

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE ) WEDNESDAY, THE 8<sup>th</sup> DAY  
JUSTICE *Patillo* ) OF OCTOBER, 2014

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

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



ORDER

**THIS MOTION** made by 2436768 Ontario Inc. (the “**Moving Party**”) for an Order providing for the payment and distribution of an Eligible Employee Payment (as defined below) and certain declaratory and other relief related thereto as set out in the Notice of Motion dated October 6, 2014, and for an Order appointing Dewart Gleason LLP (“**Dewart Gleason**”) as representative counsel in this proceeding for the Eligible Employees (as set out in **Schedule “A”** attached hereto), was heard this day at 330 University Avenue, Toronto.

**ON READING** the Affidavit of Allen Shechtman sworn October 6, 2014 (the “**Shechtman Affidavit**”), and on hearing the submissions of counsel for the Moving Party, for Martin Ross Group Inc. (“**MRG**”) and for the Monitor, Collins Barrow Toronto Limited (“**Collins Barrow**”), no one else appearing although served as evidenced by the Affidavit of Service of Chad Kopach sworn October 7, 2014, and the Affidavit of Service of Elaine Persaud sworn October 7, 2014, filed, and on being advised that Canada Revenue Agency (“**CRA**”) does not oppose the relief sought;

1. **THIS COURT ORDERS** that the time for service of the Moving Party's Notice of Motion returnable October 8, 2014 (the "**Notice of Motion**"), and related motion material filed in support of that Notice of Motion (the "**Motion Material**") be and is hereby abridged, that service of the Notice of Motion and Motion Material is hereby validated such that service effected on the parties served with the Notice of Motion and Motion Material shall be good and sufficient notice thereof, and that further service thereof is hereby dispensed with.

2. **THIS COURT ORDERS** and declares that, upon payment of the amount of \$947,679.38 (the "**Eligible Employee Payment**") from the Moving Party to MRG:

- (a) the Eligible Employee Payment shall be held in trust by MRG for the benefit of the Eligible Employees;
- (b) the Eligible Employee Payment shall not form part of the property of MRG for distribution to its creditors or any other purpose; and
- (c) other than the Eligible Employees, no creditor of MRG or any of its affiliates shall have any interest in, or shall be entitled to, or shall make a claim against the Eligible Employee Payment.

3. **THIS COURT ORDERS** that MRG is hereby authorized and directed to distribute the net amount of the Eligible Employee Payment to the Eligible Employees, and the appropriate statutory withholdings to CRA, in accordance with the distribution schedule attached as Exhibit "F" to the Shechtman Affidavit, and to report such payments, and to complete and provide all requisite documentation, including but not limited to, Records of Employment and T4-Statements of Remuneration Paid, to the Eligible Employees and CRA, provided that prior to

issuing a payment to an Eligible Employee and the corresponding payment to CRA, such Eligible Employee shall have delivered to MRG an executed acknowledgment and release (the “**Acknowledgment and Release**”) substantially in the form attached as Exhibit “G” to the Shechtman Affidavit, and the distribution of the net amount of the Eligible Employee Payment and the corresponding payment to CRA shall not constitute a preference.

4. **THIS COURT ORDERS** and declares that the Acknowledgment and Release shall be an absolute full and final defence in disallowing an Eligible Employee’s proof of claim against the assets of MRG in the CCAA proceedings or otherwise.

5. **THIS COURT ORDERS AND DIRECTS** MRG to return to the Moving Party forthwith that part of the Eligible Employee Payment that has not been paid out to the Eligible Employees by October 17, 2014, or to CRA by October 31, 2014, unless the Monitor consents in writing to an extension, and this return of the Eligible Employee Payment (or part thereof) to the Moving Party shall not constitute a preference.

6. **THIS COURT ORDERS AND DIRECTS** the Moving Party to bring a further motion for payment and distribution of the Contingent Additional Payment (as that term is defined in the Shechtman Affidavit) following the liquidation of MRG’s assets, if, and only if, the funds available for distribution to MRG’s unsecured creditors, net of all payments that in law take priority over unsecured creditors, and all costs incurred, including but not limited to costs of liquidation (including commissions), professional fees (including Monitor’s fees and fees and disbursements of counsel to the Monitor and to MRG), and payments to MRG’s secured creditors, is greater than \$9,000,000.00.

7. **THIS COURT ORDERS** that the Moving Party shall not file a claim against MRG in the CCAA proceeding or otherwise in respect of the Eligible Employee Payment or the Conditional Additional Payment.

8. **THIS COURT ORDERS** that subject to paragraph 9 below, Dewart Gleason is hereby appointed in this proceeding as representative counsel ("**Representative Counsel**") for the Eligible Employees with respect to providing them with independent legal advice as to the meaning and effect of the Acknowledgment and Release (collectively the "**Mandate**").

9. **THIS COURT ORDERS** that the role of Representative Counsel for the Eligible Employees shall be limited to the Mandate.

