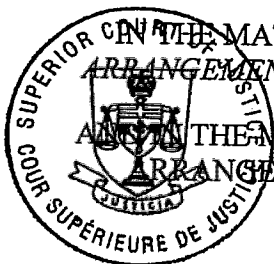
Commissioner for Taking Affidavits (or as may be)

PHILIP CHO

Court File No. CV-14-10655-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) FRIDAY, THE 17th
JUSTICE *PATTELLO*) DAY OF OCTOBER, 2014



IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF MARTIN ROSS GROUP INC.

ORDER
(liquidation process approval)

THIS MOTION, made by the applicant, Martin Ross Group Inc. (the "Applicant")
for an Order, among other things:

- (a) approving a liquidation services agreement (the "**Liquidation Services Agreement**"), attached as Exhibit "G" to the Affidavit of Cameron Gillies sworn on October 15, 2014 (the "**Gillies Affidavit**"), between the Applicant and Silverman Chapman & Reese Consulting Ltd. (the "**Liquidator**"), and the transaction contemplated therein (the "**Transaction**"), and in particular, the liquidation of certain of the Applicant's finished goods inventory;
- (b) authorizing and directing the Applicant to conduct a separate liquidation process in respect of its loose diamonds inventory (the "**Loose Diamonds Liquidation Process**"), as described in the Gillies Affidavit;

- (c) authorizing and directing the Applicant to liquidate its inventory of gold and other precious metals, on a continuing basis, by selling them to a refinery, as described in the Gillies Affidavit;
- (d) authorizing and directing the Applicant to sell its remaining assets, excluding (i) assets covered by the Liquidation Services Agreement and the Loose Diamonds Liquidation Process, (ii) inventory of gold and other precious metals, and (iii) accounts receivable (the “**Remaining Assets**”), as part of a further, separate liquidation process, as described in the Gillies Affidavit, and each such sale not to exceed \$100,000 in any one transaction or \$1,750,000 in the aggregate;
- (e) vesting all of the Applicant’s right, title and interest in and to the assets sold in accordance with this Order, free and clear of any and all encumbrances, in and to the applicable purchasers;
- (f) extending the Stay Period, as defined in the Initial Order in these proceedings, from October 31, 2014 to January 31, 2015;
- (g) approving the Second and Third Reports of Collins Barrow Toronto Limited (“**CBTL**”), in its capacity as court-appointed monitor of the Applicant (the “**Monitor**”) and the actions and activities of the Monitor described therein;
- (h) approving the fees and disbursements of the Monitor and its counsel to date; and,
- (i) sealing the unredacted version of the Liquidation Services Agreement pending further order of this Court,

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Gillies Affidavit and the exhibits thereto, the Second and Third Reports of the Monitor, including the Affidavit of Daniel Weisz sworn on October 16, 2014 and the Affidavit of Stewart Thom sworn on October 14, 2014 (the "Fee Affidavits") appearing as Appendices H and I, respectively, in the Third Report of the Monitor, and on hearing the submissions of the lawyers for the Applicant and the Monitor, no one else from the Service List appearing, although properly served as appears from the affidavit of service of Kelly Barrett, sworn October 15, 2014,

SERVICE

1. THIS COURT ORDERS that the time for service and filing of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

LIQUIDATION SERVICES AGREEMENT

2. THIS COURT ORDERS that the Liquidation Services Agreement and the Transaction are hereby approved, and the execution of the Liquidation Services Agreement by the Applicant is hereby ratified and approved, with such minor amendments as the Applicant, Liquidator or Monitor may deem necessary. The Applicant is hereby authorized and directed to perform the Liquidation Services Agreement and complete the Transaction in accordance with the terms and conditions of the Liquidation Services Agreement, including taking such additional steps and executing such additional documents as may be necessary or desirable for the completion of the Transaction.

3. THIS COURT ORDERS that the Liquidator shall be entitled to use the Applicant's premises and shall be entitled to use the Applicant's trade names in all of its advertising and promotional activities related to the Liquidation Services Agreement.

LOOSE DIAMONDS LIQUIDATION PROCESS

4. THIS COURT ORDERS that the Applicant be and is hereby authorized and directed to conduct the Loose Diamonds Liquidation Process in respect of the Applicant's loose diamonds inventory, and that the Applicant is hereby authorized and directed to take such steps as are necessary or desirable to carry out the Loose Diamonds Liquidation Process and any step taken by the Applicant in connection with the Loose Diamonds Liquidation Process prior to the date hereof be and is hereby approved and ratified.

SALE OF GOLD AND PRECIOUS METALS

5. THIS COURT ORDERS that the Applicant be and is hereby authorized and directed to sell its inventory of gold and precious metals, from time to time, as it deems appropriate, by selling its inventory to refineries, at prices substantially in accordance with prevailing market rates.

SALE OF REMAINING ASSETS

6. THIS COURT ORDERS that the Applicant be and is hereby authorized and directed to sell its Remaining Assets as part of a further, separate liquidation process, provided that each such sale does not exceed \$100,000 in any one transaction or \$1,750,000 in the aggregate.

7. THIS COURT ORDERS that, pursuant to clause 3(c)(i) of the *Electronic Commerce Protection Regulations*, made under *An Act to Promote the Efficiency and Adaptability of the Canadian Economy by Regulating Certain Activities that Discourage Reliance on Electronic Means of Carrying out Commercial Activities, and to Amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act*, S.C. 2010, c. 23, the Applicant is authorized and permitted to send, or cause or permit to be sent, commercial electronic

messages to an electronic address of prospective purchasers or bidders and to their advisors but only to the extent desirable or required to provide information with respect to the Loose Diamonds Liquidation Process and the sale of the Remaining Assets.

VESTING OF TITLE

8. THIS COURT ORDERS AND DECLARES that, upon the Liquidator, pursuant to the Liquidation Services Agreement, or upon the Applicant, under the Loose Diamonds Liquidation Process or pursuant to this Order, completing the sale of any assets to a purchaser, and upon receipt of the purchase price by the Liquidator or the Applicant, as the case may be, and delivery by the Liquidator or the Applicant, as the case may be, of a bill of sale or similar evidence of purchase to the purchaser (the "**Purchaser Bill of Sale**"), all of the Applicant's right, title and interest in and to the assets described in the Purchaser Bill of Sale shall vest absolutely in such purchaser, free and clear of, and from, any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limitation: (i) any encumbrances or charges created by the Initial Order; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system.

9. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the monies payable to the Applicant, whether under the Liquidation Services Agreement or through the Loose Diamonds Liquidation Process or pursuant to this Order, from the sale of the assets shall stand in the place and stead of such assets, and that from and after

delivery of the Purchaser Bill of Sale, all Claims shall attach to the net proceeds from the sale of the assets with the same priority as they had with respect to the assets immediately prior to the sale, as if the assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

10. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Applicant and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Applicant,

the vesting of the assets in a purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

11. THIS COURT ORDERS AND DECLARES that each of the Transaction and the sale transactions contemplated by this Order are exempt from the application of the *Bulk Sales Act* (Ontario).

