

**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.**

NINTH REPORT OF THE MONITOR

October 21, 2015

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I. INTRODUCTION

1. This is the ninth report (the “**Ninth Report**”) prepared by Collins Barrow Toronto Limited (the “**Monitor**”), in its capacity as the Monitor of Martin Ross Group Inc. (“**MRG**” or the “**Company**”) appointed pursuant to section 11.7 of the *Companies’ Creditors Arrangement Act* by an Order of Mr. Justice Penny dated August 7, 2014 (the “**Initial Order**”). The Initial Order stayed all proceedings against the Company until September 6, 2014 (the “**Stay Period**”). A copy of the Initial Order is attached hereto as Appendix “**A**”. The Stay Period was subsequently extended by further Orders of the Court, and the Stay Period is currently set to expire, unless extended further, on October 31, 2015.
2. The Initial Order, Monitor’s reports and other documents filed in these proceedings (the “**CCAA Proceedings**”) have been posted on the Monitor’s website at www.collinsbarrow.com/en/toronto-ontario/martin-ross-group. The Monitor will continue to post to its website documents in accordance with the E-service Protocol for the Commercial List in the Toronto region.
3. Capitalized terms not otherwise defined in the Ninth Report are as defined in the Initial Order, and in the first eight reports of the Monitor.

II. PURPOSE OF REPORT

4. The purpose of this Ninth Report is to provide the Court with information regarding:
 - a) the Company’s interim distribution to its creditors;
 - b) the status of the Company’s remaining assets, including cash, accounts receivable and other assets;
 - c) the Company’s request for an extension of the Stay Period to February 15, 2016 and the Monitor’s recommendation thereon;

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- d) the Monitor's activities since the Monitor's report dated June 25, 2015 (the "**Monitor's Eighth Report**") and the Company's request for an Order approving the Monitor's activities and its invoices #11, 12 and 13 for the period June 1, 2015 to September 30, 2015; and
 - e) the Company's request for an Order approving the accounts of Torkin Manes LLP for the period June 1, 2015 to October 21, 2015.

III. TERMS OF REFERENCE

- 5. In preparing this Ninth Report and making the comments herein, the Monitor has relied upon unaudited financial information prepared or provided by the Company, discussions with management of the Company, MRG's counsel and information from other third-party sources (collectively, the "**Information**"). As the Information included in this Ninth Report has been provided by MRG or other parties, the Monitor has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of the Information.
- 6. All references to dollars are in Canadian currency unless otherwise noted.

IV. INTERIM DISTRIBUTION

- 7. As set out in the Monitor's Eighth Report, a copy of which is attached hereto as Appendix "**B**", as at June 23, 2015, MRG received 1 secured and 50 unsecured claims totaling CDN \$143,056 and CDN \$34,614,846, respectively. As further set out in the Monitor's Eighth Report, the Company proposed to make an interim distribution of (i) \$143,056 to the secured creditor, Sherfam Inc. ("**Sherfam**"), and (ii) approximately

\$7,356,944 to the unsecured creditors of MRG which had accepted claims, by way of a payment of \$.2125 per dollar of claim. The total distribution was to be \$7.5 million.

8. Pursuant to an Order of the Court dated June 29, 2015 (the “**Interim Distribution Order**”), MRG distributed the subject amounts to Sherfam and to the unsecured creditors having accepted claims. A copy of the Interim Distribution Order is attached hereto as Appendix “C”.
9. At that time, and as set out in the Monitor’s Eighth Report, there were two creditors which had submitted claims which had not been accepted by the Company. The Company and the Monitor continued discussions with the two creditors with a view to settling the quantum of their claims against the Company. After some discussion and exchange of correspondence between MRG, its counsel, the Monitor and counsel for the two creditors, the Company reached agreements with these creditors as to the quantum at which their unsecured claims would be accepted. As a result, on or about July 10, 2015, MRG made interim distribution payments to these two unsecured creditors in the total amount of approximately \$17,000, which brought the total interim distribution amount to approximately \$7,517,000.
10. One further unsecured creditor filed with the Monitor a proof of claim dated June 22, 2015, which was received by the Monitor via email on July 10, 2015. The Monitor issued a Notice of Disallowance to this creditor setting out that the creditor’s proof of claim had been filed with the Monitor after the Claims Bar Date. The Monitor has received no correspondence from this creditor with respect to the Notice of Disallowance.

V. REALIZATIONS, REMAINING ASSETS AND ONGOING EXPENSES

11. As set out in the affidavit of Allen Shechtman sworn October 21, 2015 (the “**October 2015 Shechtman Affidavit**”), MRG has continued its efforts to (i) collect the Company’s remaining accounts receivable, (ii) repatriate consignment inventory from Wal-Mart Canada Corp. (“**Wal-Mart**”), (iii) liquidate consignment and other inventory and (iv) effect the sale of gold dust that was in embedded in the carpeting in the

Company's premises, by removing that carpeting, burning and melting the carpeting in order that the gold dust could be extracted from the carpeting and refined. The realizations achieved by MRG from these assets since the Monitor's Eighth Report are set out below:

Description	Amount
Accounts receivable collections, net of legal and other collection fees and write-offs	\$207,000
Liquidation of consignment and other inventory, and HST input tax credits	206,000
Sale of gold dust, net of refining costs	354,000
Total	\$767,000

12. As further set out in the October 2015 Shechtman Affidavit, the Company is continuing to (i) collect outstanding accounts receivable from which it estimates to be able to realize approximately \$380,000, (ii) pursue Wal-Mart for the return of remaining consignment inventory and (iii) sell any remaining inventory. In addition, MRG's shareholders have considered whether it is feasible for MRG or another entity to avail themselves of MRG's tax losses and MRG has been seeking professional advice in this regard. The Company expects to be able to advise the Court as to its plan with respect to those tax losses in its next appearance.

13. On June 1, 2015, MRG disclaimed its premises lease effective July 1, 2015. The Company's ongoing expenses have been minimized, including the termination of all the Company's employees, and that a complement of 3 former employees are performing certain services on a contract basis to assist with realizations on the remaining assets of MRG and deal with other outstanding matters arising out of the CCAA process.

14. On the basis that MRG has curtailed its expenses and has in its bank accounts USD \$2,000 and CDN \$1,220,000, it appears that there are sufficient funds available to meet any ongoing obligations of the Company.

VI. STAY EXTENSION REQUEST

15. The Stay Period, most recently extended pursuant to the Interim Distribution Order, attached hereto as Appendix C, will expire, unless extended, on October 31, 2015.
16. The Company wishes to have the Stay Period extended to February 15, 2016 in order to (i) continue with the realizations of its remaining assets including the collection of accounts receivable, and (ii) consider the advice it has obtained from its advisers in respect of the tax losses and any use that may be made of those losses.
17. The Monitor is of the view that extending the stay period will allow the Company sufficient time to complete these activities with a view to maximizing realizations for MRG's unsecured creditors.
18. The Company has not filed a cash flow statement with its motion materials herein since the Company no longer has any significant expenses with regard to ongoing operations, employees, or other obligations. The Company has in its accounts USD \$2,000 and CDN \$1,220,000 to meet any ongoing obligations of the Company.
19. The Monitor is of the view that the Company is continuing to proceed in good faith and diligently during these proceedings and that the Company's request for an extension of the stay period to February 15, 2016 is appropriate and reasonable in the circumstances. Accordingly, the Monitor recommends to the Court that it grant the requested extension.

