

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
R.S.C. 1992, c. 27, s.2, AS AMENDED**

**AND IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT,  
R.S.O. 1990, C. c-43**

**AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE ISLE OF MAN  
WITH RESPECT TO BANNERS BROKER INTERNATIONAL LIMITED**

**AND IN THE MATTER OF THE RECEIVERSHIP OF STELLAR POINT INC.**

**APPLICATION OF MILES ANDREW BENHAM AND PAUL ROBERT APPLETON, IN  
THEIR CAPACITY AS JOINT LIQUIDATORS OF BANNERS BROKER  
INTERNATIONAL LIMITED, UNDER PART XIII OF THE *BANKRUPTCY AND  
INSOLVENCY ACT* (CROSS-BORDER INSOLVENCIES)**

**MOTION RECORD**

**(Approval of Certain Receiver's Reports  
and Activities, Fees and Disbursements)**

**Returnable May 16, 2017**

May 9, 2017

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# TAB 1

Court File No. CV-14-10663-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
R.S.C. 1992, c. 27, s.2, AS AMENDED**

**AND IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O.  
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**AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE ISLE OF MAN  
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**AND IN THE MATTER OF THE RECEIVERSHIP OF STELLAR POINT INC.**

**APPLICATION OF MILES ANDREW BENHAM AND PAUL ROBERT APPLETON, IN  
THEIR CAPACITY AS JOINT LIQUIDATORS OF BANNERS BROKER  
INTERNATIONAL LIMITED, UNDER PART XIII OF THE  
*BANKRUPTCY AND INSOLVENCY ACT* (CROSS-BORDER INSOLVENCIES)**

**NOTICE OF MOTION**

**(Approval of Certain Receiver's Reports  
and Activities, Fees and Disbursements)**

msi Spergel inc., in its capacity as court-appointed receiver ("**Receiver**") of Banners Broker International Limited ("**BBIL**") and Stellar Point Inc. ("**Stellar Point**") and investigatory receiver of (i) 2087360 Ontario Incorporated o/a Local Management Services; (ii) Parrot Marketing Inc. (formerly o/a "8264554 Canada Limited"); (iii) 2341620 Ontario Corporation; (iv) Dixit Holdings Inc. (formerly o/a "8163871 Canada Limited"); (v) 8643989 Canada Inc. o/a Dixit Consortium Inc.; (vi) Dreamscape Ventures Ltd.; and (vii) any other entity operating under the business names "Bannersbroker", "Banners Broker", "Bannersbroker Limited", "Bannersmobile", "BannersMobile" or "Banners Broker Belize", will make a Motion to a Judge presiding over the Commercial List on Tuesday May 16,

2017 at 10:00 a.m., or as soon after that time as the Motion can be heard at the court house, 330 University Avenue, 7th Floor, Toronto, Ontario, M5G 1R7.

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

**THE MOTION IS FOR** an order:

- (a) if necessary, abridging the time for and validating service of this notice of motion and motion record and dispensing with further service thereof;
- (b) approving the Receiver's Eighth Report, dated December 9, 2016 ("**Eighth Report**") and Tenth Report dated May 9, 2017 ("**Tenth Report**"), and the Receiver's conduct and activities as described in those reports, as well as the Receiver's conduct and activities from September 1, 2016 to May 9, 2017;
- (c) approving the Receiver's interim statement of receipts and disbursements as at May 9, 2017;
- (d) approving the fees and disbursements of the Receiver and its counsel, Cassels Brock & Blackwell LLP ("**Cassels**"), for services rendered from September 1, 2016 to March 31, 2017, as particularized in the affidavits of Phillip Gennis sworn May 9, 2017, and Larry Ellis sworn May 9, 2017, (collectively, the "**Fee Affidavits**"); and
- (e) such further and other relief as this Honourable Court may deem just.

## THE GROUNDS FOR THE MOTION ARE

### Overview

- (a) This is a foreign recognition and cross-border insolvency proceeding involving Canada and the Isle of Man. Banners Broker was an Internet advertising business that operated through related entities and agents around the world. Banners Broker has over 100,000 individual unsecured creditors located around the world;
- (b) Winding up proceedings in respect of BBIL commenced in the Isle of Man in January 2014. Seven months later, in August 2014, the Isle of Man proceedings were recognized in Canada as a “foreign main proceeding” for the purposes of Part XIII of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (“**BIA**”);
- (c) The Receiver was appointed receiver of BBIL in Canada pursuant to section 272(1)(d) of the BIA on August 22, 2014;
- (d) The Receiver’s mandate was expanded in October 2014 to include certain investigatory authority in respect of five corporations believed to be associated with Banners Broker, including Stellar Point;
- (e) The Receiver’s mandate was further expanded in August 2015 to include certain investigatory authority in respect of two additional corporations believed to be associated with Banners Broker;

- (f) On April 8, 2016, the investigatory receivership of Stellar Point was converted to a possessory receivership and msi Spergel inc. was appointed receiver of Stellar Point;
- (g) Since August 22, 2014 the Receiver has administered the receivership proceedings and reported to this Court on a regular basis;

**Approval of Certain Reports and the Receiver's Activities from September 2016 to May 2017**

- (h) The Eighth Report was filed in support of the Receiver's *ex parte* motion for an order freezing two bank accounts that received funds transferred in violation of the *Mareva* order granted by the court on May 31, 2016, and continued on June 7, 2016. As such, the Receiver did not seek approval of the Eighth Report, or provide an update on its activities therein;
- (i) The Tenth Report provides a summary of the Receiver's conduct and activities from September 1, 2016 to May 9, 2017;
- (j) The Receiver respectfully seeks approval of the Eighth and Tenth Reports, and the Receiver's conduct and activities as described therein;

**Approval of Fees and Disbursements of the Receiver and its Counsel**

- (k) As set out in the Fee Affidavits, the Receiver and its counsel have incurred fees in the course of their respective duties as Receiver and as counsel, and such fees ought to be approved;

**General**

- (l) Part XIII of the BIA (sections 267 to 284), which govern cross-border insolvencies;
- (m) Sections 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43;
- (n) Rules 2.03, 3.02, 16, and 37 of the *Rules of Civil Procedure*, R.R.O. 1990 Reg. 194;
- (o) The grounds set out in the Eighth Report and the Tenth Report and the appendices thereto; and
- (p) Such further and other grounds as the lawyers may advise.

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

- (q) The Eighth Report and the Tenth Report and the appendices thereto;
- (r) The Affidavit of Philip Gennis, sworn May 9, 2017;
- (s) The Affidavit of Larry Ellis, sworn May 9, 2017;



- (t) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

May 9, 2017

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International Limited and Stellar Point Inc.

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1992, c. 27, s.2, AS AMENDED  
 AND IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C-43  
 AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE ISLE OF MAN WITH RESPECT TO BANNERS BROKER INTERNATIONAL LIMITED  
 AND IN THE MATTER OF STELLAR POINT INC.  
 APPLICATION OF MILES ANDREW BENHAM AND PAUL ROBERT APPLETON, IN THEIR CAPACITY AS JOINT LIQUIDATORS OF BANNERS BROKER INTERNATIONAL LIMITED, UNDER PART XIII OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CROSS-BORDER INSOLVENCIES)

Court File No. CV-14-10663-00CL

**ONTARIO  
 SUPERIOR COURT OF JUSTICE  
 COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
 TORONTO

**NOTICE OF MOTION**

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# TAB 2

**TENTH REPORT OF MSI SPERGEL INC.,  
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF  
BANNERS BROKER INTERNATIONAL LIMITED AND STELLAR POINT INC.**

**May 9, 2017**

Court File No. CV-14-10663-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
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**APPLICATION OF MILES ANDREW BENHAM AND PAUL ROBERT APPLETON, IN  
THEIR CAPACITY AS JOINT LIQUIDATORS OF BANNERS BROKER  
INTERNATIONAL LIMITED, UNDER PART XIII OF THE *BANKRUPTCY AND  
INSOLVENCY ACT* (CROSS-BORDER INSOLVENCIES)**

**TENTH REPORT OF THE  
COURT-APPOINTED RECEIVER OF  
BANNERS BROKER INTERNATIONAL LIMITED  
("TENTH REPORT")**

**May 9, 2017**

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## **I. Overview**

1. This is a foreign recognition and cross-border insolvency proceeding involving Canada and the Isle of Man. The debtors, Banners Broker International Limited ("**BBIL**") and Stellar Point Inc. ("**Stellar Point**") were part of the "Banners Broker" online enterprise, a platform whereby registered members known as "affiliates" could advertise their businesses on websites within the Banners Broker network of publishers while, at the same time, earn revenues as an advertising publisher through specialized and targeted publisher sites created, designed and hosted by a variety of active companies associated with Banners Broker.

2. Winding up proceedings in respect of BBIL commenced in the Isle of Man in January 2014. Six months later, on August 22, 2014, the Isle of Man proceedings were recognized in Canada as a "foreign main proceeding" for the purposes of Part XIII of the *Bankruptcy and Insolvency Act*, R.S.C. 1992, c. 27, s.2 ("**BIA**").

3. msi Spergel inc. was appointed receiver of BBIL in Canada on August 22, 2014, and receiver of Stellar Point on April 8, 2016 (in such capacities, the "**Receiver**"). The Receiver's mandate also includes certain investigatory authority in respect of six corporations (and six business names/styles) believed to be closely associated with the Banners Broker Group.

4. This is the tenth report to court ("**Tenth Report**") of msi Spergel inc. in its capacity as Receiver. This Tenth Report is filed in support of the Receiver's motion ("**Motion**") for an order:



- (a) approving the Receiver's Eighth and Tenth Reports and the Receiver's conduct and activities as described in those reports, as well as the Receiver's conduct and activities from September 1, 2016 to May 9, 2017;
- (b) approving the Receiver's interim statement of receipts and disbursements as at May 9, 2017; and
- (c) approving the fees and disbursements of the Receiver and its counsel, Cassels Brock & Blackwell LLP ("**Cassels**"), for services rendered from September 1, 2016 to March 31, 2017, as particularized in the affidavits of Philip Gennis sworn May 9, 2017, and Larry Ellis sworn May 9, 2017, (collectively, the "**Fee Affidavits**").

5. This Tenth Report provides an overview of the Receiver's activities from September 1, 2016 to the date of this report, May 9, 2017. It may be read in conjunction with the Receiver's prior reports to court as follows:

- (a) **Receiver's First Report** (dated October 2, 2014)

This report described the Receiver's actions upon appointment, including initial inquiries and the discovery of a criminal investigation in respect of Banners Broker. The report was filed in support of the Receiver's request for additional investigatory powers extending to certain specifically identified associated corporations.

- (b) **Receiver's Second Report** (dated January 12, 2015)

This report was filed in support of the Receiver's motion for an order restricting the disposition of certain monies and credits held by electronic payment processors, which monies were then frozen by *ex parte* restraint orders granted in the context of the criminal investigation.

- (c) **Receiver's Third Report** (dated July 30, 2015)

This report was filed in support of the Receiver's motion for approval of a settlement agreement with a Banners Broker associated company, and for the grant of certain limited investigatory authority in respect of certain

Banners Broker associated companies. The report also provided an update on the activities of the Receiver since its First Report.

(d) **Receiver's Fourth Report** (dated January 8, 2016)

This report was filed in support of the Receiver's motion for the production of certain banking records from the Royal Bank of Canada and the Canadian Imperial Bank of Commerce ("**CIBC**").

(e) **Receiver's Fifth Report** (dated April 4, 2016)

This report was filed in support of the Receiver's motion for the conversion of the investigatory receivership of Stellar Point into a standard possessory receivership and a declaration that certain funds held by an off-shore financial institution were property of the BBIL estate. The Fifth Report also provided an update on the Receiver's activities since the Third Report.

(f) **Receiver's Sixth Report** (dated May 19, 2016)

This report was filed in support of the Receiver's motion for an order in furtherance of the transition of certain BBIL insolvency administration matters from the Joint Liquidators in the Isle of Man Proceedings (defined below) to the Receiver.