STAY EXTENSION

12. THIS COURT ORDERS that the Stay Period be and is hereby extended from October 31, 2014 to January 31, 2015.

FEE APPROVAL

13. THIS COURT ORDERS that the fees and disbursements of the Monitor and its counsel, as set out in the Fee Affidavits be and are hereby approved.

APPROVAL OF THE SECOND AND THIRD REPORTS AND THE MONITOR'S ACTIVITIES

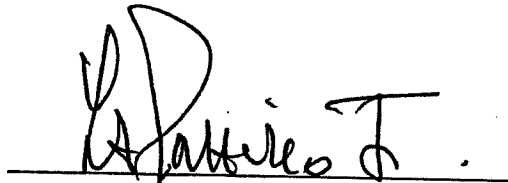
14. THIS COURT ORDERS that the Second and Third Reports of the Monitor, and the actions and activities of the Monitor as described therein, be and are hereby approved.

SEALING ORDER

15. THIS COURT ORDERS that the unredacted version of the Liquidation Services Agreement and the expression of interest from the Second Liquidator, as defined in the Third Report of the Monitor, appended as Confidential Appendix "1" to the Third Report of the Monitor shall remain sealed ~~pending~~ ** until January 31, 2015 or ** further order of this Court.

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

OCT 17 2014





IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MARTIN ROSS GROUP INC.

Court File No. CV-14-10655-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**ORDER
(liquidation process approval)**

**KRONIS, ROTSZTAIN,
MARGLES, CAPPEL LLP**
Barristers and Solicitors
8 King Street East, Suite 1000
Toronto ON M5C 1B5

Mervyn D. Abramowitz (LSUC # 28323R)
mabramowitz@krmc-law.com

Philip Cho (LSUC #456125U)
pcho@krmc-law.com

Tel: (416) 225-8750

Fax: (416) 306-9874

Lawyers for the Applicant, Martin Ross Group Inc.

TAB C

This is Exhibit "C" referred to in the Affidavit of Allen Shechtman
affirmed April 23, 2015

A handwritten signature in black ink, consisting of a large, stylized initial 'P' followed by a long, sweeping horizontal line that ends in a small upward curve.

Commissioner for Taking Affidavits (or as may be)

PHILIP CHO

Court File No. CV-14-10655-00CL

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

THE HONOURABLE)	WEDNESDAY, THE 14 TH DAY
)	
JUSTICE NEWBOULD)	OF JANUARY, 2015



IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF MARTIN ROSS GROUP INC.

**ORDER
(approving interim distribution)**

THIS MOTION, made by Martin Ross Group Inc. (the "**Applicant**") for, among other things, an order (i) approving the proposed interim distribution to secured creditors of the Applicant; (ii) approving the Fifth Report (the "**Fifth Report**") of Collins Barrow Toronto Limited ("**CBTL**") in its capacity as court-appointed monitor of the Applicant (the "**Monitor**") and the activities of the Monitor described therein, and, (iii) approving the fees and disbursements of the Monitor and its counsel, Torkin Manes, LLP, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of Alan Shechtman affirmed on January 12, 2015 and the Fifth Report, including the fee affidavits of Stewart Thom sworn January 9, 2015 and Daniel Weisz sworn January 12, 2015 (the "**Fee Affidavits**"), and on hearing the submissions of the lawyers for the Applicant and the Monitor, no one appearing for any other person on the service list, although properly served as appears from the affidavits of service of Kelly Barrett and Janice Chen, filed:

1. **THIS COURT ORDERS** that the time for service and filing of the Motion Record and the Fifth Report is hereby abridged, and service of the Motion Record and the Fifth Report is

hereby validated, such that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the proposed interim distribution (the “**Interim Distribution**”) to the major secured creditors of the Applicant, as described in the Affidavit of Allen Shechtman is hereby approved, and the Applicant is hereby authorized and directed to make the Interim Distribution as follows:

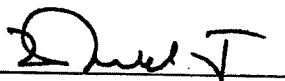
- (a) \$3,400,000 to RP Holdings Inc.; and,
- (b) \$1,800,000 USD to Sherfam Inc.

3. **THIS COURT ORDERS** that the Fifth Report of the Monitor, and the activities of the Monitor as described therein, be and are hereby approved.

4. **THIS COURT ORDERS** that the fees and disbursements of the Monitor, and of its counsel, Torkin Manes LLP, as set out in the Fee Affidavits, be and are hereby approved.

FILED IN THE DISTRICT COURT OF THE DISTRICT OF COLUMBIA
CLERK OF COURT
LEVINSON & SHERMAN

JAN 14 2018



**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MARTIN ROSS GROUP INC.**

Court File No. CV-14-10655-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

**ORDER
(approving interim distribution)**

**KRONIS, ROTSZTAIN,
MARGLES, CAPPEL LLP**
Barristers and Solicitors
8 King Street East, Suite 1000
Toronto ON M5C 1B5

Mervyn D. Abramowitz (LSUC # 28323R)
mabramowitz@krmc-law.com

Philip Cho (LSUC #456125U)
pcho@krmc-law.com

Tel: (416) 225-8750
Fax: (416) 306-9874

Lawyers for the Applicant, Martin Ross Group Inc.

TAB D

This is Exhibit "D" referred to in the Affidavit of Allen Shechtman
affirmed April 23, 2015

A handwritten signature in black ink, appearing to read 'P. Cho', is written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)

PHILIP CHO

Court File No. CV-14-10655-00CL

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

THE HONOURABLE
JUSTICE NEWBOULD

)
)
)

THURSDAY, THE 29TH DAY
OF JANUARY, 2015



IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF MARTIN ROSS GROUP INC.

ORDER
**(approving inventory liquidation process
and extension of Stay Period)**

THIS MOTION, made by Martin Ross Group Inc. (the "**Applicant**") for, among other things, an order (i) approving a revised liquidation process for the liquidation of its finished goods inventory (the "**Inventory Liquidation Process**"); (ii) approving the Sixth Report (the "**Sixth Report**") of Collins Barrow Toronto Limited ("**CBTL**") in its capacity as court-appointed monitor of the Applicant (the "**Monitor**") and the activities of the Monitor described therein, and, (iii) extending the Stay Period (as defined in the Order of Justice Penny dated August 7, 2014 (the "**Initial Order**")), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of Allen Shechtman affirmed on January 26, 2015 (the "**Shechtman Affidavit**") and the Sixth Report of the Monitor, and on hearing the submissions of the lawyers for the Applicant and the Monitor, no one appearing for any other person on the service list, although properly served as appears from the affidavits of service of Kelly Barrett and Janice Chen, filed:

1. **THIS COURT ORDERS** that the time for service and filing of the Motion Record and the Sixth Report is hereby abridged, and service of the Motion Record and the Sixth Report

is hereby validated, such that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Applicant be and is hereby authorized and directed to conduct the Inventory Liquidation Process as described in the Shechtman Affidavit, and that the Applicant is hereby authorized and directed to take such steps as are necessary or desirable to carry out the Inventory Liquidation Process and any step taken by the Applicant in connection with the Inventory Liquidation Process prior to the date hereof be and is hereby approved and ratified.