XI. MONITOR'S FEES AND DISBURSEMENTS

20. The Monitor has maintained detailed records of its professional fees and disbursements during the course of these proceedings.
21. The Monitor's accounts for the period ended May 31, 2015 have been approved by the Court. For the period June 1, 2015 to September 30, 2015, the Monitor's accounts total \$33,604.51 consisting of \$29,738.50 in fees, plus HST of \$3,866.01 (the "**Monitor's Accounts**"). Copies of the Monitor's Accounts, together with a summary of the

accounts, the total billable hours charged per the accounts, and the average hourly rate charged per the accounts, is set out in the Affidavit of Daniel Weisz sworn October 21, 2015 that is attached hereto as Appendix “D”.

22. The accounts of the Monitor’s counsel, Torkin Manes LLP for the period ended May 29, 2015 have been approved by the Court. The accounts of Torkin Manes LLP for the period June 1, 2015 to October 21, 2015 total \$12,312.50 in fees, \$283.50 in disbursements and \$1,636.44 in HST for a total of \$14,232.44 (the “**Torkin Accounts**”). A copy of the Torkin Accounts, together with a summary of the personnel, hours and hourly rates described in the Torkin Accounts, supported by the Affidavit of Barry A. Cohen, Q.C. sworn October 21st, 2015, is attached hereto as Appendix “E”.

XII. MONITOR’S RECOMMENDATIONS AND REQUEST

23. Based on the information set out in this report, the Monitor recommends that:

a) the Stay Period be extended to February 15, 2016.

24. The Monitor requests that the Court grant an Order:

a) approving the Ninth Report and the Monitor’s activities described herein;


b) approving the fees and disbursements of the Monitor to September 30, 2015; and

c) approving the fees and disbursements of Torkin Manes LLP to October 21, 2015.

All of which is respectfully submitted to this Court as of this 21st day of October, 2015.

COLLINS BARROW TORONTO LIMITED

in its capacity as the Monitor appointed in
the CCAA proceedings of Martin Ross Group Inc.,
and not in its personal capacity


Per: Daniel R. Weisz, CPA, CA, CIRP
Senior Vice President

APPENDIX A

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE Mr .)
JUSTICE Penny)

THURSDAY, THE 7TH
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 paragraph30 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.

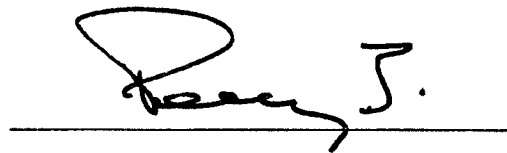
39. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give

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.

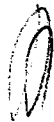
40. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and 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.

APPENDIX B

**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.**

EIGHTH REPORT OF THE MONITOR

June 25, 2015

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Appendices

Appendix A – Initial Order

Appendix B – Claims Procedure order

Appendix C – Monitor's Correspondence to Creditors

Appendix D – Globe and Mail newspaper tear sheet

Appendix E – Claims Schedule

Appendix F – Affidavit of Daniel Weisz re Monitor's Accounts

Appendix G – Affidavit of Jeffrey Simpson re Torkin Accounts

I. INTRODUCTION

1. This is the eighth report (the “**Eighth Report**”) prepared by Collins Barrow Toronto Limited (the “**Monitor**”), in its capacity as the Monitor of Martin Ross Group Inc. (“**MRG**” or the “**Company**”) appointed pursuant to section 11.7 of the *Companies’ Creditors Arrangement Act* by an Order of Mr. Justice Penny dated August 7, 2014 (the “**Initial Order**”). The Initial Order stayed all proceedings against the Company until September 6, 2014 (the “**Stay Period**”). A copy of the Initial Order is attached hereto as Appendix “A”. The Stay Period was subsequently extended by further Orders of the Court, and the Stay Period is currently set to expire, unless extended further, on July 31, 2015.
2. The Initial Order, Monitor’s reports and other documents filed in these proceedings (the “**CCAA Proceedings**”) have been posted on the Monitor’s website at www.collinsbarrow.com/en/toronto-ontario/martin-ross-group. The Monitor will continue to post to its website documents in accordance with the E-service Protocol for the Commercial List in the Toronto region.
3. Capitalized terms not otherwise defined in the Eighth Report are as defined in the Initial Order, and in the first seven reports of the Monitor.

II. PURPOSE OF REPORT

4. The purpose of this Eighth Report is to provide the Court with information regarding:
 - a) the sale of certain finished goods to 1028462 Ontario Ltd. o/a Bearington Fine Jewellery (“**Bearington**”);
 - b) the status of the Company’s remaining assets, including cash, outstanding accounts receivable and other assets;

-
- c) the results of the Company's claims solicitation process pursuant to the Claims Procedure Order made on May 1, 2015 (the "**Claims Procedure Order**");
 - d) the Company's request to make an interim distribution to its creditors;
 - e) the Company's request for an extension of the Stay Period to October 31, 2015 and the Monitor's recommendation thereon;
 - f) the Monitor's activities since the Monitor's report dated April 29, 2015 (the "**Monitor's Seventh Report**") and the Company's request for an Order approving the Monitor's activities and its invoices #9 and 10 for the period April 1, 2015 to May 31, 2015; and
 - g) the Company's request for an Order approving the accounts of Torkin Manes LLP for the period May 1, 2015 to May 29, 2015.

III. TERMS OF REFERENCE

- 5. In preparing this Eighth Report and making the comments herein, the Monitor has relied upon unaudited financial information prepared or provided by the Company, discussions with management of the Company, MRG's counsel and information from other third-party sources (collectively, the "**Information**"). As the Information included in this Eighth Report has been provided by MRG or other parties, the Monitor has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of the Information.
- 6. All references to dollars are in Canadian currency unless otherwise noted.

IV. SALE TO BEARINGTON

7. On April 24, 2015, the Company and Bearington entered into an agreement, subject to Court approval, for the sale of certain inventory.
8. As referred to in the affidavit of Allen Shechtman affirmed on June 22, 2015 (the “**June 2015 Shechtman Affidavit**”), pursuant to the Approval and Vesting Order made on May 1, 2015, the Company completed the transaction. The proceeds of sale realized from the transaction were \$228,500 plus HST. The Monitor executed the Monitor’s Certificate on May 5, 2015. The Monitor’s Certificate was filed with the Court on May 13, 2015.

V. REMAINING ASSETS

9. The Company’s remaining assets and their net book values set out in the Monitor’s Seventh Report were:

Description	Net Book Value
Cash – Canadian dollars	\$6.43 million
Cash – United States dollars	1.12 million
Accounts receivable	2.12 million
Other assets – surplus finished goods, precious scrap metal, loose diamonds	Not quantified by MRG

10. Since that time, and as set out in the June 2015 Shechtman Affidavit, the Company continues to collect its accounts receivable. As at June 22, 2015, the Company has informed the Monitor that the book value of its accounts receivable is approximately \$1.15 million after taking into account collections and the write-off of accounts that are not considered collectible. The Company is continuing its collection efforts through the use of the Consultant, collection agents and/or legal counsel, and the deposit of post-dated cheques it has on hand, certain of which are dated into 2016. The Company estimates that it may be able to collect an additional \$500,000 or more from the remaining accounts receivable.
11. The Company has sold small quantities of scrap metal, loose diamonds and finished goods which it had previously been unsuccessful in selling pursuant to the liquidation

processes conducted earlier in the CCAA Proceedings. The Company is continuing to make efforts to sell its remaining finished goods, scrap precious metal and loose diamonds, which, as set out in the June 2015 Shechtman Affidavit, have an approximate realizable value of \$125,000.