(g) **Receiver's Seventh Report** (dated May 30, 2016)

This report was filed in support of the Receiver's *ex parte* motion for an interim and interlocutory *Mareva* order restraining Banners Broker principals Rajiv Dixit ("**Dixit**") and Kuldip Josun ("**Josun**"), as well as BBIL-affiliated corporations Dreamscape Ventures Ltd. ("**Dreamscape**"), 8643989 Canada Inc. o/a Dixit Consortium Inc. ("**Dixit Consortium**"), and Dixit Holdings Inc. ("**Dixit Holdings**") from selling, removing, dissipating, alienating, transferring, assigning encumbering, or similarly dealing with any assets pending the final disposition of the Receiver's action against those parties for recovery of funds that were fraudulently misappropriated from Banners Broker.

(h) **Receiver's Eighth Report** (dated December 9, 2016)

This report was filed in support of the Receiver's *ex parte* motion for an order freezing two bank accounts that received funds transferred in violation of the *Mareva* order granted by the court on May 31, 2016, and continued on June 7, 2016 ("**Mareva Order**").

(i) **Receiver's Ninth Report** (dated February 27, 2017)

This report was filed in support of the Receiver's motion for an order declaring that the Receiver could administer the restrained funds in accordance with the terms of the Receivership Order (defined below), and authorizing the Receiver, in its capacity as Receiver of BBIL, to fund any and all expenses of the Receiver of Stellar Point. The Ninth Report also provided an update on the Receiver's activities from May 1, 2016 to August 31, 2016.

6. Prior Receiver's reports filed and court orders and endorsements issued in these proceedings are available on the Receiver's websites at: [www.spergel.ca/banners](http://www.spergel.ca/banners) (for BBIL) and <http://www.spergel.ca/StellarPoint> (for Stellar Point).

## **II. Background**

7. BBIL is incorporated in the Isle of Man. The company was placed into liquidation pursuant to section 174 of the *Companies Act 1931* of the Isle of Man on February 26, 2014 by Order of His Honour the Deemster Doyle, First Deemster and Clerk of the Rolls of the High Court of Justice of the Isle of Man ("**Isle of Man Court**"). Miles Andrew Benham and Paul Robert Appleton were appointed as joint liquidators ("**Joint Liquidators**") of BBIL ("**Isle of Man Proceedings**").

8. On August 22, 2014, on application of the Joint Liquidators, the Honorable Madam Justice Matheson, of the Ontario Superior Court of Justice (Commercial List) granted an order:

- (a) recognizing the Isle of Man Proceedings as a "foreign main proceeding" for the purposes of section 268 of the BIA;

- (b) recognizing the Joint Liquidators as the “foreign representatives” (**“Foreign Representatives”**) of BBIL for the purposes of section 268 of the BIA; and
- (c) granting a stay of proceedings in respect of actions concerning BBIL’s property, debts, liabilities or obligations.

10. Also on August 22, 2014, Justice Matheson issued a supplemental order (foreign main recognition) (**“Supplemental Order”**):

- (a) appointing msi Spergel inc. as receiver of BBIL’s assets, undertakings and properties, including the proceeds thereof (**“Property”**);
- (b) empowering the Receiver to identify and realize upon the Property, including taking steps to access all information relating to BBIL’s accounts at any financial institution;
- (c) authorizing the Receiver to conduct examinations of the former principals of BBIL, as well as any other persons that the Receiver reasonably believes may have knowledge of BBIL’s trade, dealings and Property;
- (d) authorizing the Receiver to provide such information and assistance to the Foreign Representatives in the performance of their duties as the Foreign Representatives may reasonably request; and
- (e) authorizing the Receiver to coordinate the administration and supervision of BBIL’s assets and affairs with the Joint Liquidators as Foreign Representatives of the Isle of Man Proceeding.

11. The Supplemental Order provides the Receiver with the mandate to assist the Foreign Representative in the wind-up of BBIL, including the identification of and realization upon BBIL assets for the benefit of Banners Broker creditors. The Receiver's powers in respect of BBIL extend to accessing all manner of relevant information, and the taking of possession of assets.

12. The Supplemental Order was amended by the August 7, 2015 order of this Court to provide the Receiver with additional authority consistent with the Model Receivership Order ("**Additional Authority Order**", with the Supplemental Order, the "**Receivership Order**").

13. A few months later, in October 2014, the Receiver was granted investigatory authority over several additional BBIL associated entities ("**Further Supplemental Order**"):

- (a) 2087360 Ontario Incorporated o/a Local Management Services;
- (b) Parrot Marketing Inc. (formerly o/a 8264554 Canada Limited) ("**Parrot Marketing**");
- (c) 2341620 Ontario Corporation;
- (d) Stellar Point;
- (e) Dixit Holdings; and
- (f) any other entity operating under the business names "Bannersbroker", "Banners Broker", "Bannersbroker Limited", "Bannersmobile", "BannersMobile" or "Banners Broker Belize".

14. On August 7, 2015, the Receiver's investigatory authority was further expanded by the Additional Authority Order to include two additional companies that had significant involvement in Banners Broker: Dixit Consortium and Dreamscape.

15. On April 8, 2016, the investigatory receivership of Stellar Point was converted to a standard possessory receivership and msi Spergel inc. was appointed receiver of Stellar Point ("**Stellar Point Receivership Order**").

16. Approximately a month later, on May 26, 2016, this Court issued an order transitioning BBIL insolvency administration functions from the Joint Liquidators in the Isle of Man to the Receiver in Canada.

17. On December 9, 2016, the Deemster Doyle in the Isle of Man Court similarly approved the transition of BBIL insolvency administration functions to the Receiver in Canada.

18. Since the date of Deemster Doyle's Order, and as is further detailed below, the Joint Liquidators and the Receiver have worked to transition insolvency administration functions from the Isle of Man to Canada.

### **III. Developments Since September 2016**

19. By way of overview, the Receiver's activities from September 1, 2016 to May 9, 2017 include:

- (a) reviewing and analyzing a significant volume of banking and financial records received from financial institutions in Canada in response to the May 31, 2016 *Mareva* order, and pursuing follow-up inquiries of the financial institutions as appropriate;

- (b) Working with the Joint Liquidators and reporting in writing and by way of oral hearing to the Isle of Man Court in furtherance of the transition of insolvency administration functions from Canada to the Isle of Man;
- (c) undertaking real property, corporate profile, internet and other public record searches so as to better understand the trade, dealings and property of Banners Broker;
- (d) identifying and considering the appropriateness of certain non-core business and investment activities undertaken by Banners Broker and/or the former principals of Banners Broker, and considering issues relating to locating and recovering improperly diverted funds;
- (e) pursuing the legal files and trust account records of counsel for BBIL and Banners Broker principal Christopher Smith ("**Smith**"), while respecting the appropriate bounds of privilege and confidentiality;
- (f) corresponding with third parties who received material payments from Banners Broker in the form of loans, investments and/or gifts, or who received payments in exchange for the purported provision of goods and services, with a view to obtaining a reconciliation of accounts and recovering any improper advances;
- (g) corresponding with former Banners Broker employees and service providers regarding their involvement with the Banners Broker enterprise and their willingness to provide documents and other evidence to the Receiver;

- (h) pursuing outstanding undertakings and questions taken under advisement at the examinations conducted by the Receiver to date;
- (i) ongoing correspondence and discussion with counsel for Smith and Dixit in relation to, among other issues, the criminal proceedings, document production matters, and undertakings;
- (j) monitoring public aspects of the ongoing Banners Broker criminal investigation and prosecution;
- (k) corresponding with Canadian and off-shore banks, trust companies, and financial institutions in an effort to locate and secure Banners Broker assets and financial information relevant to Banners Broker and Stellar Point;
- (l) assembling, reviewing and analyzing banking and accounting information, including bank statements provided by financial institutions for Banners Broker, as well as information obtained with the assistance of Smith regarding offshore accounts, with a view of reconstructing the source, inter-company transfers and disposition of all monies contributed by Banners Broker affiliates;
- (m) coordinating receivership administration efforts in respect of the Banners Broker with the Joint Liquidators, including the sharing of information, accounting expertise and resources with the Joint Liquidators;



- (n) reviewing business contracts entered into by companies with Banners Broker, including employment and consulting agreements, account agreements, reseller agreements and releases and indemnities;
- (o) considering possible claims against individuals who may have received transfers of money, automobiles, gifts and/or payments for services not provided, which transfers could potentially be attacked as fraudulent transfers;
- (p) investigating whether or not certain persons associated with Banners Broker may have established bank accounts in foreign jurisdictions in an effort to hide amounts improperly withdrawn from the company; and
- (q) investigating whether or not persons associated with Banners Broker may have converted monies improperly taken from affiliates by means of investing, either directly or indirectly, in residential real estate including by paying off and discharging mortgage(s), and/or financing the acquisition of property for no good or valid consideration.

20. Certain of the Receiver's work is sensitive in nature and has been accorded appropriate protection by sealing and confidentiality provisions in court orders obtained. This is the case where the work involved relates to obtaining and assessing evidence that may be used to pursue Banners Broker assets in circumstances where efforts have been made to put such assets beyond the reach of creditors. Recognizing the public nature of this report, the Receiver's work in this regard is described in more general terms with particulars omitted.

**A. Criminal Proceedings Against Dixit and Smith**

21. As detailed in the Receiver's Fifth Report, in September 2014, the Receiver was made aware of criminal proceedings before the Ontario Court of Justice arising from a Toronto Police Services Financial Crime Unit investigation into Banners Broker's operations in Canada and Banners Broker principals Smith and Dixit.

22. Several months later, on February 24, 2015, search warrants were executed at the properties of Smith and Dixit, including personal automobiles, residences and places of business.

23. On December 9, 2015, Dixit and Smith were arrested in Toronto and charged with violations of the *Criminal Code*, R.S.C. 1985, c. C-46, as amended ("**Criminal Code**") and the *Competition Act*, R.S.C. 1985, c. C-34, as amended ("**Competition Act**"). More specifically, they were charged under the Criminal Code with (i) defrauding the public over \$5,000; (ii) possession of proceeds of crime; and (iii) laundering proceeds of crime. They were also both charged under the Competition Act with (i) operating a pyramid scheme; and (ii) making false or misleading statements.

24. The Receiver attended to monitor a "show cause" hearing held immediately after Dixit and Smith were arrested and charged. The accused were released on bail. The show cause hearing is otherwise subject to a publication ban.

25. On April 27, 2017, Smith and Dixit pleaded guilty to operating a pyramid scheme under the Competition Act. The two principals have received conditional sentences whereby they will serve two years less a day in the community and will be required to pay a \$50,000 fine within two years.

**B. Dixit and Schlacht's Co-Operation with the Receiver**

26. As detailed in the Receiver's Ninth Report, on May 31, 2016, the Receiver obtained the *Mareva* Order against, among other defendants, Dixit.

27. After being served with the *Mareva* Order, Dixit, through his counsel, worked cooperatively with the Receiver to ensure compliance with the *Mareva* Order. Dixit provided the Receiver with copies of his bank accounts statements for the accounts frozen by the *Mareva* Order and provided the Receiver with a sworn declaration of assets. At the request of the Receiver, Dixit also produced records sufficient for the Receiver to consider whether to agree to an "ordinary living expenses" carve out to the *Mareva* Order.

28. As a result of Dixit's cooperation with the Receiver, and by agreement signed September 14, 2016, the Receiver and Dixit settled, among other things, the *Mareva* Order, and the litigation commenced by the Receiver against, among other defendants, Dixit, Dixit Holdings and Dixit Consortium ("**Dixit Settlement Agreement**").