3. **THIS COURT ORDERS** that the Applicant and the Monitor and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicant's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery by the Applicant of a bill of sale or similar evidence of purchase to a purchaser (the "**Purchaser Bill of Sale**") pursuant to the Inventory Liquidation Process, all of the Applicant's right, title and interest in and to the assets described in the Purchaser Bill of Sale (the "**Purchased Assets**") shall vest absolutely in such purchaser, free and clear of, and from, any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial

or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "Encumbrances") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets pursuant to the Inventory Liquidation Process shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Purchaser Bill of Sale, all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Applicant and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Applicant,

the vesting of the Purchased Assets in a purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **THIS COURT ORDERS AND DECLARES** that each of the sale transactions contemplated by this Order is exempt from the application of the *Bulk Sales Act* (Ontario).
8. **THIS COURT ORDERS** that the Sixth Report and the activities of the Monitor as described therein, be and are hereby approved.
9. **THIS COURT ORDERS** that the Stay Period be and is hereby extended until May 1, 2015.

ENTERED AT THE COURT AT TORONTO
ON 2015 JAN 20
LETTERS OF THE COURT

JAN 20 2015

MS

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MARTIN ROSS GROUP INC.**

Court File No. CV-14-10655-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER
**(approving inventory liquidation process and extension of
Stay Period)**

**KRONIS, ROTSZTAIN,
MARGLES, CAPPEL LLP**
Barristers and Solicitors
8 King Street East, Suite 1000
Toronto ON M5C 1B5

Mervyn D. Abramowitz (LSUC # 28323R)
mabramowitz@krmc-law.com

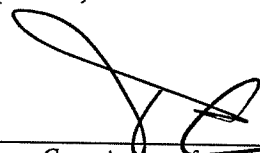
Philip Cho (LSUC #456125U)
pcho@krmc-law.com

Tel: (416) 225-8750
Fax: (416) 306-9874

Lawyers for the Applicant, Martin Ross Group Inc.

TAB E

This is Exhibit "E" referred to in the Affidavit of Allen Shechtman
affirmed April 23, 2015



Commissioner for Taking Affidavits (or as may be)

PHILIP CHO



April 2, 2015

Sent via email:
mrobinson@martinross.ca

Mr. Morris Robinson
Martin Ross Group Inc.
250 Canarctic Drive
Toronto, Ontario
M3J 2P4

Dear Mr. Robinson,

PURCHASE CONTRACT
For Assets Located At:
Martin Ross Group Inc., 250 Canarctic Drive, Toronto, Ontario

As per our discussions, TCL Asset Group Inc., (TCL), is pleased to submit the following Purchase Proposal for the assets inspected and a turnkey solution for your asset management needs. Our Proposal will include, but is not limited to, all assets as seen during my site visit which was conducted on February 3, 2015, unless otherwise noted in Schedule "A" of this document.

It is understood that Martin Ross Group Inc., (MRG) is the owner of the assets being sold and that MRG has the right to sell the assets.

This offer is an "En Bloc" purchase offer for all the assets inspected on a floor to ceiling, wall to wall basis.

The amount of our offer to purchase is:

\$42,500.00 (Forty Two Thousand Five Hundred Dollars)

Payment to be made in full upon contract signing by certified funds.

Our offer is contingent upon the following conditions:

1. The facility will be available for TCL to occupy together with MRG at no cost to TCL, until May 31, 2015 from the date this contract is signed. TCL will use this facility to stage assets and sell them by auction and/or liquidations. The time frame for this project will be approx. 6 weeks. We anticipate having an auction sale onsite and or online during the week of May 13, 2015 with an orderly removal period of approximately 10 days following the sale.

4610 Dufferin Street, Suite 209, Toronto, Ontario, Canada M3H 5S4

info@managingyourassets.com • www.managingyourassets.com

tel: 416-736-1367

fax: 416-736-4159

2. All assets are to be sold to TCL 'Free and Clear' of any liens or encumbrances in any manner whatsoever, and MRG is to supply a bill of sale providing TCL with clear title to the assets and we have the right of abandonment of any unsold assets..
3. TCL will require that MRG supply technical records and specifications on requested assets, if available.
4. TCL understands that it is purchasing these assets "As-Is-Where-Is."
5. TCL is not responsible for the removal or disposition of any environmentally hazardous chemicals or other substances, equipment, etc., which may be located on the premises and is not purchasing same.
6. Upon signing of this contract, no assets purchased should be disconnected or moved from their current location unless authorized by TCL.
7. MRG is responsible for having all utilities operational at the site until removal is completed, at no cost to TCL.
8. TCL shall be responsible to remove all sold assets at its expense in a professional manner and to restore the premises to reasonable condition after such removal; and at the end of the sale the building will be left clean and broom swept.
9. TCL will have the right of abandonment on the premises of any unsold Assets.
10. TCL has the right to use the name Martin Ross Group Inc., in their advertng of the assets for sale.

If MRG would like to include any moulds, finished product, raw material, etc.to our auction sale, we will put together a commission contract separate from this Purchase Proposal.

This offer is available for acceptance until April 9, 2015 at 3 pm EDT.


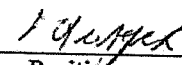
If you have any questions, please feel free to contact me directly on my mobile phone at 416-543-7373.

Sincerely,
TCL ASSET GROUP INC.

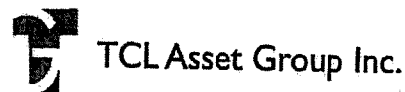
Per: Terrance Jacobs
 CEO



The preceding purchase proposal and terms are hereby accepted and agreed to, on behalf of Martin Ross Group Inc.

Per:  I have the authority to bind the company  Position

Dated at Toronto this 10th day of April 2015.



SCHEDULE "A"
ASSETS EXCLUDED FROM SALE

- The Envision Tec Perfactory 3 Digital Shell 3D Printer
- Folding table
- computer tower
- computer printer
- Alfred Sung brand jewelry boxes and displays
- (2) flat screen tv's
- cafeteria chairs
- assets in safe
- carpet
- air makeup bags on ground in basement
- (2) servers
- moulds

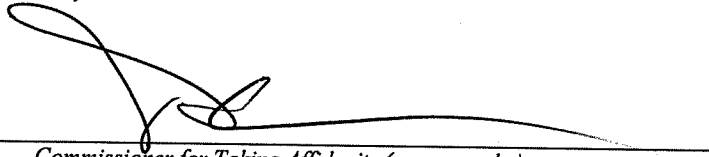


EXCLUDED ASSETS:

1. All metal models, rubber moulds and waxes
2. All items of inventory whether finished or scrap
3. Garbage bags in basement containing filter bags from dust collectors
4. 2 Sharp photocopiers on lease
5. 2 Dell computer servers on lease
6. *CONTENTS OF ALLEN JACHTMAN'S OFFICE WITH THE EXCLUSION OF THE FURNITURE.*
7. *PITNEY BOWES MAILING MACHINE*

TAB F

This is Exhibit "F" referred to in the Affidavit of Allen Shechtman
affirmed April 23, 2015

A handwritten signature in black ink, consisting of a large loop on the left and a series of smaller loops and strokes extending to the right, ending in a long horizontal line.