10. **THIS COURT ORDERS** that any individual Eligible Employees who do not wish to be represented by Representative Counsel and be bound by this Order and all other orders which may subsequently be made in this proceeding related to the appointment of Representative Counsel, shall by October 14, 2014 (the "**Opt-Out Date**") notify counsel for the Moving Party by facsimile, email or delivery, in the form attached hereto as **Schedule "B"** (the "**Opt-Out Letter**"), and shall thereafter not be represented by Representative Counsel for the purpose of the Mandate.

11. **THIS COURT ORDERS** that, in fulfilling its duties hereunder, Representative Counsel:

(a) shall not be obligated to follow the instructions of, nor provide opinions to, any of the Eligible Employees; and,

(b) shall act in the best interests of the Eligible Employees as a whole, and take such necessary and appropriate actions and steps as Representative Counsel deems advisable from time to time.

12. **THIS COURT ORDERS** that any expenditure or liability which shall properly be made or incurred by Representative Counsel, including the reasonable fees and disbursements of Representative Counsel, shall be paid by the Moving Party in a timely manner to allow Representative Counsel to fulfill its Mandate in accordance with this Order, but in the event of any disagreement regarding such fees and disbursements such matters will be dealt with on an assessment of the accounts in this proceeding and payment shall be deferred until that time.

13. **THIS COURT ORDERS** that, subject to further order of the Court, and without limitation to any other right or protection in favour of Representative Counsel, Dewart Gleason shall not be required to take any step or action if it reasonably believes that there will not be sufficient funds available to it to complete such step or action, and Dewart Gleason may apply to be discharged from its role as Representative Counsel at any time in its sole discretion, including, without limitation, on the basis that it reasonably believes that there are insufficient funds available to it to carry out the terms of this Order or otherwise fulfill its role as Representative Counsel.

14. **THIS COURT ORDERS** that the Moving Party shall provide notice of this Order to the Eligible Employees set out in **Schedule “A”** hereto by: (a) e-mailing, mailing or delivering a copy of the Moving Party’s Notice attached as **Schedule “C”** hereto, together with a copy of this Order, after the issuance of this Order, to the Eligible Employees at their last known addresses, and by (b) arranging for the Monitor to post a copy of the Moving Party’s Notice on the Monitor’s website as soon as practicable after the issuance of this Order.

15. **THIS COURT ORDERS** that Representative Counsel shall have no liability for any act or omission as a result of its appointment or the fulfillment of its duties in carrying out the provisions of this Order, save and except for any gross negligence or willful misconduct on its part, and that no action or other proceedings shall be commenced against Representative Counsel relating to its acting as such, except with prior leave of this Court to be obtained on at least (7) seven days’ notice to Representative Counsel and upon further order in respect of security for costs on a substantial indemnity basis of Representative Counsel in connection with any such action or proceeding.

16. **THIS COURT ORDERS** that Representative Counsel shall be at liberty and is authorized at any time to apply to this Court for advice and directions in the discharge and variations of its powers and duties, including but not limited to whether or not any individual should be represented by Representative Counsel because of a potential conflict of interest or otherwise.

17. **THIS COURT ORDERS** that in the event this Order is later amended by further Order of the Court, the Moving Party shall arrange for the Monitor to post such further Order on the Monitor's website and such posting will constitute adequate notice to the Eligible Employees of such amended Order.

A handwritten signature in black ink, appearing to read "A. P. ...", written above a horizontal line.

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

A handwritten mark in blue ink, resembling a stylized leaf or the letter 'L', positioned to the left of the date stamp.

OCT 8 2014

SCHEDULE "A"

Alyson Teacher	Kim Nguyen
Francis D'Souza	Donna Pelan
Corazon Zapanta	Gloria Ayala
Josie Medeiros	Kathy Yip
Frank Logiudice	Jean (Jian) Yang
Khamanee Moonilal	Manu Ruparelia
Camla Baig	Leslie Smith
Maritess Mamat	Roberto Cerda
Beci Midolo	Rosalia De Leon
Lucia Spinelli	Mei Ping Leung
Daniel Koffman	Marie Di Schiavi
Lisbeth Martinez	Juan Rodriguez
Betty Lin (Bixing Lin)	Chau Le Tran
Asdghig Garboushian	Hau Nguyen
Anu Vong (Nu Vong)	Pauly Chau
Raymundo Martin	Jamie Jukes
Mauro Girardo	Anh Bang
Kriquar Jamjekian	Madai Beharry
Ahmad Baig	Mego Kerjikian
Viet Hung Huynh	Tam Mihn Chau
Manuel Da Silva	Simon Kam
Dinis Augusto	Caner Sari
Rolando Orellano	Howard Shanfield
Maria Camilleri	Tuan Quang Truong
Ngoc Le Tran	Carlos Astudillo