29. Pursuant to the terms of the Dixit Settlement Agreement, Dixit turned over several items of personal property to the Receiver including home furnishings and high end liquor bottles that the Receiver had asserted were purchased with Banners Broker funds. These assets were sold by the Receiver resulting in a realization of approximately \$5,950 for the benefit of the BBIL receivership estate. Dixit has also turned over some jewelry that the Receiver also intends to sell.

30. Additionally, Dixit met with the Receiver and its counsel for two full days in late September, 2016. The purpose of these meetings was for Dixit to make full and complete disclosure of everything that he knew about Banners Broker. Although the

contents of the discussions are subject to confidentiality terms, the Receiver believes that Dixit made full disclosure in respect of the matters discussed. Since that time, Dixit has continued to cooperate with the Receiver and to assist the Receiver in its efforts to investigate, locate, and realize upon residual Banners Broker and Stellar Point assets.

31. Dixit's wife, Stephanie Schlacht, has also cooperated with the Receiver. The Receiver does not anticipate advancing any claims as against Ms. Schlacht at this time.

**C. Receiver's Pursuit of Outstanding Undertakings from and Inquiries of Smith**

32. The Receiver continues to pursue outstanding undertakings from Smith.

33. To date, Smith has provided the Receiver with a total of 244 undertakings (collectively, the "**Smith Undertakings**"). Approximately 50 of these undertakings, many of them requiring significant work, remain outstanding.

34. The Smith Undertakings relate primarily to: (a) unexplained pre-receivership payments made to non-Banners Broker related parties, which payments are the subject of litigation brought by the Receiver; and (b) post-receivership transfers made by Smith to Banners Broker-related entities that are subject to the Receiver's investigatory powers.

35. Certain of the Smith Undertakings also include requests for the production of banking records. One undertaking in this regard has been outstanding for more than two years, despite regular follow up. The particular undertaking involves the production of banking records for an entity controlled by Smith, 2341619 Canada Corporation, that

received a significant sum of Banners Broker funds during the January 2013 to January 2014 period.

36. The Receiver has been advised by Smith's counsel that the delay in responding to undertakings is a result of Smith prioritizing negotiations with the Crown in respect of the parallel criminal proceedings. Now that the criminal proceedings appear to be resolved, the Receiver expects that Smith will focus on providing complete answers to his remaining undertakings.

**D. Josun's Non-Compliance with *Mareva* Order**

37. As further detailed in the Receiver's Seventh and Eighth Reports, Banners Broker principal Josun was subject to the *Mareva* Order.

38. Although Josun was made aware of the requirements of the *Mareva* Order on June 2, 2016, he made no effort to comply. Commencing on the evening of June 2, 2016, there is evidence that Josun transferred, removed and otherwise dissipated at least \$50,000 in assets held by him in contravention of the *Mareva* Order. The largest recipient of these funds was his daughter, Tara Reeves ("**Reeves**"). (It is Reeves' evidence that she did not know of the *Mareva* order at the time.)

39. More particularly, after learning of the *Mareva* Order on the morning of June 2, 2016, and receiving a copy of the order by email later that day, Josun e-transferred \$2,350 to Reeves.

40. The next day, on June 3, 2016, Josun purchased a \$6,500 bank draft in Reeves's name, which was deposited by Reeves into a bank account with TD Bank.

41. Based on the nature and timing of these transfers, the Receiver believes that the transfers to Reeves were made with the intent of defying the *Mareva* Order.

42. Other significant payments made by Josun after he learned of the *Mareva* Order include:

- (a) \$13,000 in credit card payments;
- (b) \$10,582 in cash withdrawals and advances;
- (c) \$5,000 bank draft made out to GM Financial;
- (d) \$3,189 in hotel charges;
- (e) \$1,664 in loan payments;
- (f) \$2,920 for travel; and
- (g) \$915 in OLG Slots Cash Advance.

43. In addition to making transfers from his bank account in violation of the *Mareva* Order, Josun failed to comply with the *Mareva* Order by not providing the Receiver with a sworn statement of the nature, value and location of his assets worldwide.

44. On December 15, 2016, in view of Josun's non-compliance with the *Mareva* Order, the Receiver sought and obtained an order freezing two bank accounts into which Reeves had deposited payments from her father ("**Freezing Order**").

45. Five days later, on December 20, 2016, the Receiver and Reeves returned to court for the comeback hearing in respect of the Freezing Order. The Honourable Mr. Justice Newould continued the Freezing Order pending further order of the Court ("**Continuation Order**").

46. On December 22, 2016, counsel for the Receiver returned to Court to address the issue of ordinary living expense carve-outs to the Freezing Order. Counsel advised the Court that the carve out issue had been settled as between the Receiver and Reeves directly. Such resolution was noted in the Court's endorsement made that day.

47. In connection with the Freezing Order, Reeves submitted to an examination under oath by the Receiver regarding the contents of the Ninth Report. (Reeves had earlier been examined by the Receiver regarding her role in and knowledge of the Banners Broker business more generally).

48. During her examination Reeves provided four undertakings, two of which involved the production of additional banking records. The Receiver pursued these undertakings. The undertakings were answered approximately a month after Reeves's examination. The Receiver continues to review and assess financial information provided by Reeves in response to her undertakings.

#### **E. Claims Commenced Against Third Parties**

49. In August 2016, the Receiver commenced five actions against 18 individual and corporate defendants. In aggregate, the defendants appear to have received about US\$4 million from the Banners Broker business. Notably, the defendants are not employees of, or recognizable service contractors to, Banners Broker. The defendants all appear, however, to have received significant sums of Banners Broker funds without adequate documentation, appropriate accounting, or any apparent business purpose.

50. The particulars of each action are further described in the following paragraphs of this report. It is important to note that the proceedings remain at an early stage and the allegations pleaded in the statements of claim and defences are not proven.

*i. Banners Broker International Limited v. Araya et al*, Court File No. 16-11495-00CL (“**Best Action**”)

51. The Receiver commenced a claim against Francis Best (“**Best**”), Paulos Araya (“**Araya**”), 2350842 Ontario Limited (o/a Commtrade Services), 2196898 Ontario Limited, 2251586 Ontario Inc. and Bella Moda Inc. (collectively, the “**Best Defendants**”) for conversion, breach of contract, and an accounting/tracing of the more than \$1 million received by the Best Defendants. Attached as **Appendix “A”** is a copy of the statement of claim in the Best Action.

52. As further detailed in the statement of claim, it is the Receiver’s position that between January 2013 and November 2014, Best and Araya, and/or the companies controlled by them, improperly received over a million dollars in Banners Broker funds. Of the \$1 million dollars transferred to the Best Defendants, USD\$330,421 was transferred subsequent to the Receiver’s appointment and without the Receiver’s knowledge.

53. Best and his counsel met with the Receiver to discuss the Best Defendants’ role in the Banners Broker business on December 1, 2016. The meeting was conducted on a without prejudice basis.

54. The Best Defendants have as yet to deliver a statement of defence in the Best Action and they are in default of their obligation to do so. The Receiver will accordingly proceed to note default.



ii. *Banners Broker International Limited v. World eWallet Inc. et al*, Court File No. CV-16-11496-00CL (“**World eWallet Action**”)

55. An action was commenced against World eWallet Inc., Commercial Bridge Group, My Finance Dept. Inc., Michael Kraemer (“**Kraemer**”) and Andreas Geladaris (collectively, the “**World eWallet Defendants**”) for breach of contract, negligence, conversion and unjust enrichment. The total damages claimed by the Receiver against the World eWallet Defendants are \$847,304. A copy of the statement of claim in the World eWallet Action is attached as **Appendix “B”**.

56. The facts underlying this claim relate to Banners Broker’s attempts to develop their own “in-house” electronic payment processing solution. The payment processor was apparently to be called “World eWallet”. Development efforts in respect of World eWallet were undertaken by a loosely-connected joint venture of corporate entities including the defendants World eWallet Inc., Commercial Bridge Group, and 2389711 Ontario Corporation, a corporation owned and controlled by Smith.

57. Kraemer was the owner and principal of World eWallet Inc. and Commercial Bridge Group and acted as the president and chief executive officer of the World eWallet enterprise. Kraemer was named personally because there is evidence he received a loan from Parrot Marketing that remains unpaid.

58. Kraemer filed a statement of defence and has denied any liability. The balance of the defendants have retained counsel and have undertaken to defend shortly. Attached as **Appendix “C”** is a copy of Kraemer’s statement of defence.

iii. *Banners Broker International Limited v. Glenroy Browne Funkional Fitness Inc. et al*, Court File No. CV-16-11497-00CL ("**Glenroy Browne Action**")

59. The Receiver commenced a claim against Glenroy Browne Funkional Fitness and Glenroy Browne ("**Browne**") for disgorgement and restitution of monies unlawfully received or profits unlawfully derived from BBIL funds. Attached as **Appendix "D"** is a copy of the statement of claim in the Glenroy Browne Action.

60. Glenroy Browne Funkional Fitness at one time operated a mixed martial arts gymnasium in Oshawa, Ontario. The gym was launched with startup capital advanced by Dixit and Smith through several Banners Broker companies over which the Receiver has investigatory authority. The funds were ostensibly advanced to Glenroy Browne Funkional Fitness as a business loan in exchange for a promissory note. The investment was poorly documented and no monies were ever repaid or accounted for.

61. The defendants to the Glenroy Browne Action were granted a waiver of defence in order to facilitate settlement discussions. Browne, acting in person, has been cooperating with the Receiver to resolve the matter. On February 8, 2017, he met with counsel for the Receiver to answer questions and discuss the claims. Settlement discussions are ongoing.

iv. *Banners Broker International Limited v. DonRiver Inc.*, Court File No. CV-16-11498-00CL ("**DonRiver Action**")

62. The Receiver also commenced a claim against DonRiver Inc. ("**DonRiver**") for USD\$1,375,429 in damages for breach of contract. Attached as **Appendix "E"** is a copy of the statement of claim in the DonRiver Action.

63. As indicated, Banners Broker management determined to create its own in-house payment processor. To that end, they engaged DonRiver to develop the

necessary software for an online payment processor through which Banners Broker affiliates could invest in Banners Broker.

64. Although Banners Broker retained DonRiver and paid the company more than USD\$1.3 million to develop software for World eWallet, the business relationship is otherwise unclear. The relevant invoicing raises questions as to what exactly was provided by DonRiver. The Receiver has not been able to understand or account for many aspects of the business relationship.

65. DonRiver delivered a statement of defence on March 17, 2017, denying any liability to the Receiver. Attached as **Appendix “F”** is a copy of DonRiver’s statement of defence.

66. The Receiver sought and obtained relevant documentary production from Don River in March and April 2017. The information obtained is under review by the Receiver and counsel. The Receiver will re-assess the merits of the claim with the benefit of this discovery.

v. *Banners Broker International Limited et al v. 1587803 Ontario Limited o/a Aramor et al*, Court File No. CV-16-11499-00CL (“**Aramor Action**”)

67. The Receiver commenced a claim against payment processor “solutions company” 1587803 Ontario Limited (o/a Aramor), 2319636 Ontario Inc., Maxwell Morgan and 2338119 Ontario Inc. for USD\$372,249 in damages for, among other causes of action, conversion and negligent misrepresentation. An accounting and restitutionary relief was also sought. Attached as **Appendix “G”** is a copy of the statement of claim in the Aramor Action.

68. The defendants in the Aramor Action served the Receiver with a statement of defence in mid-March 2017, denying any liability. The statement of defence is under review and the action remains at the pleadings stage. Attached as **Appendix “H”** is a copy of the statement of defence in the Aramor Action.

#### **F. Interviews and Examinations of Key Witnesses**

69. The Receiver continues to meet with and examine witnesses believed to have material information regarding the Banners Broker enterprise. In certain case the examinations are conducted under oath before an Official Examiner. In other case the decision is made to begin less formally, with a meeting or series of meetings that proceed as interviews, with or without counsel present.