12. As at June 22, 2015, the Company had approximately \$6,899,000 in its Canadian bank accounts and approximately \$1,064,000 USD in its US dollar bank account.

VI. SHERFAM DISTRIBUTION

13. Pursuant to the Interim Distribution and Stay Extension Order made on May 1, 2015, the Company made a distribution of USD \$86,995.48 to Sherfam.

VII. DISCLAIMERS OF LEASE

14. As referred to in the June 2015 Shechtman Affidavit, the Company issued on June 1, 2015 disclaimers of lease ("**Disclaimers**") to five creditors ("**Disclaimer Recipients**") with whom the Company had executory contracts. The Monitor approved the issuance of the Disclaimers.
15. In its letters, the Company informed the Disclaimer Recipients of the Claims Bar Date of June 5, 2015 and indicated to the Disclaimer Recipients that, if they would not be able to file their proof of claim by June 5, 2015, due to insufficient time following the issuance of the Disclaimer, that they should advise the Company, with a copy to the Monitor, by June 5, 2015 and that the Company would consider applying to the Court for relief to provide them with additional time to file a proof of claim. As of the Claims Bar Date, two of those parties had not filed proofs of claim nor requested an extension to the date by which they were required to file their proofs of claim.
16. No communications have been received by either the Company or the Monitor challenging the Disclaimers.

VIII. CLAIMS PROCEDURE

17. In accordance with the Claims Procedure Order, claims have been solicited from unsecured creditors in order to identify and determine the validity, classification and quantum of claims against MRG as at the date of the Initial Order (the “**Claims**”). A copy of the Claims Procedure Order is attached hereto as Appendix “**B**”.
18. The significant steps undertaken by the Monitor are set out below. Defined terms are those set out in the Claims Procedure Order:
 - a) on May 7, 2015, the Monitor sent by ordinary mail to each known Affected Creditor a Proof of Claim together with a copy of the Claims Procedure Order. A copy of the Monitor’s correspondence to creditors is attached hereto as Appendix “**C**”;
 - b) the Monitor caused to be placed on May 12, 2015 in The Globe and Mail (National Edition) a Notice to Creditors. A copy of the tear sheet of the newspaper is attached hereto as Appendix “**D**”;
 - c) the Monitor reviewed all Proofs of Claim that were received by the Claims Bar Date, and forwarded those Proofs of Claim to the Company for its review and comment. The Monitor also engaged in discussions with creditors of the Company on the claims process and proofs of claim filed or to be filed; and
 - d) on June 16, 2015, pursuant to the Claims Procedure Order, the Monitor provided notice to three creditors that the Monitor was continuing to review the Proofs of Claim filed by those creditors with the Monitor and that the Monitor had decided to extend to 11:59 p.m. on June 23, 2015 the date by which the Monitor was to advise those creditors whether their claims were revised or rejected. On June 23, 2015, the Monitor notified two creditors whose claims were not accepted by June 23, 2015 that the date by which the Monitor was to advise those creditors whether their claims were revised or rejected was being extended to July 9, 2015.

19. The Monitor has worked with the Company in order to minimize the need to issue Notices of Revision or Disallowance in order to expedite the completion of the Claims Process.
20. As at June 23, 2015, the description of the type of claims, the number of claims and their value, in Canadian dollars, that have been filed and accepted by the Company and the Monitor, is set out below:

Description	#	CDNS
Secured claims (Cdn)	1	143,055.80
Unsecured claims (Cdn)	28	29,975,205.61
Unsecured claims (US)	22	4,639,640.80
Total unsecured claims	50	34,614,846.41

21. The secured claim was filed by Sherfam and is in respect of the Company's obligations to Sherfam, as landlord, to November 14, 2015 for rent, utilities, etc. under its lease which was disclaimed on June 1, 2015. The Monitor has received Torkin Manes LLP's, counsel to the Monitor, opinion that Sherfam's secured claim is valid and enforceable. The Company and Monitor have accepted this claim.
22. A detailed schedule prepared by the Monitor setting out the unsecured claims accepted by the Company and the Monitor is attached hereto as Appendix "E" ("**Claims Schedule**"). The Monitor's acceptance of the claims was based on information contained in financial statements and other financial information provided by the Company to the Monitor, information provided by the respective creditors and the Company's acceptance of the claims filed.

IX. PROPOSED INTERIM DISTRIBUTION

23. As set out in the June 2015 Shechtman Affidavit, the Company is proposing to make an interim distribution to creditors in the amount of \$7.5 million.

-
24. Based on the Claims Schedule, the interim distribution to those unsecured creditors whose claims have been accepted will be \$.2125 per dollar of claim, calculated as follows:

Description	
Interim distribution amount	\$7,500,000.00
Amount to be distributed to secured creditor	(143,055.80)
Amount to be distributed to unsecured creditors, whose claims have been proven and admitted to date	7,356,944.20
Total proven and accepted claims of unsecured creditors to date (Canadian funds)	34,614,846.41
Percentage distribution	21.25%

25. The Monitor supports the Company's proposed distribution.

X. STAY EXTENSION REQUEST

26. The Stay Period, most recently extended pursuant to the Order of the Court dated May 1, 2015, will expire, unless extended, on July 31, 2015.
27. The Company wishes to have the Stay Period extended to October 31, 2015 in order to, among other things, allow the Claims Process to be completed and to continue to collect its accounts receivable. The Monitor is of the view that extending the stay period will allow the Company to continue to realize on its accounts receivable, with the least amount of disruption, complete the Claims Process, while at the same time allowing for the finalization of the liquidation of the Company.
28. The Company has not filed a cash flow statement with its motion materials herein since the Company no longer has any ongoing operations, employees, or obligations in respect of executory contracts. The Company will have, following the interim distribution proposed by the Company, between approximately \$675,000 to \$700,000 in cash to

address additional amounts owing to parties with whom the Company has contracted, as well as any remaining unsettled claims and ongoing professional fees.

29. The Monitor is of the view that the Company is continuing to proceed in good faith and diligently during these proceedings and that the Company's request for an extension of the stay period to October 31, 2015 is appropriate and reasonable in the circumstances. Accordingly, the Monitor recommends to the Court that it grant the requested extension.

XI. MONITOR'S FEES AND DISBURSEMENTS

30. The Monitor has maintained detailed records of its professional fees and disbursements during the course of these proceedings.

31. The Monitor's accounts for the period ended March 31, 2015 have been approved by the Court. For the period April 1, 2015 to May 31, 2015, the Monitor's accounts total \$29,196.60 consisting of \$22,944.50 in fees, \$2,893.20 in disbursements plus HST of \$3,358.90 (the "**Monitor's Accounts**"). Copies of the Monitor's Accounts, together with a summary of the accounts, the total billable hours charged per the accounts, and the average hourly rate charged per the accounts, is set out in the Affidavit of Daniel Weisz sworn June 25, 2015 that is attached hereto as Appendix "**F**".