Commissioner for Taking Affidavits (or as may be)

PHILIP CHO

THIS AGREEMENT made the 23rd day of April, 2015

BETWEEN:

MARTIN ROSS GROUP INC., a corporation amalgamated pursuant to the laws of the Province of Ontario ("MRG")

OF THE FIRST PART

- and -

1028462 ONTARIO LTD. O/A BEARINGTON FINE JEWELLERY, a corporation incorporated pursuant to the laws of the Province of Ontario ("Bearington")

OF THE SECOND PART

WHEREAS:

- (A) On August 7, 2014 MRG commenced proceedings under the *Companies' Creditors Arrangement Act* (Canada) ("CCAA");
- (B) As part of the CCAA proceedings, MRG is liquidating its assets;
- (C) MRG and Bearington have agreed that MRG shall sell and Bearington shall buy the finished goods set out in the seven pages comprising Schedule A attached hereto (the "Inventory") on the terms as set out herein.

NOW THEREFORE WITNESSETH THAT for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The foregoing recitals are true in substance and fact.
2. Subject to obtaining an order (the "Order") from the Ontario Superior Court of Justice (the "Court"), Bearington agrees to purchase and MRG agrees to sell the Inventory. The parties agree that the purchase price for the Inventory is [REDACTED] plus applicable taxes (the "Purchase Price"). Bearington shall be responsible to pay HST and other applicable taxes on top of the Purchase Price. All payments on account of the Purchase Price shall be made by certified cheque, bank draft or via wire transfer.
3. Bearington shall pay MRG a deposit of [REDACTED] upon signing this Agreement (the "Deposit"). The Deposit shall be held by MRG. If the Order is obtained approving the sale of the Inventory, the Deposit shall be applied towards the Purchase Price. In the event that a Court approval is not obtained, then the Deposit shall be refunded to Bearington within two (2) business days, as such term is defined in section 9, of the Court refusing to approve the sale of the Inventory.

4. The parties acknowledge that the Court authorization is required for the Inventory sale to occur. MRG shall apply to the Court to approve the sale of the Inventory as soon as possible upon this Agreement being signed by both Bearington and MRG. The sale of the Inventory shall be completed within two (2) business days, as defined in Section 9, of obtaining an Order approving the sale of the Inventory. The parties agree that if the Court does not approve the sale of the Inventory, then such inventory shall not be sold to Bearington.
5. The balance of the Purchase Price shall be paid by Bearington prior to the Inventory being released by MRG.
6. Subject to obtaining the necessary Order, MRG will make the Inventory available for Bearington to pick up, at Bearington's own expense, within the time frame set out in Section 4 above. The parties agree that prior to picking up the Inventory, Bearington shall have the right to inspect the Inventory to ensure conformance with the listing in Schedule A. If the inspection reveals discrepancies with the listing in Schedule A, the parties shall adjust the Purchase Price upward or downwards based on the weight of goods actually delivered to Bearington.
7. Bearington acknowledges and agrees that: (i) it has inspected and chosen the Inventory from MRG's inventory; (ii) it will be purchasing and accepting the Inventory on an "as is where is" basis; and (iii) MRG is making no representation or warranty regarding the Inventory. Bearington further acknowledges that (i) MRG disclaims any warranty or representation, expressed and implied, with respect to the Inventory, including but not limited to warranties regarding merchantability, quality or fitness for a particular purpose; and (ii) none of the Inventory may be returned under any circumstances.
8. Title to the Inventory shall remain with MRG until such time as the items are paid for in full, at which time all of MRG's right, title and interest in and to the Inventory shall be transferred to Bearington.
9. Any notice required or permitted to be given pursuant to this Agreement shall be in writing and may be given by personal delivery, by email, or by mailing the same postage prepaid as follows:

In the case of MRG, addressed to:

250 Canarctic Drive
Toronto, Ontario
M3J 2P4

Attn: Allen Shechtman
Email: ashechtm@martinross.ca

In the case of Bearington, addressed to:

Attn:

Email:

Any notice given personally shall be deemed delivered when personally delivered and if delivery is made other than during regular business hours of the recipient, the notice shall be deemed delivered the following business day. For the purposes of this Agreement, a business day shall mean a day other than a Saturday, Sunday or statutory holiday in the Province of Ontario. If a notice is given by email, the notice shall be deemed delivered on the date on which it was sent, provided if delivered outside normal business hours of the recipient, the notice shall be deemed delivered on the following business day. Finally if a notice is sent by regular prepaid mail, the notice shall be deemed delivered on the fifth (5th) business day after mailing, not including the date of mailing. Any one of the parties hereto may change its address from time to time by notice given to the other in accordance with the foregoing. In the event of a mail strike or other interruption of postal deliveries, all notices shall be delivered personally or by email.

10. This Agreement may be executed in any number of counterparts and all these counterparts shall for all purposes constitute one agreement, binding all the parties, notwithstanding that all parties are not signatories to the same counterpart. This Agreement may be delivered as a pdf document or by facsimile, which pdf document or facsimile shall be deemed an original and shall be admissible to the same extent as an original agreement.
11. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

12. This Agreement shall be governed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date Bearington above written.

MARTIN ROSS GROUP INC.

Per: _____
Name: Allen Shechtman
Title: CEO

**1028462 ONTARIO LTD. O/A
BEARINGTON FINE JEWELLERY**

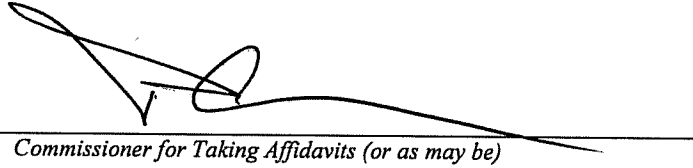
Per: _____
Name:
Title:

SCHEDULE A

INVENTORY

TAB G

This is Exhibit "G" referred to in the Affidavit of Allen Shechtman affirmed April 23, 2015



Commissioner for Taking Affidavits (or as may be)