70. On November 13, 2016, the Receiver attended meetings in London, England with the Joint Liquidators. The primary purpose of the meeting was to prepare for the court officers' attendance in the Isle of Man Court for the November 14 motion to transition certain insolvency administration functions from the Isle of Man to Canada. However, the attendance in London was also used to obtain relevant evidence from Committee of Inspection Member Ian Driscoll (“**Driscoll**”), a former Banners Broker reseller, and Lyndon Farrington (“**Farrington**”), a former Banners Broker super affiliate. These meetings were productive with both Driscoll and Farrington turning over records to the Receiver and, as well, agreeing to provide affidavit evidence as may be requested. Their evidence is particularly relevant to the activities of the Banners Broker principals while they worked and travelled in Europe.

71. On January 26, 2017, the Receiver examined Brea Hardowa ("**Hardowa**"), former executive assistant to Smith and office manager of the Banners Broker associated corporation, Parrot Marketing. Hardowa attended the examination without counsel. The examination could not be completed on that day and was adjourned to early March, 2017.

72. Hardowa re-attended to continue her examination, with counsel, at the offices of the lawyers for the Receiver on March 2, 2017. Her examination was completed on that day, subject to the delivery of certain answers to undertakings provided by Hardowa during her examination.

73. One of the consequences of the commencement of the litigation discussed earlier in this report is that certain persons having knowledge of Banners Broker's business and affairs will likely be examined in a discovery context, as opposed to examinations and interviews outside of such proceeding.

74. There are three former Banners Broker employees, including an Office Manager and a bookkeeper, who the Receiver has attempted to contact for the purposes of determining whether a formal examination under oath is something that could potentially add value to the estate. Efforts in this regard continue.

#### **G. Receiver's Flow of Funds Analysis**

75. The Receiver, with the Joint Liquidators, has prepared and continues to update a detailed accounting or "Flow of Funds Analysis" sufficient to understand how global affiliate contributions to the Banners Broker enterprise were received and disbursed over the period of Banners Broker's operations ("**Flow of Funds Analysis**").

76. The Flow of Funds Analysis provides a best estimate of total funds received from creditors, together with information on how such funds were utilized by Banners Broker entities and their principals.

77. The Flow of Funds Analysis has been the subject of multiple reports to the Court in the course of these proceeding.

78. Since the last submission of the analysis on March 31, 2016, the Receiver has been provided with additional banking information that the Receiver is in the process of incorporating into the Flow of Funds Analysis including but not limited to:

- (a) additional banking records from BBIL principals;
- (b) records from a third party payroll services provider;
- (c) Parrot Marketing banking records dated after the Receiver's appointment on August 22, 2014;
- (d) documents from Aramor and Maxwell Morgan;
- (e) additional documents from BBIL-affiliated entities; and
- (f) additional records from financial institutions.

79. Although the Receiver continues to update the Flow of Funds Analysis with the financial records in its possession, certain material financial documents, including 2341619 Canada Corporation's banking record, have yet to be obtained. The Receiver continues to pursue relevant financial records so as to complete a Flow of Funds Analysis.

## **H. Transition of BBIL Insolvency Responsibilities**

80. As noted above, on December 9, 2016 the Isle of Man Court granted an order providing for the transition of residual BBIL insolvency administration matters from the Isle of Man to Canada ("Transition Order"). The rationale for and details of the transition are presented in the Receiver's Ninth Report.

81. The Receiver and Joint Liquidators have cooperated in transitioning insolvency administration matters from the Isle of Man to Canada in accordance with the terms of the Transition Order. To this end, upwards of 2,500 creditor proofs of claims have been turned over to the Receiver ("**Creditor Claims**"). The Receiver is now reviewing the Creditor Claims and will provide its assessment and recommendations to the Court in the coming months.

82. The Receiver and Joint Liquidators are directing all Banners Broker creditor inquiries to the Receiver. The Receiver has responded to approximately 115 creditor inquiries between January 1, 2017 and April 30, 2017.

## **IV. Relief Sought**

### **A. Approval of Receiver's Eighth and Tenth Reports and the Receiver's Activities from September 2016 to May 2017**

83. As indicated, the Eighth Report was filed in connection with an *ex parte* motion for an order freezing bank accounts that received funds transferred in violation of the *Mareva* Order. A copy of the Eighth Report, without appendices, is attached as **Appendix "I"**.

84. The Receiver did not seek approval of the Eighth Report and the activities described therein at the time of the motion due to the *ex parte* nature of the attendance.

For the same reason, the Receiver did not provide an update on its activities at such time as the Eighth Report was put forward.

85. As the within motion is on notice to the Service List, the Receiver respectfully requests an order approving both the Eighth Report and this Tenth Report, and the Receiver's activities as described in these reports. Approval is accordingly now sought in relation to the Receiver's activities from September 1, 2016 to May 9, 2017.

**B. Approval of Receiver's Fees and Activities**

86. Pursuant to paragraph 18 of the Supplemental Order, the Receiver and its counsel are to pass their accounts from time to time. For this purpose, the accounts of the Receiver and its legal counsel are referred to a judge of the Commercial List

87. The Receiver seeks to have its fees and disbursements, including those of its legal counsel approved by the court. The Receiver and its counsel have maintained detailed records of their professional time and costs.

88. The total fees and disbursements of the Receiver for services provided during the period of September 1, 2016 to March 31, 2017 is \$191,988.75 excluding HST. Attached as **Appendix "J"** is an affidavit of Philip H. Gennis sworn May 9, 2017 ("**Gennis Affidavit**") regarding the Receiver's fees and disbursements. Copies of the Receiver's detailed time dockets for the period September 1, 2016 to March 31, 2017 are appended as exhibits to the Gennis Affidavit.

89. Cassels has acted as the Receiver's legal counsel on all matters related to these receivership proceedings. Cassels rendered its accounts to the Receiver for the period September 1, 2016 through to and including March 31, 2017 in the amount of



\$842,351.50 excluding HST. Attached as **Appendix “K”** is the affidavit of Larry Ellis sworn May 9, 2017 (“**Ellis Affidavit**”) regarding counsel’s fees and disbursements to the Receiver. Copies of the counsel’s detailed time dockets for the period September 1, 2016 to March 31, 2016 are appended as exhibits to the Ellis Affidavit.

90. The Receiver believes that the fees and disbursements of Cassels are fair and reasonable and justified in the circumstances. The Receiver has reviewed the accounts of Cassels in light of the novel, complex, broad ranging and multi-jurisdictional nature of this engagement. The Receiver is of the view that all work set out in the accounts was carried out and was necessary. The hourly rates of the lawyers at Cassels who worked on this matter are considered to be appropriate and reasonable in light of the services required, and the services were carried out by lawyers with the appropriate level of experience. The Receiver accordingly respectfully recommends approval of Cassels’ accounts by this Honourable Court.

91. A copy of the Receiver’s Interim Statement of Receipts and Disbursements, as at May 9, 2017, is attached hereto as **Appendix “L”**.

## **V. Recommendation**

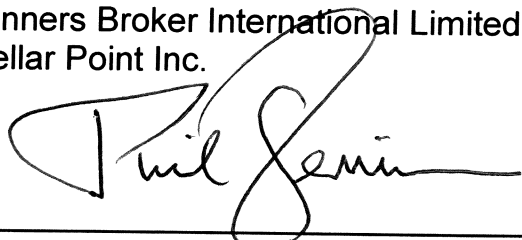
92. Based upon the foregoing, the Receiver respectfully requests that this Honourable Court issue an order:

- (a) approving the Receiver’s Eighth and Tenth Reports and the Receiver’s conduct and activities as described in those reports as well as the Receiver’s conduct and activities from September 1, 2016 to May 9, 2017;

- (b) approving the Receiver's interim statement of receipts and disbursements as at May 9, 2017;
- (c) approving the fees and disbursements of the Receiver and its counsel, Cassels, for services rendered from September 1, 2016 to March 31, 2017, as particularized in the affidavits of Phillip Gennis sworn May 9, 2017, and Larry Ellis sworn May 9, 2017.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED** this 9th day of May, 2017.

**msi Spergel inc.,**  
Court-appointed Receiver of  
Banners Broker International Limited and  
Stellar Point Inc.

A handwritten signature in black ink, appearing to read "Philip H. Gennis", written over a horizontal line.

Per: Philip H. Gennis, J.D., CIRP, LIT

# APPENDIX “A”

CV-16-11495-00CL

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

BETWEEN:

BANNERS BROKER INTERNATIONAL LIMITED, by its receiver MSI  
SPERGEL INC.

Plaintiff

- and -

PAULOS ARAYA, FRANCIS BEST, 2350842 ONTARIO LIMITED o/a  
COMMTRADE SERVICES, 2196898 ONTARIO LIMITED, 2251586  
ONTARIO INC., BELLA MODA INC.

Defendants

**STATEMENT OF CLAIM**

TO THE DEFENDANT(S):

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL

FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date August 22, 2016

Issued by  C. Irwin  
Local Registrar

Address of court office: Superior Court of Justice - Commercial List

393 University Avenue  
Toronto, ON  
M5G 1E6

SUPERIOR COURT OF JUSTICE  
COUR SUPÉRIEURE DE JUSTICE  
BANKRUPTCY / COMMERCIAL  
COURTS  
399 UNIVERSITY AVENUE  
7TH FLOOR  
TORONTO, ONTARIO M5G 1R7

TO: **2350842 Ontario Limited**  
420 Deerhurst Drive Suite #3  
Brampton, ON L5N 8H3

AND **2196898 Ontario Limited**  
TO: 420 Deerhurst Dr.  
Brampton, ON L6T 5H9

AND **2251586 Ontario Inc.**  
TO: 7222 Rosehurst Drive  
Mississauga, ON L5N 8H3

AND **Francis Best**  
TO: 7222 Rosehurst Drive  
Mississauga, ON L5N 8H3

AND **Paulos Araya**  
TO: 20 Shallmar Blvd.  
Toronto, ON M5N 1J5

AND **Bella Moda Inc.**  
TO: Speed Bird House  
Independence Square  
Bridgetown, Barbados

## CLAIM

1. The plaintiff, Banners Broker International Limited ("**BBIL**"), by its receiver, msi Spergel inc. (the "**Receiver**"), claims the following:

(a) As against Francis Best ("**Best**):

- (i) damages in the amount of \$246,320 and the sum of Canadian dollars required to purchase US\$703,836 for conversion and breach of contract;
- (ii) an Order for disgorgement and restitution of monies unlawfully received, or profits unlawfully derived from the corporate assets of BBIL and its creditors by virtue of unjust enrichment or waiver of tort;

(b) As against Paulos Araya ("**Araya**):

- (i) damages in the amount of \$246,320 and the sum of Canadian dollars required to purchase US\$425,943 for conversion and breach of contract;
- (ii) an Order for disgorgement and restitution of monies unlawfully received, or profits unlawfully derived from the corporate assets of BBIL and its creditors by virtue of unjust enrichment or waiver of tort;

(c) As against 2350842 Ontario Limited o/a Commtrade Services ("**Commtrade**")

- (i) damages in the sum of Canadian dollars required to purchase US\$340,745 for conversion and breach of contract;
  - (ii) an Order for disgorgement and restitution of monies unlawfully received, or profits unlawfully derived from the corporate assets of BBIL and its creditors by virtue of unjust enrichment or waiver of tort;
- (d) As against 2196898 Ontario Limited ("**219**"):
  - (i) damages in the amount of \$246,320 for conversion and breach of contract;
  - (ii) an Order for disgorgement and restitution of monies unlawfully received, or profits unlawfully derived from the corporate assets of BBIL and its creditors by virtue of unjust enrichment or waiver of tort;
- (e) As against 2251586 Ontario Inc. ("**Dannzac**"):
  - (i) damages in the amount of \$40,000 and the sum of Canadian dollars required to purchase US\$85,198 for conversion and breach of contract;
  - (ii) an Order for disgorgement and restitution of monies unlawfully received, or profits unlawfully derived from the corporate assets of BBIL and its creditors by virtue of unjust enrichment or waiver of tort;
- (f) As against Bella Moda Inc. ("**Bella Moda**");

- (i) damages in the sum of Canadian dollars required to purchase US\$263,000 for conversion, and breach of contract;
  - (ii) an Order for disgorgement and restitution of monies unlawfully received, or profits unlawfully derived from the corporate assets of BBIL and its creditors by virtue of unjust enrichment or waiver of tort;
- (g) As against all defendants:
- (i) an Order, injunctive or otherwise, interim and permanent, to preserve, trace and locate all funds improperly had and received by the defendants from BBIL (or BBIL affiliates);
  - (ii) in addition or in the alternative, an accounting of all amounts unlawfully received from BBIL (or from BBIL affiliates) and judgment in accordance with the accounting;
  - (iii) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
  - (iv) postjudgment interest in accordance with section 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
  - (v) the costs of this proceeding on a full indemnity basis, plus all applicable taxes; and
- (h) Such further and other relief as to this Honourable Court may seem just.