32. The accounts of the Monitor's counsel, Torkin Manes LLP for the period ended April 28, 2015 have been approved by the Court. The accounts of Torkin Manes LLP for the period May 1, 2015 to May 29, 2015 total \$3,000.00 in fees, \$270.88 in disbursements and \$425.21 in HST for a total of \$3,696.09 (the "**Torkin Accounts**"). A copy of the Torkin Accounts, together with a summary of the personnel, hours and hourly rates described in the Torkin Accounts, supported by the Affidavit of Jeffrey Simpson sworn June 24, 2015, is attached hereto as Appendix "**G**".

XII. MONITOR'S RECOMMENDATIONS AND REQUEST

33. Based on the information set out in this report, the Monitor recommends that:

-
- a) the Court approve the Interim Distribution as described herein; and
 - b) the Stay Period be extended to October 31, 2015.

34. The Monitor requests that the Court grant an Order:

- a) approving the Eighth Report and the Monitor's activities described herein;
- b) approving the fees and disbursements of the Monitor to May 31, 2015; and
- c) approving the fees and disbursements of Torkin Manes LLP to May 29, 2015.

All of which is respectfully submitted to this Court as of this 25th day of June, 2015.

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

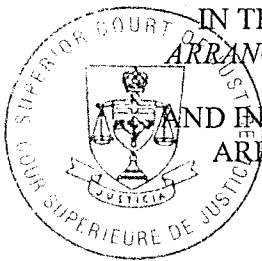


Per: Daniel R. Weisz, CPA, CA, CIRP
Senior Vice President

APPENDIX C

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) MONDAY, THE 29TH DAY
JUSTICE NEWBOULD) OF JUNE, 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 creditors of the Applicant; (ii) extending the Stay Period (as defined in the Initial Order of Justice Penny, dated August 7, 2014) to October 31, 2015, (iii) approving the Eighth Report (the "**Eighth 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, along with the professional fees of the Monitor and its legal counsel, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record, and the Eighth Report, 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 Eighth Report is hereby abridged, and service of the Motion Record and the Eighth

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

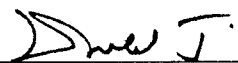
2. **THIS COURT FURTHER ORDERS** that the Stay Period be and is hereby extended to October 31, 2015.

3. **THIS COURT FURTHER ORDERS** that the proposed interim distribution (the “**Interim Distribution**”) to the creditors of the Applicant, as described in the Affidavit of Allen Shechtman, affirmed June 22, 2015, is hereby approved, and the Applicant is hereby authorized and directed to make the Interim Distribution in the amount of \$7.5 million to those creditors whose claims have been allowed by the Monitor, in accordance with the Claims Procedure, as defined in the Claims Procedure Order of the Honourable Justice Newbould, dated May 1, 2015, and in the amounts allowed by the Monitor, as of the time the Interim Distribution is made.

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

5. **THIS COURT FURTHER ORDERS** that the professional fees and disbursements of the Monitor and its legal counsel, as set out in the Eighth Report, are hereby approved.

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





JUN 29 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)
(motion returnable June 29, 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

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

Tel: (416) 225-8750

Fax: (416) 306-9874

Lawyers for the Applicant, Martin Ross Group Inc.

APPENDIX D

**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 DANIEL WEISZ
(Sworn on October 21, 2015)**

I, DANIEL WEISZ, of the City of Vaughan, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Senior Vice-President of Collins Barrow Toronto Limited ("**CBTL**"), in its capacity as Court-appointed Monitor (in such capacity, the "**Monitor**"), of all of the assets, undertakings and properties of Martin Ross Group Inc. (the "**Company**") and, as such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. Attached hereto and marked as **Exhibit "A"** are detailed invoices (the "**Invoices**") issued to the Company by CBTL for fees and disbursements incurred by CBTL in connection with the Company's proceedings pursuant to the Companies Creditors Arrangement Act for the period June 1, 2015 to September 30, 2015 (the "**Appointment Period**"). The total

fees charged by CBTL to the Company during the Appointment Period were \$29,738.50 plus HST of \$3,866.01 totaling \$33,604.51.

3. The Invoices are a fair and accurate description of the services provided and the amounts charged by CBTL.


4. Attached hereto and marked as **Exhibit "B"** is a schedule summarizing the invoices in Exhibit "A" including the total billable hours charged, the total fees charged and the average hourly rate charged.

5. I make this affidavit in support of a motion for an Order approving the Monitor's fees and disbursements and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, on the 25th day of October, 2015



Commissioner for Taking Affidavits
(or as may be)



DANIEL WEISZ

David Justin Master, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law,
Expires May 4, 2018.

This is Exhibit "A" to the Affidavit of
Daniel Weisz, sworn on October 21, 2015



A Commissioner for the taking of affidavits, etc.

**David Justin Master, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law,
Expires May 4, 2018.**

To Martin Ross Group Inc. (via email)

 T. 416.480.0160
 F. 416.480.2646

www.collinsbarrow.com
Date July 9, 2015

Client File 112096

Invoice 11

No. C000076

GST/HST: 80784 1440 RT 0001

For professional services rendered with respect to the appointment of Collins Barrow Toronto Limited as Court-appointed Monitor pursuant to the Companies' Creditors Arrangement Act ("**CCAA**") proceeding of Martin Ross Group Inc. ("**Martin Ross**" or the "**Company**") for the period June 1, 2015 to June 30, 2015.

Date	Professional	Description
6/1/2015	Daniel Weisz	Review revised disclaimers of lease, sign same and forward to Kronis, Rotsztain, Margles, Cappel LLP ("KPMC"); telephone call with P. Cho of KPMC regarding cover letters to accompany the disclaimers of lease; telephone call with J. Grauman regarding claims process.
6/1/2015	Arif Dhanani	Emails to Allstream and CGL-GRS Swiss Canadian Chem Lab to follow up on information requests related to proofs of claim filed; review of emails from M. Robinson regarding approval of several proofs of claim filed by creditors; discussions with M. Robinson regarding JPI and Persona claims; review of claim from Star Rays Inc. and forward to M. Robinson; further discussion with M. Robinson regarding JPI and Persona claims; review of disclaimers sent out to various parties.
6/2/2015	Arif Dhanani	Examination of proofs of claim from CRA, Sparkling Jewels and send same to M. Robinson; telephone call with M. Robinson regarding CRA proof of claim; review of claim from S. Aryharan and forward same to M. Robinson; telephone call with M. Robinson regarding CRA claim and S. Aryharan claim.
6/3/2015	Arif Dhanani	Review proof of claim filed by Toronto Hydro, forward same to M. Robinson and email to Toronto Hydro regarding late charges and collection fees; draft letters to Persona and JPI requesting further information regarding their proofs of claim and send drafts to M. Robinson for comment; review proof of claim from Brinks Canada and forward to M. Robinson, emails from/to M. Robinson regarding same.
6/4/2015	Daniel Weisz	Discussion with A. Dhanani on claim process and claim filed by Sherfam Inc. ("Sherfam").
6/4/2015	Arif Dhanani	Emails to/from M. Robinson regarding CRA claim; review claims of HK Designs and Unity Jewels and email to parties requesting security documents for secured claims, email claims to M. Robinson; review of attachments to Sherfam proof of claim and email to M. Robinson regarding same; review of proof of claim of Transcontinental Tool and forward to M. Robinson; review proofs of claim from Gem Scan Labs, HCH Lazerman, Imperial Coffee, Pause Productions, Cieri SRL and forward to M. Robinson; review of CRA