PHILIP CHO

Martin Ross Group Inc.
Projected Cash Flow
C000's

WEEKLY CASH FLOW - FROM MAY 1 TO JULY 31, 2015

	May 1 - 8 days 6	May 11 - 15 5	May 18 - 22 5	May 25 - 29 5	June 1 - 5 5	June 8 - 12 5	June 15 - 19 5	June 22 - 26 5	June 29-Jul 3 5	Jul 6 - 10 5	Jul 13 - 17 5	Jul 20 - 24 5	Jul 27 - 31 5	TOTAL
Cash Receipts														
Receivables	6	3	4	17	20	4	3	5	18	3	3	3	33	122
Finished goods liquidations	230													230
Other inventory liquidations				50										50
Total Receipts	236	3	4	67	20	4	3	5	18	3	3	3	33	402
Cash Disbursements														
HST			52	10					10					82
PAYROLL		5		5		4		3		3			10	25
RENT	16				16				16			3	2	48
PROPERTY TAX	11									11				22
COLLECTION EXPENSES	10					5				5				20
FREIGHT/SHIPPING		1		1		1		1					2	6
UTILITIES	3	3	3	3	3	3	3	3	3	3	3	3	3	39
PROFESSIONAL FEES					50			50						150
DISTRIBUTION TO SECURED CREDITOR	107													107
OTHER Contingency	2	2	2	2	2	2	2	2	2	2	2	2	2	26
Total Disbursements	149	11	57	21	71	15	5	59	31	24	5	10	67	525
Net Cash In / (Out)	87	-8	-53	46	-51	-11	-2	-54	-13	-21	-2	-7	-34	-123
Cash - Opening Balance note	7,850	7,937	7,929	7,876	7,922	7,871	7,860	7,858	7,804	7,791	7,770	7,768	7,761	7,850
Cash - Ending Balance	7,937	7,929	7,876	7,922	7,871	7,860	7,858	7,804	7,791	7,770	7,768	7,761	7,727	7,727

Notes: The opening balance is estimated.

TAB 3

Court File No. CV-14-10655-00CL

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

THE HONOURABLE)	FRIDAY, THE 1ST DAY
)	
JUSTICE)	OF MAY, 2015

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF MARTIN ROSS GROUP INC.

**ORDER
(Claims Procedure Order)**

THIS MOTION, made by Martin Ross Group Inc. (the "**Applicant**") for, among other things, an order approving and establishing a procedure for the identification, resolution and barring of certain claims against the Applicant was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of Allen Shechtman sworn on April 23, 2015 and the Seventh Report (the "**Seventh Report**") of Collins Barrow Toronto Limited ("**CBTL**") in its capacity as court-appointed monitor of the Applicant (the "**Monitor**"), and on hearing the submissions of the lawyers for the Applicant and the Monitor, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Kelly Barrett sworn April 24, 2015, filed, and the affidavit of Janice Chen sworn April *, 2015, filed:

Definitions

1. THIS COURT ORDERS that the following terms in this Order shall have the following meanings ascribed to them:

- (a) **“Affected Claim”** means all Claims other than Unaffected Claims;
- (b) **“Affected Creditor”** means all Creditors with Affected Claims;
- (c) **“Business Day”** means a day which is not: (a) a Saturday or a Sunday; or (b) a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable in the Province of Ontario;
- (d) **“CCAA”** means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
- (e) **“CCAA Proceedings”** means the proceedings before the Court in respect of the application by the Applicant commenced pursuant to the CCAA;
- (f) **“Claim”** means any right or claim of any Person against the Applicant, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Applicant, which indebtedness, liability or obligation is in existence at the Commencement Date and which is not a Post-Filing Claim, and any interest that may accrue thereon in which there is an obligation to pay, and costs which such Person would be entitled to receive pursuant to the terms of any contract with such Person at law or in equity, any right of ownership of or title to property or assets or to a trust or deemed trust (statutory or otherwise) against any property or assets, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, or any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to

any matter, action, cause or chose in action, whether existing at present or commenced in the future, based in whole or in part on facts which exist prior to the Commencement Date, together with any other claims that would have been claims provable in bankruptcy had the Applicant become bankrupt on the Commencement Date;

- (g) **“Claims Bar Date”** means 5:00 p.m. on June 5, 2015;
- (h) **“Claims Procedure”** means the claims procedure and schedules set out herein and as approved in the Filing Order, as may be amended from time to time;
- (i) **“Commencement Date”** means August 7, 2014;
- (j) **“Court”** means the Ontario Superior Court of Justice (Commercial List);
- (k) **“Creditor”** means any Person having a Claim and, if the context requires, an assignee or transferee of a Claim or a trustee, receiver, receiver-manager or other Person acting on behalf of such Person;
- (l) **“Dollars”** or **“\$”** means lawful money of Canada unless otherwise indicated;
- (m) **“Filing Order”** means this Order dated May 1, 2015 establishing, *inter alia*, the procedure for Creditors to prove their Claims;
- (n) **“Initial Order”** means the Initial Order dated August 7, 2014;
- (o) **“Notice to Creditors”** means the notice substantially in the form attached hereto as **Schedule “A”**;
- (p) **“Notice of Revision or Disallowance”** means the notice substantially in the form attached hereto as **Schedule “C”**;
- (q) **“Order”** means any order of the Court in connection with the CCAA Proceedings;

- (r) **“Person”** means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted;
- (s) **“Proof of Claim”** means the Proof of Claim substantially in the form attached hereto as **Schedule “B”**;
- (t) **“Unaffected Claim”** means (a) Claims of the Monitor and its counsel, Claims of the Applicant’s counsel arising before or after the Commencement Date; (b) Claims for wages, salary and vacation pay accruing due to employees; and (c) Claims for amounts due for goods or services actually supplied to the Applicant after the Commencement Date; and,
- (u) **“Unaffected Creditor”** means any Creditor with an Unaffected Claim.

General Provisions

2. THIS COURT ORDERS that copies of all Proofs of Claim and Notices of Revision or Disallowance, and determinations of Claims by the Court shall be maintained by the Monitor and, subject to further order of the Court, all Creditors will be entitled to have access thereto by appointment during normal business hours on written request to the Monitor.
3. THIS COURT ORDERS that for the purposes of this Claims Procedure, all Claims which are denominated in a foreign currency shall be converted to Canadian dollars as at the Commencement Date as provided by section 43 of the CCAA.
4. THIS COURT ORDERS that the Monitor is authorized to use reasonable discretion as to adequacy of compliance with respect to the manner in which Proofs of Claim and Notices of Revision or Disallowance are completed and executed, and may, where the Monitor is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Procedure as to completion and execution of Proofs of Claim or Notices of Revision or Disallowance.

5. THIS COURT ORDERS that any document to be sent pursuant to this Claims Procedure may be sent by e-mail, ordinary mail, registered mail, courier or facsimile transmission. An Affected Creditor shall be deemed to have received any document sent pursuant to this Claims Procedure five (5) calendar days after such document is sent by ordinary mail and registered mail and one calendar day after such document is sent by e-mail, courier or facsimile transmission.

6. THIS COURT ORDERS that in the event that any provision of the Claims Procedure is amended by or is contrary to a provision of an Order of the Court made in the CCAA Proceedings, the provision of such Order shall have precedence over the provision of the Claims Procedure.