## Parties

2. The plaintiff BBIL is a company incorporated pursuant to the laws of the Isle of Man. It is subject to liquidation proceedings in the Isle of Man and receivership proceedings in Canada.

3. The defendant Best is an individual residing in Ontario.

4. The defendant Araya is an individual residing in Ontario.

5. The defendant Commtrade is incorporated pursuant to the laws of the province of Ontario. Its directors are Araya and Best.

6. The defendant 219 is incorporated pursuant to the laws of the province of Ontario. Its directors and officers are Araya and Best.

7. The defendant Dannzac is incorporated pursuant to the laws of the province of Ontario. Its directors are Araya and Best.

8. The defendant Bella Moda (with Best, Araya, Commtrade, 219, and Dannzac, collectively, the “**Defendants**”) is a company incorporated in Barbados. It is controlled by Best.

## Overview

9. At all material times, BBIL was one of a number of related entities that between approximately 2010 and 2014 conducted operations under the trade name ‘Banners Broker’.

10. Banners Broker was alleged to be an internet advertising service that operated on a multi-level marketing model. Investors (or “**Affiliates**”) were induced to purchase advertising space on the internet through Banners Broker, which represented that it would then ‘lease’ that space to advertisers.

11. Despite generating hundreds of millions of dollars in investments internationally, Banners Broker was not a *bona fide* advertising business. Affiliates’ accounts were manipulated to show extraordinary profits when the company in fact had no source of revenue.

12. In reality, management improperly converted the Banners Broker invested capital to fund extravagant lifestyles for themselves and gifts for their families and friends. Affiliates’ demands for repayment from BBIL were satisfied with the invested funds of other Affiliates. Once it became impossible for BBIL to meet those demands in that way, the winding-up process was commenced.

13. As early as 2012, Canadian and American law enforcement and regulatory authorities commenced a multinational investigation into Banners Broker. That investigation has resulted in various *Criminal Code* and *Competition Act* charges against the management of Banners Broker.

### **Receivership Proceedings**

14. The winding-up process in the Isle of Man was commenced on or about January 10, 2014. A couple months later, on March 14, 2014, the joint liquidators of BBIL were appointed in the Isle of Man.

15. Subsequently, on August 22, 2014, the Isle of Man liquidation proceedings were recognized as foreign main proceedings in the Ontario court and the Receiver was appointed receiver of BBIL.

16. On October 15, 2014, the Receiver was granted certain investigatory powers over various other entities affiliated with BBIL ("**Associated Corporations**") including Parrot Marketing Inc. ("**Parrot**"). This relief was granted, in part, because the Associated Corporations were used interchangeably and with a complete lack of regard to the corporate formality between them. This lack of regard for corporate formality included the transfer of funds without a corporate purpose from BBIL to other Banners Broker-affiliated corporations including the Associated Corporations, BBIL's parent company Monetize Group Inc. ("**Monetize**") and DYZ Media Inc. ("**DYZ**").

#### **Defendants Wrongfully Obtained Funds from BBIL**

17. Between January 2013 and November 2014 Best and Araya, and/or the corporate Defendants controlled by them, improperly received over a million dollars in BBIL funds. There was no consideration provided by the Defendants for these funds: the Defendants did not provide any real goods or services or provide any value to BBIL or Banners Broker. Such payments were made and received without any contractual, restitutionary or other lawful basis whatsoever.

18. Included in the one million dollars transferred to the Defendants is USD\$330,421 that was transferred subsequent to the Receiver's appointment and without the Receiver's knowledge.

*Commtrade*

19. Starting in February 2014, after the commencement of liquidation proceedings in the Isle of Man, until November 2014, Commtrade received USD\$340,745 in BBIL funds.

20. Specifically, Commtrade received USD\$195,323 from BBIL's parent company, Monetize and USD\$145,421 from DYZ.

21. All of the funds transferred from Monetize and DYZ to Commtrade originated from and belonged to BBIL. The Receiver has succeeded to the rights of Monetize with respect to the claims made against the Defendants herein.

22. Commtrade's alleged business is the sale of used electronics to the continent of Africa. This alleged business is in no way related to the alleged business of BBIL, the Associated Corporations or Banners Broker.

23. As indicated above, Commtrade did not provide any products, services or any other valuable consideration of any kind in exchange for the funds received from BBIL.

24. The Receiver lacks sufficient particulars to plead the details of the relationship between Monetize and Commtrade, and DYZ and Commtrade, but alleges that the relationship between Monetize and Commtrade and DYZ and Commtrade is known to Commtrade, Best and Araya.

219

25. On or about January 23, 2013, 219 received \$246,320 in BBIL funds. These funds were for a purported real estate investment that was allegedly ultimately unsuccessful.

However, none of BBIL, the Associated Corporations or Banners Broker were engaged in the business of investing in real estate.

26. The Receiver lacks sufficient particulars to plead the details of this agreement and the relationship between 219 and Banners Broker but alleges that the details of the agreement and the nature of the relationship between 219 and Banners Broker is known to 219, Best and Araya.

*Dannzac*

27. From October 2013 to June 2014, Dannzac received a total of USD\$85,198 and \$40,000 in BBIL funds.

28. As indicated above, Dannzac did not provide any products, services or any other valuable consideration of any kind in exchange for the funds received from BBIL.

29. The Receiver lacks sufficient particulars to plead the details of the relationship between BBIL and Dannzac and the purpose of the transfers of BBIL funds to Dannzac but alleges that the nature of the relationship between Dannzac and BBIL is known to Dannzac, Best and Araya.

*Bella Moda*

30. In two separate wire transfers, Bella Moda received USD\$263,000 in BBIL funds. Both of the transfers were made after the liquidation proceedings were commenced in the Isle of Man and one of the transfers, USD\$185,000, was made after the Receiver was

appointed. Although these funds were transferred from DYZ to Bella Moda, all of the funds originated from and belonged to BBIL.

31. Bella Moda purportedly provided call centre services to Monetize. However, Bella Moda is a retail store that sells bathing suits in Barbados and is not a call centre. Further, the invoices issued by Bella Moda to Monetize for call centre services appear to have been recently manufactured by Bella Moda in an attempt to satisfy inquiries made by the Receiver for the same.

32. The Receiver otherwise lacks sufficient particulars to plead the details of the relationship and/or agreement between Bella Moda and Monetize but alleges that the nature of the relationship between Bella Moda and Monetize is known to Bella Moda and Best.

*Francis Best*

33. Best is a director of Commtrade, 219 and Dannzac and an officer of 219. Best also controls Bella Moda. In addition to the over USD\$688,943 and \$286,320 received by companies controlled by him, Best personally received USD\$14,893 from Parrot. All of the funds transferred from Parrot to Best originated from and belonged to BBIL.

34. Best was not an employee of Parrot.

35. The Receiver lacks sufficient particulars to plead the details of the relationship between Parrot and Best, but alleges that the details of the relationship between Parrot and Best are known to Best.

*Paulos Araya*

36. Araya is a director of Commtrade, 219 and Dannzac. These three corporate Defendants received \$286,320 and US\$425,943.

### **Receiver's Claims as Against All Defendants**

#### *Unjust Enrichment and Accounting*

37. Despite having transferred over one million dollars to the Defendants, neither BBIL nor Banners Broker received a single service or benefit from any of the Defendants. As a result, BBIL has been deprived of the benefit of these funds and the Defendants have been correspondingly unjustly enriched without juristic reason. The enrichment the Defendants have enjoyed from the misappropriation of BBIL funds should be accounted for and disgorged to BBIL.

38. The Receiver claims for an order accounting for and tracing the disposition of the US\$703,836 and \$286,320 in misappropriated funds received by the Defendants and judgment in accordance with such accounting.

#### *Conversion*

39. The Defendants, by their misconduct, wrongfully converted BBIL's funds for their own use. In doing so, the Defendants intentionally exercised control over the funds of BBIL in a manner that impeded the possessory rights of BBIL.

40. In taking BBIL's funds for their own use, the Defendants knowingly and wrongfully converted the funds by treating them as if they were their own and exercising unauthorized control over their use.

41. Further particulars of the conduct of the Defendants are within their knowledge.

**Receiver's Claims Against Best, Araya, 219 and Bella Moda**

42. To the extent that that there was a contractual relationship between Banners Broker and 219 and between Monetize and Bella Moda, 219 and Bella Moda breached the agreements by failing to perform thereunder which failure to perform caused significant damages to Banners Broker.

43. There was a purported agreement between 219 and Banners Broker whereby 219 would use funds from Banners Broker to invest in a parcel of land and that such investment would result in profits for Banners Broker. To the extent that such agreement existed, 219 breached the agreement by either failing to invest in the parcel or land, or failing to invest the funds in a parcel of land that resulted in a profit to Banners Broker.

44. There was also a purported agreement between Bella Moda and Monetize whereby Bella Moda would provide call centre services to Monetize for the benefit of the Banners Broker business. To the extent that such agreement existed, Bella Moda breached the agreement by either failing to provide call centre services to Monetize, or providing call centre services that fell woefully below the service delivery standards set out in the purported agreement.



45. Further particulars of the contractual breaches by 219 and Bella Moda are within their knowledge.

### **Receiver's Claims Against Best and Araya**

46. Best and Araya used 219, Commtrade, and Dannzac and in the case of Best, Bella Moda, as a shield for their wrongful and improper conduct including, but not limited to, misleading Banners Broker about the services that would be provided by the corporate Defendants to Banners Broker, inducing Banners Broker to transfer over a million dollars in BBIL funds to the Defendants in exchange for no consideration whatsoever, and misappropriating the transferred funds. As a result, Best and Araya should be held personally liable for the actions of the corporate Defendants.

47. In the alternative, Best and Araya acted outside the scope of their corporate authority and for their own direct personal benefit as directors of Commtrade, 219 and Dannzac, and in the case of Best, Bella Moda. They should accordingly be held personally liable for their wrongful conduct.

### **Jurisdiction and Forum**

48. The Receiver pleads and relies on Rule 17.02 in respect of the foreign corporate defendant, as the claims herein pertain to torts committed, contracts made and breached, and injunctions sought to take effect in the Province of Ontario.

49. The plaintiff proposes that this action be tried in the City of Toronto.

August 22, 2016

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**Lawyers for the Plaintiff**

Banners Broker International Limited, by its receiver msi  
Spergel inc.

and Paulos Araya et al

Plaintiff

Defendants

Court File No.

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

PROCEEDING COMMENCED AT  
TORONTO

**STATEMENT OF CLAIM**

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Lawyers for the Plaintiff

## **APPENDIX “B”**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

B E T W E E N:

BANNERS BROKER INTERNATIONAL LIMITED,  
by its receiver MSI SPERGEL INC.