Date	Professional	Description
		correspondence regarding HST audit results and forward same to M. Robinson; email to Transcontinental Tool regarding invoices claimed, but paid by Martin Ross.
6/5/2015	Daniel Weisz	Discussion with A. Dhanani on claims process status; email file organization; review and update summary of activities.
6/5/2015	Arif Dhanani	Review proof of claim from Sharp Electronics of Canada, Transcontinental Tool revised proof of claim, amended claims from Unity Jewels and HK Designs and forward to M. Robinson; review email from M. Robinson regarding Gem Scan proof of claim and send email to Gem Scan representative to request further information and amendment of claim; review of email from M. Robinson regarding Sharp Electronics' claim and email to Sharp Electronics requesting further information.
6/8/2015	Arif Dhanani	Review Dell Financial claim and email same to M. Robinson; emails to/from M. Robinson regarding claims review; telephone call with Allstream regarding proof of claim; review revised claim from Sharp Electronics; email to Dell Financial with questions on claim; review claim of Outfront Media and forward to M. Robinson.
6/8/2015	Daniel Weisz	Review email regarding claims status; preliminary review of Sherfam proof of claim and discussion with A. Dhanani on same.
6/9/2015	Arif Dhanani	Meetings with D. Weisz regarding claims process, claims received and examination of proofs of claim.
6/9/2015	Daniel Weisz	Review claim received from Sherfam and meet with A. Dhanani on same, discussion with A. Glasenberg and J. Grauman regarding status of claims process and timing with respect to distribution; telephone call with M. Abramowitz of KRMC regarding status of claims process and timing with respect to application to court; email to F. Sulley of Torkin Manes LLP regarding claim filed by Sherfam; exchange emails with A. Shechtman regarding amounts owing to the Company; exchange emails with F. Sulley; discussion with F. Sulley and A. Dhanani regarding claim filed by Sherfam and issues relating thereto.
6/10/2015	Arif Dhanani	Discussion with Canpar regarding Claims Bar Date and email creditor package to representative further to her request; discussion with D. Weisz regarding Notices of Revision/Disallowance; drafting Notices of Revision/Disallowance to creditors and send same to D. Weisz and M. Robinson for comment; emails to/from M. Robinson regarding claims procedure; review CCAA legislation regarding Monitor's duties, valuation of claims and seeking direction from Court; review D. Weisz comments on Notices of Revision/Disallowance, incorporate changes and send to F. Sulley for comment.
6/10/2015	Daniel Weisz	Telephone discussion with F. Sulley; conference call with F. Sulley and M. Abramowitz regarding status of claims process, timing with respect to application to court; discussion with A. Dhanani on status of creditor claims and disallowances; draft email to Sherfam regarding considerations with respect to timing of interim distribution; discussion with F. Sulley regarding security granted with respect to leases; review notices of disallowances and discussion with A. Dhanani on same; prepare for telephone call with J. Grauman; respond to emails from F. Sulley.
6/11/2015	Arif Dhanani	Review Dell Financial secured proof of claim, email to Dell regarding unsecured claim, forward claim and emails to M. Robinson; email to KRMC regarding secured claim of Dell Financial, valuation and right of debtor to

Date	Professional	Description
		redeem.
6/11/2015	Daniel Weisz	Telephone call with M. Abramowitz on various matters; telephone call with J. Grauman regarding proof of claim filed by Sherfam; review emails regarding proposed disallowances of claim; telephone call with F. Sulley; telephone call with P. Cho of KRMC regarding claims filed; review emails regarding claims of creditors; telephone call with R. Axenrod of CRG regarding claims purchased and assigned.
6/12/2015	Arif Dhanani	Email to Dell Financial regarding valuation of security; emails to/from KRMC regarding Dell secured claim; telephone call with F. Sulley regarding Notices of Revision/Disallowance to be sent out.
6/15/2015	Daniel Weisz	Discussion with A. Dhanani on Dell Claim; conference call with A. Dhanani and P. Cho on claims process.
6/15/2015	Arif Dhanani	Review secured proof of claim from Dell and email same to M. Robinson and KRMC; discussion with D. Weisz regarding notices of disallowance/revision; telephone call with D. Weisz and P. Cho regarding Dell and employee claims.
6/16/2015	Daniel Weisz	Review claims procedure order; draft email to creditors whose claims are still being reviewed of extension to time that the Monitor has to disallow their claim; review proof of claim of Sherfam; review emails regarding Dell; telephone call with M. Abramowitz; review email from F. Sulley; telephone call with J. Grauman regarding proof of claim submitted by Sherfam.
6/16/2015	Arif Dhanani	Review email from M. Robinson regarding Dell claim; review draft email regarding extension of time to review certain claims and provide comments to D. Weisz.
6/17/2015	Daniel Weisz	Review claim from Sherfam; conference call with M. Abramowitz and S. Wolpert regarding company motion to court, considerations regarding extension of stay of proceedings, status of certain claims; telephone call with F. Sulley regarding secured claim of Sherfam and service of motion; telephone call with J. Grauman regarding proof of claim filed by Sherfam; work on Monitor's Eighth Report to Court.
6/18/2015	Daniel Weisz	Attend to voicemail from S. Wolpert and telephone call with F. Sulley regarding same and on claims process.
6/18/2015	Arif Dhanani	Review emails on proofs of claim to be finalized; discussion with D. Weisz; review of emails and message from KRMC regarding finalization of claims.
6/19/2015	Daniel Weisz	Review emails; discussion with M. Robinson regarding proofs of claim, cash statement status; exchange voicemails with S. Wolpert regarding claim of former employee; review proof of claim received from Dell; review draft affidavit of A. Shechtman; emails to M. Robinson regarding information required; update draft report to Court; prepare for meeting on June 22 with F. Sulley.
6/19/2015	Arif Dhanani	Review Martin Ross claims and draft preliminary dividend calculation, send same to D. Weisz for comment.
6/22/2015	Arif Dhanani	Discussion with D. Weisz regarding various proofs of claim filed; telephone call with KRMC regarding Dell and Sharp Electronics; telephone call with M. Robinson regarding Sharp Electronics; discussion with D. Weisz regarding approximate distribution.