Ronald Mendonca

Samantha Passarella

Heung Ming (Christina) Cheung

Anant Singh

Fon Que

Angelina Pacheco

Maria Araujo

Se Van Nguyen

Dung Van Hua

Bhavna Kacharawala

Patrick Ka Ki Ho

Ohanes Dankikian

Margaret Chan

Garrett Evans

Ying Chan Liu

Teresa Ng

Hanh Doan

Lan Bao

Phuong Truong

John Nguyen

Matthew Nelson

Hong Yu

Kei Cheong Tsang

Thanh Nguyen

Abby Wong

Chung Lung Matchy Ng

**SCHEDULE "B"**

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

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

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

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

**OPT-OUT LETTER**

**BLANEY McMURTRY LLP**  
Barristers & Solicitors  
2 Queen Street East, Suite 1500  
Toronto, Ontario, M5C 3G5

**Attention: Eric Golden/Chad Kopach**

(416) 593-1221 (Tel)

(416) 593-5437 (Fax)

**egolden@blaney.com/ckopach@blaney.com**

**DEWART GLEASON LLP**  
Barristers & Solicitors  
366 Adelaide Street West, Suite 102  
Toronto, Ontario, M5V 1R7

**Attention: Sean Dewart**

(416) 583-5755 (Tel)

(416) 971-8001 (Fax)

**sdewart@dglp.ca**

I, \_\_\_\_\_, am an Eligible Employee as defined in the Order of  
Justice dated October \_\_\_\_\_, 2014 (the "**Representative Counsel Order**").

Under paragraph 10 of the Representative Counsel Order, Eligible Employees who do not wish  
Dewart Gleason LLP ("**Dewart Gleason**") to act as their Representative Counsel may opt out.

I hereby notify Dewart Gleason and Blaney McMurtry LLP, counsel for 2436768 Ontario Inc.,  
that I do not wish to be bound by the Representative Counsel Order.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

Name:

Telephone Number:

Email Address:

Contact Address:

## SCHEDULE "C"

### MOVING PARTY'S NOTICE

Pursuant to an Order (the "**Initial Order**") of Justice Penny of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated August 7, 2014 (the "**Appointment Date**"), Collins Barrow Toronto Limited ("**Collins Barrow**") was appointed as monitor (the "**Monitor**") to monitor the business and financial affairs of Martin Ross Group Inc. ("**MRG**") pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**").

Pursuant to an order of the Court dated October 1, 2014 (the "**Representative Counsel Order**"), Dewart Gleason LLP ("**Dewart Gleason**") was appointed as representative counsel ("**Representative Counsel**") of all Eligible Employees (as set out in Schedule "A" to the Representative Counsel Order) in all matters relating to the Mandate (as defined in the Representative Counsel Order).

The reasonable fees of and disbursements incurred by the Representative Counsel with respect to the Mandate shall be paid by 2436768 Ontario Inc. ("**243 Ontario**") on a periodic basis. Accordingly, **you are not required to contribute to the costs of the Representative Counsel.**

**If you do not wish to be bound by this Order**, you must notify 243 Ontario and Dewart Gleason in writing, by mail, e-mail or delivery on or before **October 14, 2014**. Your notice that you do not wish to be bound by the Representative Counsel Order must be in the form of a fully completed and enclosed "Opt-Out Letter" attached as Schedule "B" to the Representative Counsel Order and also available on the Monitor's website at:

<http://www.collinsbarrow.com/en/toronto-ontario/martin-ross-group>

Additional information concerning the MRG CCAA proceeding, including previous Orders granted in the proceeding, can be also found on the Monitor's website at the same link. Eligible Employees may contact Dewart Gleason in confidence directly at:

**DEWART GLEASON LLP**  
Barristers & Solicitors  
366 Adelaide Street West, Suite 102  
Toronto, Ontario, M5V 1R7

**Attention: Sean Dewart**

(416) 583-5755 (Tel)  
(416) 971-8001 (Fax)  
**[sdewart@dglp.ca](mailto:sdewart@dglp.ca)**

**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.**

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

Proceeding commenced at **TORONTO**

**ORDER**

**BLANEY McMURTRY LLP**  
Barristers and Solicitors  
2 Queen Street East, Suite 1500  
Toronto, ON M5C 3G5

**Eric Golden (LSUC# 38239M)**  
**Chad Kopach (LSUC # 48084G)**  
(416) 593-3927/2985 (Tel)  
(416) 593-5437 (Fax)  
egolden@blaney.com/ckopach@blaney.com

Lawyers for 2436768 Ontario Inc.

Oct 8/14

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

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.

Oct 8/14.

F. Sulley - for Martin

M. McMurry - for Martin Ross

E. Golden for #6 applicants

S. Dewant - sep. counsel

Based on the material filed, I am  
satisfied that the order should issue. It  
benefits not only the employees but the creditors  
as well. Order agreed by me.

*[Handwritten signature]*

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
Proceeding commenced at TORONTO

MOTION RECORD OF 2436768 ONTARIO INC.

BLANEY McMURTRY LLP  
Barristers and Solicitors  
2 Queen Street East, Suite 1500  
Toronto, ON M5C 3G5

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