Plaintiff

- and -

WORLD EWALLET INC., COMMERCIAL BRIDGE GROUP, MY  
FINANCE DEPT. INC., MICHAEL KRAEMER and ANDREAS  
GELADARIS

Defendants

**STATEMENT OF CLAIM**

TO THE DEFENDANT(S):

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff.  
The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date

August 22, 2016

Issued by

  
Local Registrar

Address of  
court office:

Superior Court of Justice - Commercial List  
330 University Avenue, 7th floor  
Toronto, ON  
M5G 1E6-1R7L

TO: **World eWallet Inc.**  
100 King Street West, Suite 5600  
Toronto Ontario  
M5X 1C9

TO: **Commercial Bridge Group**  
45 Erb Street East  
Waterloo, Ontario  
N2J 4B5

TO: **My Finance Dept. Inc.**  
420 Deerhurst Road, Suite 3  
Brampton, Ontario  
L6T 5H9

TO: **Michael Kraemer**  
45 Erb Street East  
Waterloo, Ontario  
N2J 4B5

TO: **Andreas Geladaris**  
420 Deerhurst Road, Suite 3  
Brampton, Ontario  
L6T 5H9

AND TO: **DUNCAN, LINTON LLP**  
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**Patrick J. Kraemer**  
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Lawyers for World eWallet Inc.

## CLAIM

1. The plaintiff, Banners Broker International Limited ("**BBIL**"), by its receiver, msi Spergel inc. (the "**Receiver**"), claims the following, jointly and severally, from the defendants:

- (a) damages in the amount of \$833,304 for breach of contract, negligence, conversion and unjust enrichment;
- (b) an Order for an accounting, disgorgement and restitution of all monies unlawfully received, or profits unlawfully derived from the corporate assets, accounts receivable or invested capital of BBIL and its creditors by virtue of the defendants' breach of contract, negligence, conversion and unjust enrichment;
- (c) costs of this proceeding on a substantial indemnity basis;
- (d) prejudgment and postjudgment interest pursuant to the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended; and
- (e) such further and other relief as counsel may advise and this Honourable Court may deem just.

2. The plaintiff claims the following from the defendant, Michael Kraemer ("**Kraemer**"):

- (a) liquidated damages in the amount of \$40,000, plus interest, pursuant to the unpaid loan made from the assets of BBIL on June 4, 2014 as further set out herein.

## Parties

3. The plaintiff BBIL is a company incorporated pursuant to the laws of the Isle of Man. It is subject to liquidation proceedings in the Isle of Man and receivership proceedings in Canada.

4. The defendant, World eWallet Inc. ("**WeW**"), is an Ontario corporation with its registered head office in Toronto.

5. The defendant, Commercial Bridge Group ("**CBG**"), is a St. Lucia corporation.

6. The defendant, My Finance Dept. Inc. ("**MFD**"), is an Ontario corporation.

7. The defendant, Michael Kraemer ("**Kraemer**"), is an Ontario resident and is the owner and principal of the defendants, WeW and CBG. Kraemer was the President of WeW.

8. The defendant, Andreas Geladaris also known as Andy Geladaris ("**Geladaris**"), is an Ontario resident and is the principal of MFD.

#### **Overview**

9. The within action is brought by the court-appointed Receiver of BBIL, on behalf of the insolvent corporation and its creditors. BBIL was incorporated in the Isle of Man pursuant to its laws, but was operated entirely within the Province of Ontario.

10. As described below, BBIL is the subject of liquidation proceedings in the Isle of Man and is represented in Canada by a domestic receiver, msi Spergel Inc.

11. At all material times, BBIL was one of a number of related entities that between approximately 2010 and 2014 conducted operations under the trade name 'Banners Broker'. These companies were used interchangeably by the directing minds of the Banners Broker enterprise, which reflected the complete lack of corporate formality between the various companies that formed part of the Banners Broker enterprise.

12. Banners Broker was held out to the public as an internet advertising service that purported to operate on a multi-level marketing model. Investors (or "**Affiliates**") were induced



to purchase advertising space on the internet through Banners Broker, which represented that it would then 'lease' that space to advertisers.

13. Despite generating hundreds of millions of dollars in investments internationally, Banners Broker was not a *bona fide* advertising business. Affiliates' accounts were manipulated to show extraordinary profits when the company in fact had no source of revenue.

14. In reality, management improperly converted the Banners Broker invested capital to fund extravagant lifestyles for themselves and gifts or dubious investments for their families and friends. Affiliates' demands for repayment from BBIL were satisfied with the invested funds of other Affiliates. Once it became impossible for BBIL to meet those demands in that way – and in light of increasing demands from Affiliates, scepticism from financial institutions and scrutiny from regulators and law enforcement – the company was wound up.

15. As early as 2012, Canadian and American law enforcement and regulatory authorities commenced a multinational investigation into Banners Broker. That investigation has recently resulted in various *Criminal Code* and *Competition Act* charges against the individuals responsible for the management of the Banners Broker enterprise.

### **Receivership Proceedings**

16. The winding-up process in the Isle of Man was commenced on or about January 10, 2014. On March 14, 2014, the joint liquidators of BBIL were appointed in the Isle of Man.

17. Subsequently, on August 22, 2014, the Isle of Man liquidation proceedings were recognized as foreign main proceedings in the Ontario court and the Receiver was appointed receiver of BBIL.

18. On October 15, 2014, the Receiver was granted certain investigatory powers over various other entities affiliated with BBIL (**"Associated Corporations"**) including Parrot

Marketing Inc. ("**Parrot**"). This relief was granted, in part, because the Associated Corporations were used interchangeably and with a complete lack of regard to the corporate formality between them. This lack of regard for corporate formality included the transfer of funds without a corporate purpose from BBIL to other Banners Broker-affiliated corporations including the Associated Corporations, BBIL's Belizean parent company Monetize Group Inc. ("**Monetize**").

### **World eWallet**

19. As a result of the high rates of return fraudulently reported by Banners Broker personnel to Affiliates, the Banners Broker enterprise exploded in popularity between 2010 and 2013. Hundreds of thousands of dollars a week would flood into the coffers of Banners Broker-related entities, and management was unprepared and incompetent to deal with that inflow of funds.

20. Reputable financial institutions and legitimate online payment processing services would commonly note the 'red flags' raised by the Banners Broker enterprise, which had no legitimate business model to justify its extraordinary capital investment, and eventually decline to process Affiliate funds after being dissatisfied with Banners Broker's explanations as to the legitimacy of their business operations.

21. After repeating the process of being rejected by reputable payment processors several times, the management of Banners Broker determined to resolve two issues at once: they would avoid a disruption in cash flow and eliminate merchant fees by creating their own, in-house payment processor.

22. The payment processor which BBIL sought to create was initially tentatively called "PayValley" and later rebranded to "World eWallet".

23. Much like Banners Broker itself, World eWallet was administered by a loosely-connected joint venture of corporate entities, including:

(a) The defendant, WeW;

(b) The defendant, CBG; and

(c) 2389711 Ontario Corporation ("**238**"), a dissolved Ontario corporation owned and controlled by BBIL principal, Christopher G. Smith ("**Smith**").

24. Kraemer, the owner and principal of WeW and CBG, acted as the President and Chief Executive Officer of the "World eWallet" enterprise.

25. In addition to the above noted entities, a significant amount of World eWallet's purported operations were undertaken by the defendant, MFD, a third party accounting firm owned and operated by the defendant, Geladaris. In particular, MFD appears to have received a significant amount of BBIL funds purportedly in connection with the World eWallet project.

26. Despite receiving substantial amounts of BBIL funds, the World eWallet platform was never completed and is now defunct.

27. The defendants improperly received hundreds of thousands of dollars in BBIL funds in connection with the purported creation of the World eWallet platform. In reality, there was no consideration provided by the defendants for these funds: the defendants did not perform any services or provide any value to BBIL. There was no contractual, restitutionary, or other lawful basis for the payments made to the defendants.

### **Kraemer Loan**

28. On or about June 4, 2014, BBIL associated entity, Parrot, purported to loan \$40,000 to Kraemer pursuant to a "Private Loan Agreement" ("**Kraemer Loan**"). The Kraemer Loan is set to mature on June 4, 2017.

29. The Kraemer Loan was made improperly by Parrot using funds belonging to or held in trust for BBIL and its creditors. The Receiver has succeeded to the rights and claims of Parrot.

30. The Kraemer Loan is a debt which must be paid to the Receiver. Alternatively, the loan constitutes conversion of BBIL funds and/or unjust enrichment by Kraemer without juristic reason.

### **Restitution, Unjust Enrichment, Conversion and Accounting and Breach of Contract**

31. Despite having transferred substantial amounts of BBIL funds to the defendants, BBIL never received any service or benefit from any of the defendants. As a result, BBIL has been deprived of the benefit of these funds and the defendants have been correspondingly unjustly enriched.

32. The defendants should not benefit from their wrongful conduct. The enrichment the defendants have enjoyed by virtue of the misappropriated BBIL funds should be accounted for and disgorged to BBIL's Receiver.

33. The defendants, by their misconduct, wrongfully converted BBIL's funds for their own use. In doing so, the defendants intentionally exercised control over the funds of BBIL in a manner that impeded the possessory rights of BBIL. In taking BBIL's funds for their own use, the Defendants knowingly and wrongfully converted the funds by treating them as if they were their own and exercising unauthorized control over their use.

34. To the extent that that there was a contractual relationship between BBIL and the defendants, or any of them, the defendants breached the agreements by failing to perform thereunder which failure to perform caused significant damages to BBIL.

35. The defendants have failed or declined to account to the Receiver.

36. Further particulars of the claim against the defendants are within the defendants' knowledge.

**Jurisdiction, Forum and Service Outside of Ontario**

37. In support of its entitlement to serve the Statement of Claim outside of Ontario, without leave, the Receiver pleads and relies on Rule 17.02 in respect of the foreign defendants, as the claims herein pertain to torts committed, contracts made and breached, and injunctions sought to take effect in the Province of Ontario.

38. The plaintiff therefore proposes that this action be tried in the City of Toronto.

August 22, 2016

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BANNERS BROKER INTERNATIONAL LTD. by its receiver,  
MSI SPERGEL INC.

Plaintiff

and WORLD EWALLET INC. et al.

Defendants

Court File No. CV-16-11496-00  
CL

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

PROCEEDING COMMENCED AT TORONTO

**STATEMENT OF CLAIM**

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Lawyers for the Plaintiff

## APPENDIX “C”

Court File No. CV-16-11496-00 CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

BANNERS BROKER INTERNATIONAL LIMITED by its receiver MSI  
SPERGEL INC.

Plaintiff

and

WORLD EWALLET INC., COMMERCIAL BRIDGE GROUP, MY  
FINANCE DEPT. INC, MICHAEL KRAEMER and ANDREAS  
GELADARIS

Defendants

**STATEMENT OF DEFENCE**

1. The Defendant, Michael Kraemer (“Kraemer”) admits none of the allegations contained in any of the paragraphs of the Statement of Claim save and except for the statement at paragraph 7 that the Defendant, Michael Kraemer, is an Ontario resident.
2. The Defendant, Kraemer denies the allegations contained in paragraphs 1 – 7, 24, 28, 29, 30, 31, 32, 33, 34, 35 and 36 contained in the Statement of Claim, save and except for the admission regarding paragraph 7 as detailed paragraph 1 above.
3. The Defendant, Kraemer, has no knowledge in respect of the allegations contained in paragraphs 8 - 23, 25, 26, 27, 37 and 38 contained in the Statement of Claim.

**Facts relied upon by the Defendant, Michael Kraemer**

4. On or about May 21, 2014, Kraemer caused to be incorporated as the initial director World eWallet (Canada) Inc. as an Ontario corporation pursuant to the *Business*



*Corporations Act*. Such corporation had its head office at 420 Deerhurst Drive, Brampton, Ontario L6T 5H9.