Date	Professional	Description
6/22/2015	Daniel Weisz	Prepare for and attend meeting with F. Sulley to review the Sherfam proof of claim; attend upon conference calls regarding application to the court; review files; review proofs of claim and discussion with A. Dhanani on changes to schedule of claims; email to M. Robinson regarding assignment of certain claims; telephone call with J. Grauman regarding Sherfam claim; calculate proposed quantum of interim distribution; review assignments of claim to CRG and reply to required acknowledgement; discussion with M. Robinson regarding interim distribution and final list of creditors, discussion with J. Grauman and A. Glasenberg regarding remaining assets; discussion with M. Abramowitz on same; discussion with J. Grauman on amended proof of claim to be filed and review same upon receipt; email to S. Wolpert list of creditors; email to A. Shechtman regarding outstanding amounts owed to the Company.
6/23/2015	Arif Dhanani	Review Martin Ross Application Record and A. Shechtman Affidavit; review various emails to/from Martin Ross and Sharp Electronics; review Monitor's Eighth Report and provide comments to D. Weisz on same.
6/23/2015	Daniel Weisz	Review email from A. Shechtman; telephone call with M. Robinson on same, send reply to A. Shechtman; review email from J. Grauman regarding support with respect to letters of credit, exchange emails with F. Sulley regarding same; discussion with J. Rotsztain of KRMC regarding status of report; telephone call with J. Grauman and A. Glasenberg regarding status of CCAA proceedings; work on report to court; discussion with M. Robinson regarding hydro claim; discussion with M. Robinson, M. Abramowitz, J. Grauman and F. Sulley regarding Sherfam claim for balance of term of the lease; discussion with A. Dhanani on report to court.
6/24/2015	Arif Dhanani	Reference Monitor's 8th Report; discuss changes with D. Weisz; incorporate A. Dhanani and KRMC changes to report and assemble appendices.
6/24/2015	Bryan Tannenbaum	Review of Monitor's Eighth Report.
6/24/2015	Daniel Weisz	Review comments received regarding draft report and meet with A. Dhanani on same; review fee affidavit from Torkin Manes and discussion with F. Sulley on same; telephone calls with M. Robinson and A. Shechtman; update report and fee affidavit.
6/25/2015	Daniel Weisz	Review Eighth Report to the Court, make final changes thereto and sign; update affidavit of fees; attend at Torkin Manes and meet with F. Sulley to swear affidavit.
6/25/2015	Arif Dhanani	Emails to/from and telephone call with R. Petersen regarding creditors package mail out and claims bar date.
6/26/2015	Daniel Weisz	Telephone call with M. Abramowitz regarding Monday court application; email to J. Grauman regarding Sherfam proof of claim.
6/29/2015	Arif Dhanani	Email exchange with M. Robinson; respond to email with confirmation to proceed with interim distribution and calculations therefore.
6/30/2015	Arif Dhanani	Email to M. Robinson regarding payment to creditor in USD and form of communication to creditors to go with distribution payment.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP	President	0.40	\$ 495	198.00
Daniel R. Weisz, CPA, CA, CIRP	Senior Vice President	29.90	\$ 495	14,800.50
Arif N. Dhanani, CPA, CA, CIRP	Senior Manager	26.70	\$ 350	9,345.00
Total hours and professional fees			<u>57.00</u>	\$ 24,343.50
HST @ 13%				3,164.66
Total payable				\$ 27,508.16

PAYMENT BY VISA ACCEPTED

VISA NUMBER _____ Expiry Date _____

Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of Collins Barrow Toronto Limited, Account No. 65-84918, Canadian Imperial Bank of Commerce
 Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

PLEASE RETURN ONE COPY WITH REMITTANCE

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.
 The Collins Barrow trademarks are used under license.

To Martin Ross Group Inc. (via email)

 T. 416.480.0160
 F. 416.480.2646

www.collinsbarrow.com
Date August 10, 2015

Client File 112096

Invoice 12

No. C000092

GST/HST: 80784 1440 RT 0001

For professional services rendered with respect to the appointment of Collins Barrow Toronto Limited as Court-appointed Monitor pursuant to the Companies' Creditors Arrangement Act ("**CCAA**") proceeding of Martin Ross Group Inc. ("**Martin Ross**" or the "**Company**") for the period July 1, 2015 to July 31, 2015.

Date	Professional	Description
7/6/2015	Daniel Weisz	Review emails; discussion with M. Robinson on distribution to secured creditors being sent.
7/7/2015	Daniel Weisz	Email to M. Robinson requesting information; discussion with A. Dhanani regarding status of Aryharan claim.
7/7/2015	Arif Dhanani	Review proof of claim filed by Dell Financial; telephone call with and email to M. Robinson regarding Dell unsecured distribution.
7/8/2015	Daniel Weisz	Discussion with A. Dhanani regarding status of Aryharan claim, review emails regarding same; email to M. Abramowitz of Kronis, Rotsztain, Margles, Cappel LLP ("KRCM") regarding Dell claim; review summary of activities.
7/9/2015	Daniel Weisz	Review revised unsigned proof of claim regarding Aryharan, review F. Sulley of Torkin Manes LLP comments regarding same and discussion with A. Dhanani on same; review documents; review email regarding Aryharan proof of claim and forward to M. Robinson, KRCM and F. Sulley.
7/9/2015	Arif Dhanani	Attend to administrative matters on file; discussion with D. Weisz regarding employee claim; email to S. Aryharan and counsel regarding execution of proof of claim and further extension of time to do so to July 14, 2015.
7/10/2015	Daniel Weisz	Review correspondence from Pitney Bowes regarding proof of claim filed today and discussion with A. Dhanani on same.
7/10/2015	Arif Dhanani	Emails from/to KRCM and M. Robinson regarding claims process; receipt of proof of claim from Pitney Bowes and corresponding with same regarding disallowance.
7/27/2015	Daniel Weisz	Telephone call with M. Robinson regarding status; review notice of disallowance to Telus and discussion with A. Dhanani on same.
7/27/2015	Arif Dhanani	Review Pitney Bowes proof of claim and prepare notice of disallowance, discuss same with D. Weisz and send to F. Sulley for comments/amendments.
7/28/2015	Daniel Weisz	Sign disallowance of claim regarding Pitney Bowes.

Date	Professional	Description
7/28/2015	Arif Dhanani	Telephone call with F. Sulley regarding Pitney Bowes notice of disallowance; finalize notice of disallowance and send to Pitney Bowes with copy of Claims Procedure Order.
7/29/2015	Daniel Weisz	Discussion with CRG Partners regarding payment of dividend in Canadian funds.
7/29/2015	Arif Dhanani	Email responding to creditor regarding dividend paid and amount.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CIRP	Senior Vice President	4.40	\$ 495	\$ 2,178.00
Arif N. Dhanani, CPA, CA, CIRP	Senior Manager	3.30	\$ 350	1,155.00
Total hours and professional fees		<u>7.70</u>		\$ 3,333.00
HST @ 13%				433.29
Total payable				\$ 3,766.29

PAYMENT BY VISA ACCEPTED

VISA NUMBER _____ Expiry Date _____

Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CAS Payments: For credit to the account of Collins Barrow Toronto Limited, Account No. 65-84918, Canadian Imperial Bank of Commerce
 Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

PLEASE RETURN ONE COPY WITH REMITTANCE

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.
 The Collins Barrow trademarks are used under license.

To Martin Ross Group Inc. (via email)

 T. 416.480.0160
 F. 416.480.2646

www.collinsbarrow.com
Date October 5, 2015

Client File 112096

Invoice 13

No. C000121

GST/HST: 80784 1440 RT 0001

For professional services rendered with respect to the appointment of Collins Barrow Toronto Limited as Court-appointed Monitor pursuant to the Companies' Creditors Arrangement Act ("**CCAA**") proceeding of Martin Ross Group Inc. ("**Martin Ross**" or the "**Company**") for the period August 1, 2015 to September 30, 2015.