7. THIS COURT ORDERS that all references to time herein shall mean local time in Toronto, Ontario, Canada and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein.

8. THIS COURT ORDERS that references to the singular herein include the plural, the plural includes the singular and any gender includes the other gender.

Schedules

9. THIS COURT ORDERS that the following Schedules form part of this Filing Order:

- (a) **Schedule "A"** - Notice to Creditors (Publication)
- (b) **Schedule "B"** - Proof of Claim
- (c) **Schedule "C"** - Notice of Revision or Disallowance

Claims Procedure

10. THIS COURT ORDERS that the Monitor shall send, on or before 11:59 p.m. on May 8, 2015, to each known Affected Creditor a Proof of Claim substantially in the form attached as **Schedule "B"** hereto, together with a copy of the Claims Procedure and this Filing Order.

11. THIS COURT ORDERS that, as soon as practicable after the date of this Filing Order, the Monitor shall cause to be published the Notice to Creditors substantially in the form attached as **Schedule "A"** hereto, in The Globe & Mail (National Edition).
12. THIS COURT ORDERS that the Monitor shall send to each Affected Creditor responding to the Notice to Creditors a Proof of Claim together with a copy of this Filing Order.
13. THIS COURT ORDERS that each Affected Creditor must return the Proof of Claim to the Monitor by no later than the Claims Bar Date for their Proof of Claim to be considered. Proofs of Claim may be delivered by mail, facsimile transmission or by e-mail. The Monitor shall forthwith provide a copy of such Proof of Claim to the Applicant.
14. THIS COURT ORDERS that any Affected Creditor that does not file a Proof of Claim by the Claims Bar Date: (a) shall not be entitled to attend or vote at any Affected Creditors Meeting; (b) shall not be entitled to receive any distribution and its Claim shall be forever extinguished and barred; and (c) shall not be entitled to notice of any further matters in the CCAA Proceedings.
15. THIS COURT ORDERS that Unaffected Creditors shall not be required to participate in the Claims Procedure in respect of their Unaffected Claims. The Monitor will not review or consider any Proof of Claim filed in respect of an Unaffected Claim.
16. THIS COURT ORDERS that the Monitor shall review all Proofs of Claim received by the Claims Bar Date and by no later than 11:59 p.m. on June 17, 2015, or such other date as the Monitor may determine, shall notify each Creditor who has filed a Proof of Claim as to whether such Creditor's Claim as set out therein has been revised or rejected, and the reasons therefor, by sending a Notice of Revision or Disallowance substantially in the form attached as **Schedule "C"** hereto. Notices of Revision or Disallowance shall be sent to the address set forth on the corresponding Proof of Claim and may be delivered via facsimile transmission or e-mail. Where the Monitor does not send by such date a Notice of Revision or Disallowance to a Creditor who has submitted a Proof of Claim, the Applicant shall be deemed to have accepted such Creditor's Claim in the amount set out in the Proof of Claim.

17. THIS COURT ORDERS that any Creditor who intends to dispute a Notice of Revision or Disallowance shall, by no later than 5:00 p.m. on the day that is ten (10) calendar days after the Creditor's deemed receipt of the Notice of Dispute or Disallowance, serve a Notice of Motion on the Monitor seeking to appeal the Monitor's determination. The motion shall be made returnable for scheduling on July 15, 2015, or such other date as the Monitor and the Creditor may agree in writing.

18. THIS COURT ORDERS that the Monitor, with the assistance of the Applicant, may resolve any dispute with any Creditor, who has served a Notice of Motion seeking to appeal the Monitor's determination, at any time prior to the return date of any such motion.

19. THIS COURT ORDERS that where a Creditor that receives a Notice of Revision or Disallowance does not serve a Notice of Motion by the date required, the value of such Creditor's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance.

Schedule "A"**NOTICE TO CREDITORS OF MARTIN ROSS GROUP INC.**

TAKE NOTE THAT Martin Ross Group Inc. (the "Applicant") intends to distribute certain monies realized by the Applicant (the "Distribution"). An Order of the Ontario Superior Court of Justice made May 1, 2015 (the "Order") provides for a procedure for the determination of all claims, contingent or otherwise, against the Applicant.

THE CLAIMS BAR DATE is 5:00 p.m. (Toronto time) on June 5, 2015. All Affected Creditors must file a Proof of Claim by the Claims Bar Date in order to participate in the Distribution. Any creditor who has not received a Proof of Claim in the mail must contact the Monitor immediately to determine if they are an Affected Creditor and obtain a Proof of Claim. The Monitor can be contacted at:

COLLINS BARROW TORONTO LIMITED
11 King Street West, Suite 700
PO Box 27
Toronto, Ontario M5H 4C7

Attention: Arif Dhanani
Telephone: (647) 725-0183
Facsimile: (416) 480-2646
E-mail: andhanani@collinsbarrow.com

HOLDERS OF AFFECTED CLAIMS WHO DO NOT FILE A PROOF OF CLAIM BY THE CLAIMS BAR DATE WILL NOT BE ENTITLED TO PARTICIPATE IN ANY DISTRIBUTION AND SUCH CLAIMS WILL BE BARRED AND EXTINGUISHED FOREVER.

Schedule "B"

Proof of Claim

A. Particulars of Creditor:

- (1) Full Legal Name of Creditor:
- (2) Full Mailing Address of Creditor:
- (3) Telephone Number of Creditor:
- (4) Facsimile Number of Creditor:
- (5) E-mail Address of Creditor:
- (6) Attention (Contact Person):

B. Particulars of Original Creditor from Whom You Acquired Claim, if Applicable:

- (1) Have you acquired this Claim by assignment?

Yes [] No []

(if yes, attach documents evidencing assignment)

- (2) Full Legal Name of original creditor(s):

C. Claim:

I,, [*name of Creditor or authorized representative of the Creditor*], do hereby certify that I am the Creditor/hold the position of of the Creditor and have knowledge of all the circumstances connected with the Claim described herein; and

The Creditor makes the following Claim (e.g. claims as at August 7, 2014) against the Applicant:

Claim Amount (specify whether USD or CDN)	Secured (Y or N)

D. Particulars of Claim:

The particulars of the undersigned's total Claim are attached.

(Attach a schedule setting forth full particulars of the Claim(s) against the Applicant and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim(s), name of any guarantor(s) which has guaranteed the Claim(s), and amount of Claim(s) allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the Applicant to Creditor or title retention arrangement with the Applicant and estimated value of such security or title retention arrangement).

THIS PROOF OF CLAIM MUST BE RETURNED TO AND RECEIVED BY THE MONITOR BY 5:00 P.M. (TORONTO TIME) ON THE CLAIMS BAR DATE (JUNE 5, 2015) AT THE FOLLOWING ADDRESS:

COLLINS BARROW TORONTO LIMITED
11 King Street West, Suite 700
PO Box 27
Toronto, Ontario M5H 4C7

Attention: Arif Dhanani
Telephone: (647) 725-0183
Facsimile: (416) 480-2646
E-mail: andhanani@collinsbarrow.com

DATED at this day of, 2015.