5. On or about June 3, 2014, Kraemer caused to be incorporated as the initial director World eWallet Inc., an Ontario corporation, pursuant to the *Business Corporations Act* with its head office at 100 King Street West, Suite #5600 Toronto, Ontario M4X 1C9.
6. In or about June of 2014, Kraemer caused to be incorporated as the initial director Commercial Bridge Group Inc, a St. Lucia corporation pursuant to the laws of St. Lucia.
7. In or about June of 2014, Kraemer caused to be incorporated as the initial director World eWallet Inc, a St. Lucia corporation pursuant to the laws of St. Lucia.
8. Kraemer was not the owner, or principal of the corporations identified in paragraphs 4-7 above and denies acting in the capacities of President, Chief Executive Officer, any other officer or in any other capacity except as herein described of such corporations.
9. Kraemer did not operate, organize, and was not involved in any way with the above noted corporations except as herein described and has no knowledge of specific or general transactions involving the corporations described in the Statement of Claim.

#### **Kraemer Loan**

10. Kraemer denies there was a loan (the “Kraemer Loan”) from BBIL or Parrot as described at paragraph 28 of the Statement of Claim.
11. In the alternative, Kraemer denies the legality and sufficiency of the Kraemer Loan.

12. Kraemer denies that the Plaintiff suffered damages and in any event the damages plead are so speculative, excessive and remote as to disentitled the Plaintiff to any recovery.
13. The Plaintiff has failed to mitigate its damages in a timely fashion or at all.
14. Kraemer therefore requests that this action be dismissed as against it with costs on a substantial indemnity basis.

March 28, 2017

**DUNCAN, LINTON LLP**

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Lawyers for the Plaintiff

BANNERS BROKER INTERNATIONAL LIMITED by its  
receiver MSI SPERGEL INC.  
Plaintiff

-and-

WORLD EWALLET INC. et al.

Defendants

Court File No. CV-16-11496-00 CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**STATEMENT OF DEFENCE**

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Lawyers for the Defendant,  
Michael Kraemer

## APPENDIX “D”

CV-16-11497-00CL

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

B E T W E E N:

BANNERS BROKER INTERNATIONAL LIMITED,  
by its receiver MSI SPERGEL INC.

Plaintiff

- and -

GLENROY BROWNE FUNKIONAL FITNESS INC.  
and GLENROY BROWNE

Defendants

**STATEMENT OF CLAIM**

TO THE DEFENDANT(S):

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the following pages.

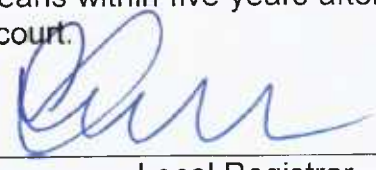
IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date Aug 22/16 Issued by  C. Irwin  
Local Registrar Registrar  
Address of ~~Superior Court of Justice - Commercial~~  
court office: ~~List~~  
~~393 University Avenue~~ pp  
~~Toronto, ON~~  
~~M5G 1E6~~

TO: **Glenroy Browne Funkional Fitness Inc.**  
27-1300 King Street East, Suite 234  
Oshawa, ON  
L1H 8J4

SUPERIOR COURT OF JUSTICE  
COUR SUPÉRIEURE DE JUSTICE  
BANKRUPTCY / COMMERCIAL  
COURTS  
393 UNIVERSITY AVENUE  
7TH FLOOR  
TORONTO, ONTARIO M5G 1R7

AND TO: **Glenroy Browne**  
474 Sedan Crescent  
Oshawa ON L1H 3G5  
Canada

### CLAIM

1. The plaintiff, Banners Broker International Limited ("**BBIL**"), by its receiver, msi Spergel inc. (the "**Receiver**"), claims the following:

- (a) an Order for disgorgement and restitution of monies unlawfully received, or profits unlawfully derived from the corporate assets, accounts receivable or invested capital of BBIL and its creditors by virtue of unjust enrichment;
- (b) an Order, injunctive or otherwise, interim and permanent, to preserve, trace and locate all funds improperly had and received by the defendants from BBIL (or BBIL affiliates);
- (c) an accounting of all amounts improperly received from BBIL (or its affiliates) and judgment in accordance with such accounting;
- (d) costs of this proceeding, inclusive of all applicable taxes;
- (e) prejudgment and postjudgment interest pursuant to the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended; and
- (f) such further and other relief as counsel may advise and this Honourable Court may deem just.

### **Background: Details of the Plaintiff Corporation**

2. The within action is brought by the court-appointed Receiver of BBIL, on behalf of the insolvent corporation and its creditors. BBIL was incorporated in the Isle of Man pursuant to its laws, but was operated entirely within the Province of Ontario.

3. As described below, BBIL is the subject of liquidation proceedings in the Isle of Man and is represented in Canada by a court-appointed receiver, MSI Spargel Inc. The Receiver has also been appointed the receiver or investigatory receiver over numerous corporations related to BBIL (the “**Associated Corporations**”) in part because the Associated Corporations were used interchangeably and with a complete lack of regard to the corporate formality between them. This lack of regard for corporate formality included the transfer of funds without a corporate purpose between the Associated Corporations.

4. At all material times, BBIL and the Associated Corporations were among a number of related entities that between approximately 2010 and 2014 conducted operations under the trade name ‘Banners Broker’. These companies were used interchangeably by the directing minds of the Banners Broker enterprise, which reflected the complete lack of corporate formality between the various companies that formed part of the Banners Broker enterprise.

5. Banners Broker was held out to the public as an internet advertising service that purported to operate on a multi-level marketing model. Investors (or “**Affiliates**”) were induced to purchase advertising space on the internet through Banners Broker, which represented that it would then ‘lease’ that space to advertisers.



6. Despite generating hundreds of millions of dollars in investments internationally, Banners Broker was not a *bona fide* advertising business. Affiliates' accounts were manipulated to show extraordinary profits when the company in fact had no source of revenue.

7. In reality, management improperly converted the Banners Broker invested capital to fund extravagant lifestyles for themselves and gifts or dubious investments for their families and friends. Affiliates' demands for repayment from Banners Broker companies were satisfied with the invested funds of other Affiliates.

8. As a result of the garish returns fraudulently reported by Banners Broker personnel to Affiliates, the Banners Broker enterprise exploded in popularity between 2010 and 2013. Hundreds of thousands of dollars a week flooded into the coffers of Banners Broker-related entities.

9. Key management personnel at Banners Broker, including BBIL's Chief Operating Officer, Rajiv Dixit ("**Dixit**"), have been charged with money laundering offences in respect of their disposition of these funds. The Receiver has confirmed that Banners Broker investor funds were channelled into numerous money-changing services, online currency exchanges and merchant services, non-arm's-length corporations such as Stellar Point and other offshore entities, and lavish gifts for friends and family.

10. Among other things, Banners Broker management also disposed of these funds by 'investing' them in poorly conceived business opportunities presented to them by employees, family and friends.

11. Glenroy Browne Funkional Fitness Inc. (“GBFF”) was one such investment. The Receiver’s records show that Dixit directed Banners Broker Affiliate funds including, but not limited to, the amount of US\$272,095.00 to his friend, the defendant Glenroy Browne, for the benefit of his personal corporation, GBFF.

12. Dixit advanced these funds through his personal holding company, Dixit Holdings Inc.: one of the Associated Corporations of which the Receiver has been granted investigatory authority. Dixit Holdings Inc. was funded entirely with the invested capital of defrauded Banners Broker Affiliates, which were often funnelled through other Associated Corporations.

13. Over the course of several years, it became impossible for Banners Broker management to meet Affiliate demands with new investments from other Affiliates. In light of increasing demands from Affiliates, scepticism from financial institutions and scrutiny from regulators and law enforcement, BBIL was wound up.

#### **Background: Receivership Proceedings**

14. The winding-up process in the Isle of Man was commenced on or about January 10, 2014. Shortly thereafter, on March 14, 2014, joint liquidators of BBIL were appointed in the Isle of Man.

15. On August 22, 2014, the Isle of Man liquidation proceedings were recognized as foreign main proceedings in the Ontario Superior Court of Justice and the Receiver was appointed receiver of BBIL by the Order of Justice Matheson.

16. On October 15, 2014, the Receiver was granted authority as investigatory receiver over several of the Associated Corporations by the Order of Justice Newbould.

17. On August 7, 2015, the Receiver was granted further authority as investigatory receiver over two more of the Associated Corporations, also by the Order of Justice Newbould.

18. On April 8, 2016, by the Order of Justice Hainey, the Receiver was further appointed receiver over Dixit's main operating company, Stellar Point Inc.: the "services provider" to BBIL that actually carried out most of its operations and employed most of its staff.

#### **Background: Defendants**

19. The defendant Glenroy Browne is an individual resident in Oshawa, Ontario.

20. The defendant GBFF is a body corporate incorporated pursuant to the laws of Canada with its headquarters at Oshawa, Ontario. It was incorporated on March 27, 2013 and dissolved on May 30, 2014.

21. GBFF was purported to be the operating company behind a martial arts gymnasium in the City of Oshawa. The gymnasium continues to operate despite the dissolution of GBFF, apparently under Browne's personal control.

#### **GBFF Invests BBIL Affiliate Funds into Business, Engages in Suspicious Security Enforcement with Dixit Holdings, Inc.**

22. GBFF was launched with startup capital advanced by Dixit through several of the Associated Companies over which the Receiver has investigatory authority.

23. GBFF was accordingly launched with funds that had not lawfully vested in those companies, or any of the Banners Broker-related entities that had previously held the same, by virtue of the fact that the funds were obtained without valuable consideration in exchange. Rather, they were obtained from Banners Broker Affiliates for no value, by fraud.

24. GBFF engaged in construction of gymnasium facilities, purchase of equipment and a social media launch on or about June of 2013, shortly after its March 2013 incorporation.

25. Part of this influx of funds was ostensibly advanced as a business loan from one of the Associated Companies, Dixit Holdings Inc., to GBFF in exchange for a promissory note. That note, however, and a supporting General Security Agreement, were purportedly executed December 11, 2013: many months after the grand opening of the gym.

26. Only two days later, however, on December 13, 2013, Dixit Holdings Inc. ostensibly made demand upon the note and called in the outstanding debt, seeking to realize its security over the GBFF assets by a Notice of Intention to Enforce Security.

27. Upon its face, as the loan was purportedly outstanding only for two days at a 1% annual rate of interest, the transfer of funds was not for *bona fide* value.

28. Despite this ostensible realization of security on suspiciously short notice from a non-arm's-length, purportedly secured creditor, the equipment remains in place and the facility continues to operate as before.

29. The Receiver pleads that this security was never properly enforced and that GBFF (despite its dissolution); or, in the alternative, Glenroy Browne in his personal capacity remains in beneficial possession of the gymnasium and its assets.

30. The remainder of the transfers to GBFF from Associated Companies were not, to the Receiver's knowledge, cloaked with any pretence of formality or legitimate purpose.

31. The Receiver further pleads that following the dissolution of GBFF on May 30, 2014 – after the liquidation proceedings in respect of BBIL had been commenced in the Isle of Man – Glenroy Browne as shareholder came into personal possession of the assets of the corporation.

#### **Restitutionary Claim: Unjust Enrichment**

32. The Receiver therefore claims against GBFF and Glenroy Browne in unjust enrichment, and seeks a tracing order and accounting for the amount by which the defendants were unjustly enriched at the expense of the creditors of BBIL.

33. GBFF and/or Glenroy Browne in his personal capacity are in possession of Banners Broker Affiliate funds and/or assets derived therefrom, and BBIL has been accordingly deprived of the same funds, without juristic reason.

34. As a recipient of the proceeds of fraud that did not engage in any *bona fide* transaction for value, GBFF is liable in equity to account to the Affiliate creditors of BBIL as the entity in possession of the funds of which they were defrauded.

35. In the alternative, if equitable relief is not available as a result of GBFF's dissolution, Glenroy Browne continues to operate the same business and to enjoy the same benefits of GBFF's unlawful gain in his personal capacity, and is therefore liable in equity to account to the Affiliate creditors of BBIL as the ultimate beneficial holder of the funds of which they were defrauded.