Date	Professional	Description
8/7/2015	Daniel Weisz	Review exchange of emails regarding trademark expiry, and email regarding same; review summary of activities.
8/10/2015	Daniel Weisz	Discussion with A. Dhanani regarding correspondence received from lawyer with respect to Martin Ross trademark status.
8/25/2015	Daniel Weisz	Review email exchange between M. Robinson and A. Shechtman and send email regarding same; email to M. Robinson regarding information to be provided to the Monitor.
8/26/2015	Arif Dhanani	Telephone call to CIT Financial regarding submission of proof of claim.
8/27/2015	Daniel Weisz	Email to M. Robinson regarding Torkin Manes statements of account.
8/31/2015	Arif Dhanani	Review of proof of claim from CIT Financial; review of correspondence between CIT and the Company, and send copy of proof of claim to M. Robinson with request for the Company's position on same.
8/31/2015	Daniel Weisz	Email to M. Robinson regarding Torkin Manes account; telephone call with P. Cho of Kronis, Rotsztain, Margles, Cappel LLP ("KRMC") on status.
9/1/2015	Daniel Weisz	Telephone discussion with M. Abramowitz of KRMC on status.
9/2/2015	Daniel Weisz	Exchange emails with M. Robinson regarding status of information requested.
9/4/2015	Daniel Weisz	Discussion with M. Robinson on status.
9/9/2015	Daniel Weisz	Review financial information provided by M. Robinson.
9/17/2015	Daniel Weisz	Telephone discussion with J. Grauman regarding status of the CCAA proceedings and discussion with M. Abramowitz regarding same; discussion with E. Roth of Davies regarding same and then with M. Abramowitz.
9/21/2015	Daniel Weisz	Telephone discussion with M. Robinson on status; email to M. Abramowitz and discussion with M. Abramowitz on status of proceedings.
9/22/2015	Arif Dhanani	Review creditor listing and Notice of Disallowance sent to Pitney Bowes Leasing and respond to email from J. Grauman regarding completeness of creditor listing and any issues.
9/22/2015	Daniel Weisz	Discussion with M. Abramowitz on CCAA process; call in to J. Grauman and discussion with J. Grauman on CCAA status.

Date	Professional	Description
9/29/2015	Daniel Weisz	Discussion with M. Abramowitz on status of CCAA proceedings.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CIRP	Senior Vice President	3.60	\$ 495	\$ 1,782.00
Arif N. Dhanani, CPA, CA, CIRP	Senior Manager	0.80	\$ 350	280.00
Total hours and professional fees		<u>4.40</u>		\$ 2,062.00
HST @ 13%				268.06
Total payable				\$ 2,330.06

PAYMENT BY VISA ACCEPTED

VISA NUMBER _____ Expiry Date _____

Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CAS Payments: For credit to the account of Collins Barrow Toronto Limited, Account No. 65-84918, Canadian Imperial Bank of Commerce
 Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

PLEASE RETURN ONE COPY WITH REMITTANCE

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.
 The Collins Barrow trademarks are used under license.

This is Exhibit "B" to the Affidavit of
Daniel Weisz, sworn on October 21, 2015



A Commissioner for the taking of affidavits, etc.

**David Justin Master, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law,
Expires May 4, 2018.**

EXHIBIT "B"

Calculation of Average Hourly Billing Rates of Collins Barrow Toronto Limited for the Appointment Period

Invoice No.	Billing Period	Total Fees	HST	Hours	Average Hourly Rate	Total
11	June 1, 2015 to June 30, 2015	\$24,343.50	\$3,164.66	57.00	\$427.08	\$27,508.16
12	July 1, 2015 to July 31, 2015	3,333.00	433.29	7.70	432.86	3,766.29
13	August 1, 2015 to September 30, 2015	2,062.00	268.06	4.40	\$468.64	\$2,330.06
	Total	\$29,738.50	\$3,866.01	69.10	\$430.37	\$33,604.51

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

**AFFIDAVIT OF DANIEL WEISZ
DATED OCTOBER 21, 2015**

TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

S. Fay Sulley (24257D)
fsulley@torkinmanes.com
Tel: 416-777-5419
Fax: 1-888-587-5769

Tel: 416-863-1188
Fax: 416-863-0305

Lawyers for the Monitor
Collins Barrow Toronto Limited

APPENDIX E

**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 BARRY A. COHEN, Q.C.

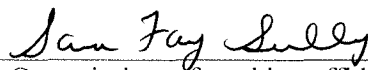
I, BARRY A. COHEN, Q.C., of the City of Toronto, in the Province of Ontario **MAKE
OATH AND SAY AS FOLLOWS:**

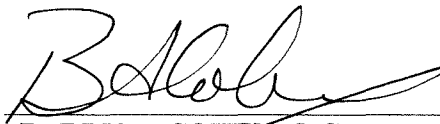
1. I am an Associate with the law firm of TORKIN MANES LLP ("**Torkin Manes**"), which has been engaged as independent counsel to Collins Barrow Toronto Limited, ("**Collins Barrow**"), in its capacity as Monitor, over all of the assets, undertakings and properties of Martin Ross Group Inc. ("**Martin Ross**") in this proceeding and as such have knowledge of the matters to which I hereinafter depose either through my own knowledge or by informing myself with respect thereto in which case I have indicated the source of my information and belief.
2. Attached hereto as **Exhibit "A"** is a true copy of the accounts issued by Torkin Manes to Collins Barrow, in its capacity as Monitor in this proceeding, which includes detailed descriptions for the work performed for the period from June 1, 2015 to and including October 21, 2015. The total fees charged by Torkin Manes to Collins Barrow during this period were \$12,312.50 plus HST of \$1,600.63, plus disbursements of \$283.50 plus HST of \$35.81 for a total amount of \$14,232.44.

3. I confirm that the accounts described above accurately reflect the services provided by
Torkin Manes in this matter and the fees and disbursements claimed by it during the period
described above.

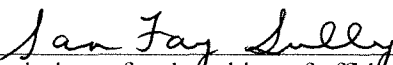
4. Additionally, attached hereto as **Exhibit "B"** is a summary of additional information
with respect to the aforesaid account indicating all members of Torkin Manes who worked on
this matter during the period described above, their year of call to the bar, total time charges and
hourly rates, and I hereby confirm that this list represents an accurate account of such
information.

SWORN before me at the City of
Toronto, in the Province of Ontario, this
21st day of October, 2015.


A Commissioner for taking affidavits.


BARRY A. COHEN, Q.C.

This is Exhibit "A" to the Affidavit of
Barry A. Cohen, Q.C.,
sworn on October 21st, 2015


A Commissioner for the taking of affidavits, etc.