Witnessed by:

[If Creditor is individual]

(sign) _____

Print Name: _____

[If Creditor is corporation]

[Print name of Creditor]

Per: *(sign)* _____
Authorized Signing Officer

Schedule "C"

Notice of Revision or Disallowance

TO: *[insert name and address of creditor]*

COLLINS BARROW TORONTO LIMITED (the "Monitor"), has reviewed your Proof of Claim dated the _____ day of _____, 2015, and has revised or rejected your claim for the following reasons:

[Please see attached]

Subject to further dispute by you in accordance with the provisions of the Claims Procedure, your Claim will be allowed as follows:

Claim as Filed	Claim as Allowed

If you intend to dispute this Notice of Revision or Disallowance, you must, no later than **ten (10) days after the receipt of this notice** (as deemed by the Claims Procedure), bring a Motion, by serving a Notice of Motion, seeking to appeal the Monitor's determination. Your Motion must be returnable for scheduling on **July 15, 2015**, or such other date as may be agreed by you and the Monitor, in writing, and served on the Monitor at:

COLLINS BARROW TORONTO LIMITED
11 King Street West, Suite 700
PO Box 27
Toronto, Ontario M5H 4C7

Attention: Daniel Weisz
Telephone: (416) 646-8778
Facsimile: (416) 480-2646
E-mail: dweisz@collinsbarrow.com

with a copy to:

TORKIN MANES LLP
151 Yonge Street, Suite 1500,
Toronto, Ontario M5C 2W7

Attention: Fay D. Sulley
Telephone: (416) 777-5419
Facsimile: (416) 225-3910
E-mail: fsulley@torkinmanes.com
Lawyers for the Monitor

If you do not bring a Motion appealing the decision of the Monitor, the value of your Claim shall be deemed to be as set out in this Notice of Revision or Disallowance.

DATED at Toronto, this ____ day of _____, 2015.

**COLLINS BARROW TORONTO LIMITED,
in its capacity as Court-Appointed Monitor of
Martin Ross Group Inc. and not in its personal
or corporate capacity**

Per: _____
Authorized Signing Officer

Court File No. CV-14-10655-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**ORDER
(Claims Procedure Order)
(May 1, 2015)**

**KRONIS, ROTSZTAIN,
MARGLES, CAPPEL LLP**
Barristers and Solicitors
8 King Street East, Suite 1000
Toronto ON M5C 1B5

Mervyn D. Abramowitz (LSUC # 28323R)
mabramowitz@krmc-law.com

Philip Cho (LSUC #456125U)
pcho@krmc-law.com

Tel: (416) 225-8750

Fax: (416) 306-9874

Lawyers for the Applicant, Martin Ross Group Inc.

TAB 4

Court File No. CV-14-10655-00CL

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

THE HONOURABLE
JUSTICE

)
)
)

FRIDAY, THE 1ST DAY
OF MAY, 2015

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF MARTIN ROSS GROUP INC.

**ORDER
(Interim Distribution and Stay Extension)**

THIS MOTION, made by Martin Ross Group Inc. (the "**Applicant**") for, among other things, an order (i) approving and authorizing a further interim distribution in the sum of USD \$86,995.48 to Sherfam Inc. ("**Interim Distribution**"); (ii) extending the Stay Period (as defined in the Initial Order of Justice Penny dated August 7, 2014); and, (iii) approving the Seventh Report (the "**Seventh Report**") of Collins Barrow Toronto Limited in its capacity as court-appointed monitor of the Applicant (the "**Monitor**") and the activities of the Monitor described therein, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of Alan Shechtman sworn on April 23, 2015 and the Seventh Report, including the affidavit of Daniel Weisz sworn on April *, 2015 (the "**Fee Affidavit**"), and on hearing the submissions of the lawyers for the Applicant and the Monitor, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Kelly Barrett sworn April 24, 2015, filed, and the affidavit of Janice Chen sworn April *, 2015, filed:

1. THIS COURT ORDERS that the time for service and filing of the Motion Record and the Seventh Report is hereby abridged, and service of the Motion Record and the Seventh

Report is hereby validated, such that this Motion is properly returnable today and hereby dispenses with further service thereof.

Interim Distribution

2. THIS COURT ORDERS that the Interim Distribution is hereby approved, and the Applicant is hereby authorized and directed to make the Interim Distribution.

Monitor's Activities and Fee Approval

3. THIS COURT ORDERS that the Seventh Report of the Monitor, and the activities of the Monitor as described therein, be and are hereby approved.

4. THIS COURT ORDERS that the fees and disbursements of the Monitor, as set out in the Fee Affidavit, be and are hereby approved.

Stay Extension

5. THIS COURT ORDERS that the Stay Period be and is hereby extended until July 31, 2015.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MARTIN ROSS GROUP INC.

Court File No. CV-14-10655-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

ORDER
(approving interim distribution and stay extension)

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TAB 5

Revised: January 21, 2014

Court File No. CV-14-10655-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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THE HONOURABLE)
JUSTICE)
) WEEKDAYFRIDAY, THE #1ST
) DAY OF MONTHMAY, 20YR2015

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF MARTIN ROSS GROUP INC.

BETWEEN:

PLAINTIFF

Plaintiff

—and—

DEFENDANT

Defendant

APPROVAL AND VESTING ORDER

THIS MOTION, made by Martin Ross Group Inc. (the "Applicant") [RECEIVER'S NAME] in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor") for, among other things, an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver Applicant and [NAME OF PURCHASER]1028462 Ontario Ltd. (the "Purchaser") dated April, 2015 [DATE] and appended to the Report of the Receiver dated [DATE] (the "Report")Affidavit of Allen Shechtman affirmed on April 23, 2015 ("Shechtman Affidavit"), and vesting in the Purchaser the Debtor's Applicant's right, title and

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interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

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ON READING the Notice of Motion, the Affidavit of Allaen Shechtman affirmed on April 23, 2015 and the Seventh Report (the "Seventh Report") of Collins Barrow Toronto Limited in its capacity as court-appointed monitor of the Applicant (the "Monitor"). Report and on hearing the submissions of counsel for the Applicant and the Monitor-Receiver, [NAMES OF OTHER PARTIES APPEARING], no one appearing for any other person on the service list, although properly served as appears from the affidavit of Kelly Barrett sworn April 23, 2015, filed, and the affidavit of Janice Chen sworn April *, 2015, filed:[NAME] sworn [DATE] filed¹:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved,² and the execution of the Sale Agreement by the Receiver³Applicant is hereby authorized and approved, with such minor amendments as the ReceiverApplicant may deem necessary. The ReceiverApplicant is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "ReceiverMonitor's Certificate"), all of the DebtorApplicant's right, title and interest in and to the Purchased Assets described in the Sale Agreement [and listed on Schedule B hereto]⁴ shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts

¹ This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

² In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.