Torkin Manes LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, ON M5C 2W7

Tel: 416 863 1188
Fax: 416 863 0305
torkinmanes.com

Torkin|Manes
Barristers & Solicitors

June 30, 2015

Invoice No.: 263855

Attention: Bryan Tannenbaum
Collins Barrow Toronto Limited
11 King St. W., Suite 700
Box 27
Toronto, ON M5H 4C7

ACCOUNT FOR PROFESSIONAL SERVICES RENDERED

RE: Martin Ross Group Inc.
File No.: 34487.0001

TO PROFESSIONAL SERVICES RENDERED HEREIN AS FOLLOWS:

Jun 01 15	SFS	Review of lease and other disclaimers; telephone discussion with Danny Weiss	0.70
Jun 03 15	SFS	Telephone discussion with Danny Weiss; review of correspondence from Danny Weiss	0.50
Jun 10 15	SFS	Review of correspondence from Arif re notices of disallowance; review of notices of disallowance and telephone discussion with Arif re same	1.50
Jun 10 15	SFS	Conference call re timing of Court application	0.50
Jun 11 15	SFS	Telephone discussion with Danny Weisz re surrender of lease and affect on claim under the CCAA process	0.50
Jun 12 15	SFS	Review of employee statement of claim; discussion with Tom Stefanik; discussion with Arif	0.80

Page 2
 June 30, 2015
 Our File No.: 34487.0001
 Invoice # 263855



Jun 17 15	SFS	Review of distribution issues with Danny Weiss and Mervyn Abramowitz	1.00
Jun 18 15	SFS	Telephone discussion with Danny Weiss and Steven Wolpert	0.50
Jun 18 15	SFS	Review of items on claim by Sherfam including Letters of Credit issues	1.50
Jun 22 15	SFS	Telephone discussion with Danny Weiss re various discussions with creditors	0.50
Jun 23 15	SFS	Review of correspondence from various parties re claims; telephone discussion with Danny Weiss	1.00
Jun 25 15	SFS	Review of draft of Monitor's report; telephone discussion with Danny Weiss; telephone discussion with Mervyn Abramowitz; correspondence to Danny Weiss	1.50
Jun 29 15	SFS	Preparation for and attendance at Court	3.00
		Total Hours:	13.50

OUR FEE:	\$8,437.50
HST:	\$1,096.88
SUB-TOTAL:	<u>\$9,534.38</u>

LAWYERS' SUMMARY: FEES SUBJECT TO HST:

<u>LAWYERS AND LEGAL ASSISTANTS INVOLVED</u>	<u>HOURLY RATE</u>	<u>HOURS WORKED</u>
Fay Sulley	625.00	13.50

Page 3
June 30, 2015
Our File No.: 34487.0001
Invoice # 263855



TOTAL HOURS 13.50

DISBURSEMENTS

TAXABLE DISBURSEMENTS:

Reproduction of documents	44.10
Laser copies	108.00
	<hr/>
	152.10

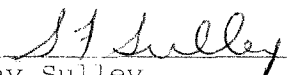
Total Disbursements	\$152.10
HST on Disbursements	\$19.77

TOTAL DISBURSEMENTS AND HST: \$171.87

TOTAL FEE, DISBURSEMENTS & HST \$9,706.25

BALANCE DUE AND OWING BY YOU \$9,706.25

TORKIN MANES LLP

Per: 
Fay Sulley

E. & O. E.

HST REGISTRATION NUMBER: R117245456

Payment is due upon receipt.
Interest will be charged pursuant to the Solicitors Act at the
rate of 1.0 percent per year.

Torkin Manes LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, ON M5C 2W7

Tel: 416 863 1188
Fax: 416 863 0305
torkinmanes.com

Torkin | Manes
Barristers & Solicitors

October 21, 2015

Invoice No.: 267003

Attention: Bryan Tannenbaum
Collins Barrow Toronto Limited
11 King St. W., Suite 700
Box 27
Toronto, ON M5H 4C7

ACCOUNT FOR PROFESSIONAL SERVICES RENDERED

RE: Martin Ross Group Inc.
File No.: 34487.0001

TO PROFESSIONAL SERVICES RENDERED HEREIN AS FOLLOWS:

Jul 07 15	SFS	Review of correspondence relating to claim of Sivambikai Aryharan	0.50
Jul 07 15	SFS	Review of correspondence from Mervyn Abramowitz; telephone discussion with Daniel Weisz	0.20
Jul 08 15	SFS	Review of further correspondence relating to claim of Sivambikai Aryharan; telephone discussion with client	0.80
Jul 09 15	SFS	Review of correspondence relating to proof of claim of creditor; telephone discussion with Monitor	0.50
Jul 28 15	SFS	Review of correspondence from Monitor	0.30
Jul 30 15	SFS	Review of Proof of Claim and Notice of Disallowance; correspondence to client; telephone discussion with client	0.70

Page 2
October 21, 2015
Our File No.: 34487.0001
Invoice # 267003

Oct 14 15	SFS	Review of correspondence relating to further Court proceedings and extension of stay of proceedings	0.50
Oct 19 15	SFS	Review of correspondence from Phillip Cho; review of draft affidavit	0.70
Oct 20 15	SFS	Review of correspondence and Court documentation	0.50
Oct 21 15	SFS	Review of revised draft affidavit; review of monitor's report and provide; telephone discussion with client	1.50
		Total Hours:	6.20

OUR FEE:	\$3,875.00
HST:	\$503.75
SUB-TOTAL:	<hr/> \$4,378.75

LAWYERS' SUMMARY: FEES SUBJECT TO HST:

<u>LAWYERS AND LEGAL ASSISTANTS INVOLVED</u>	<u>HOURLY RATE</u>	<u>HOURS WORKED</u>
Fay Sulley	625.00	6.20
TOTAL HOURS		6.20

DISBURSEMENTS

TAXABLE DISBURSEMENTS:

Agents fees	85.00
Laser copies	38.40
	<hr/> 123.40

Page 3
October 21, 2015
Our File No.: 34487.0001
Invoice # 267003

Torkin | Manes
Barristers & Solicitors

NON-TAXABLE DISBURSEMENTS:

Personal Prop Securities Act search	8.00
	<hr/>
	8.00

Total Disbursements	\$131.40
HST on Disbursements	\$16.04

TOTAL DISBURSEMENTS AND HST:	<hr/>	\$147.44
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TOTAL FEE, DISBURSEMENTS & HST	\$4,526.19
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BALANCE DUE AND OWING BY YOU	\$4,526.19
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TORKIN MANES LLP

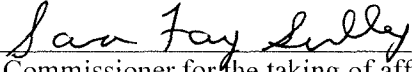
Per: Fay Sulley
Fay Sulley

E. & O. E.

HST REGISTRATION NUMBER: R117245456

Payment is due upon receipt.
Interest will be charged pursuant to the Solicitors Act at the
rate of 1.0 percent per year.

This is Exhibit "B" to the Affidavit of
Barry A. Cohen, Q.C.,
sworn on October 21st, 2015


A Commissioner for the taking of affidavits, etc.

Summary of Lawyers

Lawyer	Year of Call	Hours Billed	Hourly Rate	Total Billed
S. Fay Sulley	1984	19.70	\$625.00	\$12,312.50
TOTAL				\$12,312.50

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

AND

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

Court File Number CV-14-10655-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF BARRY A. COHEN, Q.C.
DATED OCTOBER 21, 2015**

TORKIN MANES LLP

Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

S. Fay Sulley (24257D)
fsulley@torkinmanes.com

Tel: 416-777-5419

Fax: 1-888-587-5769

Tel: 416-863-1188

Fax: 416-863-0305

Lawyers for the Monitor, Collins Barrow Toronto Limited

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

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

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SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

NINTH REPORT OF THE MONITOR
COLLINS BARROW TORONTO LIMITED
OCTOBER 21, 2015

COLLINS BARROW TORONTO LIMITED
11 King St. W., Suite 700
Box 27
Toronto, ON M5H 4C7