³ In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.

⁴ To allow this Order to be free standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

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(whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims"⁵) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice [NAME] Penny dated [DATE] August 7, 2014; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances"; which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. ~~THIS COURT ORDERS that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the *Land Registration Reform Act* duly executed by the Receiver][Land Titles Division of {LOCATION}] of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*⁶, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.~~

3. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver/Monitor's Certificate

⁵ The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

⁶ Elect the language appropriate to the land registry system (Registry vs. Land Titles).

⁷ The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

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all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale⁸, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

4. THIS COURT ORDERS that the Monitor may rely on written notice from the Applicant and the Purchaser regarding fulfilment of conditions to closing under the Sale Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

~~4. —~~

5. THIS COURT ORDERS AND DIRECTS the ~~Receiver~~Monitor to file with the Court a copy of the ~~Receiver~~Monitor's Certificate, forthwith after delivery thereof.

~~6. THIS COURT ORDERS that, pursuant to clause 7(3)(e) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "A" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.~~

~~7.6.~~ THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the ~~Debtor~~Applicant and any bankruptcy order issued pursuant to any such applications; and

⁸ ~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

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- (c) any assignment in bankruptcy made in respect of the ~~Debtor~~Applicant;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the ~~Debtor~~Applicant and shall not be void or voidable by creditors of the ~~Debtor~~Applicant, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

8. THIS COURT ORDERS that the unredacted version of the Sale Agreement, being Exhibit "F" to the Shechtman Affidavit, shall be sealed and shall remain sealed until the completion of the Transaction, or further order of this Court.

~~9. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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.~~

Revised: January 21, 2014

Schedule A – Form of Receiver’s Monitor’s Certificate

Court File No. CV-14-10655-00CL_____

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF MARTIN ROSS GROUP INC.

BETWEEN:

PLAINTIFF

Plaintiff

~~and~~

DEFENDANT

Defendant

RECEIVER’S MONITOR’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~Penny of the Ontario Superior Court of Justice (the "Court") dated ~~[DATE OF ORDER]~~August 7, 2014, ~~[NAME OF RECEIVER]~~Collins Barrow Toronto Limited was appointed as the receiver ~~Monitor~~ (the "ReceiverMonitor") of the undertaking, property and assets of ~~[DEBTOR]~~Martin Ross Group Inc. (the "DebtorApplicant").

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B. Pursuant to an Order of the Court dated ~~[DATE]~~May 1, 2015, the Court approved the agreement of purchase and sale made as of ~~[DATE OF AGREEMENT]~~April, 2015 (the "Sale Agreement") between the Receiver Applicant ~~[Debtor]~~ and ~~[NAME OF PURCHASER]~~1028462 Ontario Ltd. (the "Purchaser") and provided for the vesting in the Purchaser of the

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~~Debtor~~Applicant's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the ~~Receiver~~Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section • of the Sale Agreement have been satisfied or waived by the ~~Receiver~~Applicant and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the ~~Receiver~~Applicant.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE ~~RECEIVER-MONITOR~~ CERTIFIES the following:

1. The Purchaser has paid and the ~~Receiver~~Applicant has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section • of the Sale Agreement have been satisfied or waived by the ~~Receiver~~Applicant and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the ~~Receiver~~Applicant.
4. This Certificate was delivered by the ~~Receiver-Monitor~~ at _____ [TIME] on _____ [DATE].

~~{NAME OF RECEIVER}~~COLLINS
BARROW TORONTO LIMITED, in its
 capacity as ~~Receiver~~the court-appointed
Monitor of Martin Ross Group Inc.~~of the~~
~~undertaking, property and assets of~~
~~{DEBTOR}~~, and not in its personal capacity

Per: _____
 Name:
 Title:

Revised: January 21, 2014

Schedule B—Purchased Assets

Revised: January 21, 2014

~~Schedule C~~ ~~Claims to be deleted and expunged from title to Real Property~~

**Schedule D—Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

TAB 6

Court File No. CV-14-10655-00CL

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

THE HONOURABLE)	FRIDAY, THE 1ST
)	
JUSTICE)	DAY OF MAY, 2015

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF MARTIN ROSS GROUP INC.

APPROVAL AND VESTING ORDER

THIS MOTION, made by Martin Ross Group Inc. (the "**Applicant**") for, among other things, an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Applicant and 1028462 Ontario Ltd. (the "**Purchaser**") dated April , 2015 and appended to the Affidavit of Allen Shechtman affirmed on April 23, 2015 ("**Shechtman Affidavit**"), and vesting in the Purchaser the Applicant's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of Allen Shechtman affirmed on April 23, 2015 and the Seventh Report (the "**Seventh Report**") of Collins Barrow Toronto Limited in its capacity as court-appointed monitor of the Applicant (the "**Monitor**"), and on hearing the submissions of counsel for the Applicant and the Monitor, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Kelly Barrett sworn April 23, 2015, filed, and the affidavit of Janice Chen sworn April *, 2015, filed:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Applicant is hereby authorized and approved, with such minor amendments as the Applicant may deem necessary. The Applicant is hereby

authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Monitor's Certificate"), all of the Applicant's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Penny dated August 7, 2014; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "Encumbrances") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

4. THIS COURT ORDERS that the Monitor may rely on written notice from the Applicant and the Purchaser regarding fulfilment of conditions to closing under the Sale Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

5. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, notwithstanding:
- (a) the pendency of these proceedings;
 - (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Applicant and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made in respect of the Applicant;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

8. THIS COURT ORDERS that the unredacted version of the Sale Agreement, being Exhibit "F" to the Shechtman Affidavit, shall be sealed and shall remain sealed until the completion of the Transaction, or further order of this Court.

Schedule A – Form of Monitor’s Certificate

Court File No. CV-14-10655-00CL

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

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF MARTIN ROSS GROUP INC.

MONITOR’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Penny of the Ontario Superior Court of Justice (the "**Court**") dated August 7, 2014], Collins Barrow Toronto Limited was appointed as the Monitor (the "**Monitor**") of Martin Ross Group Inc. (the "Applicant").

B. Pursuant to an Order of the Court dated May 1, 2015, the Court approved the agreement of purchase and sale made as of April , 2015 (the "**Sale Agreement**") between the Applicant and 1028462 Ontario Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Applicant’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section • of the Sale Agreement have been satisfied or waived by the Applicant and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Applicant.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Applicant has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Applicant and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Applicant.
4. This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

**COLLINS BARROW TORONTO LIMITED,
in its capacity as the court-appointed Monitor
of Martin Ross Group Inc., and not in its
personal capacity**

Per: _____

Name:

Title:

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MARTIN ROSS GROUP INC.**

Court File No. CV-14-10655-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

**MOTION RECORD OF THE APPLICANT,
MARTIN ROSS GROUP INC.
(motion approving claims procedure, sale transaction,
interim distribution and stay extension)
(returnable May 1, 2015)**

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