### **Statutes and Jurisdiction**

36. The Receiver pleads and relies on the provisions of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, including but not limited to s. 226.

37. The plaintiff proposes that this action be tried in the City of Toronto.

August 22, 2016

### **CASSELS BROCK & BLACKWELL LLP**

2100 Scotia Plaza  
40 King Street West  
Toronto, ON M5H 3C2

**David S. Ward** LSUC #: 33541W

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**Jeremy Martin** LSUC #: 61610K

Tel: 416.860.2929

Fax: 416.640.3188

martin@casselsbrock.com

Lawyers for the Plaintiff

BANNERS BROKER INTERNATIONAL LTD. by its receiver,  
MSI SPERGEL INC.

Plaintiff

and GLENROY BROWNE FUNKIONAL FITNESS INC. and GLENROY  
BROWNE

Defendants

Court File No. *CV-16-11497-0001*

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

**PROCEEDING COMMENCED AT  
TORONTO**

**STATEMENT OF CLAIM**

**Cassels Brock & Blackwell LLP**

2100 Scotia Plaza  
40 King Street West  
Toronto, ON M5H 3C2

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jmartin@casselsbrock.com

Lawyers for the Plaintiff

## APPENDIX “E”



CV-16-11498-00CL  
Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

BETWEEN:

BANNERS BROKER INTERNATIONAL LIMITED,  
by its receiver MSI SPERGEL INC.

Plaintiff

- and -

DONRIVER INC.

Defendant

**STATEMENT OF CLAIM**

TO THE DEFENDANT(S):

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

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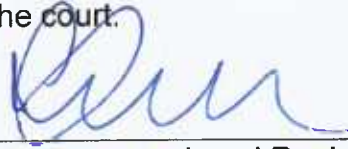
IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date

Aug 22 16

Issued by



C. Irwin  
Registrar

Local Registrar

Address of  
court office:

~~Superior Court of Justice - Commercial  
List  
393 University Avenue  
Toronto, ON  
M5G 1E6~~

TO:

**DonRiver Inc.**  
171 East Liberty St., Suite 277  
Toronto, Ontario  
M6K 3P6

SUPERIOR COURT OF JUSTICE  
COUR SUPÉRIEURE DE JUSTICE  
BANKRUPTCY / COMMERCIAL  
COURTS  
399 UNIVERSITY AVENUE  
7TH FLOOR  
TORONTO, ONTARIO M5G 1R7

### CLAIM

1. The plaintiff, Banners Broker International Limited ("**BBIL**"), by its receiver, msi Spergel inc. (the "**Receiver**"), claims the following:

- (a) damages in an amount of Canadian currency sufficient to purchase USD\$1,375,429.00 USD for breach of contract;
- (b) an Order for disgorgement and restitution of monies unlawfully received, or profits unlawfully derived from the corporate assets, accounts receivable or invested capital of BBIL and its creditors by virtue of unjust enrichment;
- (c) an Order, injunctive or otherwise, interim and permanent, to preserve, trace and locate all funds improperly had and received by the defendants from BBIL (or BBIL affiliates);
- (d) an accounting of all funds improperly received by the defendant and judgment in accordance with the accounting;
- (e) costs of this proceeding, inclusive of all applicable taxes;
- (f) prejudgment and postjudgment interest pursuant to the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended; and
- (g) such further and other relief as counsel may advise and this Honourable Court may deem just.

## **Background of the Plaintiff Corporation**

2. The within action is brought by the court-appointed Receiver of BBIL, on behalf of the insolvent corporation and its creditors. BBIL was incorporated in the Isle of Man pursuant to its laws, but was operated entirely within the Province of Ontario.

3. As described below, BBIL is the subject of liquidation proceedings in the Isle of Man and is represented in Canada by a court-appointed receiver, msi Spergel Inc. (the “**Receiver**”). The Receiver has also been appointed the receiver or investigatory receiver over numerous corporations related to BBIL (the “**Associated Corporations**”), as described below, in part because the Associated Corporations were used interchangeably and with a complete lack of regard to the corporate formality between them.

4. At all material times, BBIL and the Associated Corporations were among a number of related entities that between approximately 2010 and 2014 conducted operations under the trade name ‘Banners Broker’. These companies were used interchangeably by the directing minds of the Banners Broker enterprise, which reflected the lack of corporate formality between the various companies that formed part of the Banners Broker enterprise.

5. Banners Broker was held out to the public as an internet advertising service that purported to operate on a multi-level marketing model. Investors (or “**Affiliates**”) were induced to purchase advertising space on the internet through Banners Broker, which represented that it would then ‘lease’ that space to advertisers.

6. Despite generating hundreds of millions of dollars in investments internationally, Banners Broker was not a *bona fide* advertising business. Affiliates' accounts were manipulated to show extraordinary profits when the company in fact had no source of revenue.

7. In reality, management improperly converted the Banners Broker invested capital to fund extravagant lifestyles for themselves and gifts or dubious investments for their families and friends. Affiliates' demands for repayment from BBIL were satisfied with the invested funds of other Affiliates. Once it became impossible for BBIL to meet those demands in that way – and in light of increasing demands from Affiliates, scepticism from financial institutions and scrutiny from regulators and law enforcement – the company was wound up.

8. As early as 2012, Canadian and American law enforcement and regulatory authorities commenced a multinational investigation into Banners Broker. That investigation has recently resulted in various *Criminal Code* and *Competition Act* charges against the individuals responsible for the management of the Banners Broker enterprise, including indictments in respect of money laundering offences.

### **Receivership Proceedings**

9. The winding-up process in respect of BBIL in the Isle of Man was commenced on or about January 10, 2014. Shortly thereafter, on March 14, 2014, joint liquidators of BBIL were appointed in that jurisdiction.

10. On August 22, 2014, the Isle of Man liquidation proceedings were recognized as foreign main proceedings in the Ontario Superior Court of Justice and the Receiver was appointed receiver of BBIL by the Order of Justice Matheson.

11. On October 15, 2014, the Receiver was granted authority as investigatory receiver over several of the Associated Corporations by the Order of Justice Newbould.

12. On August 7, 2015, the Receiver was granted further authority as investigatory receiver over two more of the Associated Corporations, also by the Order of Justice Newbould.

13. On April 8, 2016, by the Order of Justice Hainey, the Receiver was further appointed possessory receiver over another Associated Corporation, Stellar Point Inc.: the “services provider” to BBIL that actually carried out most of its operations and employed most of its staff.

**Background of Claim: Banners Broker Management Engages DonRiver Inc.**

14. As a result of the high rates of return fraudulently reported by Banners Broker personnel to Affiliates, the Banners Broker enterprise exploded in popularity between 2010 and 2013. Hundreds of thousands of dollars a week would flood into the coffers of Banners Broker-related entities, and management was hard-pressed to find a way to manage that extraordinary inflow of funds.

15. Reputable financial institutions and legitimate online payment processing services would commonly note the ‘red flags’ raised by the Banners Broker enterprise, which had no legitimate business model to justify its extraordinary and broad-based

capital investment, and eventually decline to process Affiliate funds after being dissatisfied with Banners Broker's explanations as to the legitimacy of their business operations.

16. After repeating the process of being rejected by reputable payment processors several times, the management of Banners Broker determined to resolve two issues at once: they would avoid a disruption in cash flow, and would also eliminate merchant fees, by creating their own in-house payment processor.

17. To that end, they engaged the defendant, DonRiver Inc. ("**DonRiver**") to develop the necessary software.

#### **Financial Arrangements with DonRiver**

18. BBIL management engaged DonRiver for the purpose of developing an online payment processor through which BBIL Affiliates would be able to invest in the Banners Broker enterprise by transferring funds directly into BBIL's accounts.

19. A Software Development Agreement draft appears to have prepared as between BBIL's parent company, Monetize Group Inc. ("**Monetize**"), and DonRiver. The draft was never finalized or executed. The draft lacked several key details, including the absolute fundamentals of the bargain: the description of services to be provided for remuneration and the payment schedule, including the amount to be paid.

20. There was no written document governing the relationship between the parties. The project purportedly moved forward nevertheless.

21. Documentation that does exist describes the project as involving the creation of “a technology similar to that of PayPal and other payment providers for the purpose of enabling small sum payments between businesses and individuals”. The application was originally referred to as “PayValley” but was ultimately branded “World eWallet”.

22. In its dealings with DonRiver, Monetize was at all material times controlled by BBIL management and acting on behalf of BBIL towards BBIL’s own ends. Monetize consistently and indiscriminately commingled funds with the Banners Broker Associated Corporations, as well as with BBIL. Monetize and BBIL interacted with DonRiver, to the extent each did, as accounts or extensions of the Banners Broker enterprise, the formal details and legal distinctions of which were never given any consideration by the management of Banners Broker.

23. As indicated, the Receiver pursues this action on behalf of BBIL and its creditors. In doing so the Receiver has also succeeded to the rights and claims of Monetize. Monetize, an off-shore BBIL parent entity, supports the receivership administration and has and will assign any contractual or other rights and claims as may be appropriate for the Receiver to more effectively pursue its receivership realization efforts.

#### **DonRiver Receives Extraordinary Payments, Produces Nothing of Value**

24. Over a time period including, but not limited to, October 31, 2012 to July 31, 2013, the Receiver is aware that DonRiver invoiced Montize monthly, as follows:



| Invoice No. | Date       | Amount (USD) |
|-------------|------------|--------------|
| MG201202    | 31/10/2012 | \$21,746.40  |
| MG201203    | 30/11/2012 | \$56,731.70  |
| MG201204    | 31/12/2012 | \$130,027.40 |
| MG201205    | 1/2/2013   | \$150,400.22 |
| MG201302    | 28/2/2013  | \$117,850.00 |
| MG201303    | 31/3/2013  | \$153,900.00 |
| MG201304    | 30/4/2013  | \$160,350.00 |
| MG201305    | 31/5/2013  | \$186,020.00 |
| MG201306    | 30/6/2013  | \$193,248.00 |
| MG201307    | 31/7/2013  | \$264,524.00 |

The total amounts invoiced and received by the defendant are not known to the Receiver, but are known to the defendant.

25. At the present date, after nearly four years and significantly more than a million American dollars in billed fees, DonRiver still has not completed the World eWallet project or indeed delivered *any* software product or component of any value to BBIL.

26. Instead, DonRiver purportedly engaged in an extended 'design and development' phase, during which an extraordinarily large amount of work was billed but the associated invoices were summarily prepared and devoid of detail.

27. BBIL advanced very substantial sums monthly to DonRiver through Monetize in exchange for a software product that was poorly accounted for and never provided in any substantial or valuable part.

28. The Banners Broker funds received by DonRiver were the unlawful gains of a consumer fraud that never properly vested in either Monetize or BBIL, as they were advanced in performance of a contract for no consideration. Possession of those funds could not lawfully have been passed to DonRiver by any Banners Broker entity. DonRiver has therefore been enriched in an amount equivalent to the amount to which BBIL's creditors have been deprived, with no juristic reason justifying DonRiver's continued possession thereof.

29. Finally, to whatever extent DonRiver accepted funds for work it did not perform, or alternatively overstated the value of the work it did perform, or in the further alternative did not accept Banners Broker funds as *bona fide* compensation for legitimate work performed, DonRiver is in possession of funds to the deprivation of the plaintiff for no juristic reason, has been unjustly enriched and is liable to account to the plaintiff in equity.

30. The plaintiff proposes that this action be tried in the City of Toronto.

August 22, 2016

**CASSELS BROCK & BLACKWELL LLP**

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martin@casselsbrock.com

Lawyers for the Plaintiff

BANNERS BROKER INTERNATIONAL LTD. by its receiver,  
MSI SPERGEL INC.

and DONRIVER INC.

Plaintiff

Defendant

Court File No.

CV-76-11498-0001

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

PROCEEDING COMMENCED AT  
**TORONTO**

**STATEMENT OF CLAIM**

**Cassels Brock & Blackwell LLP**

2100 Scotia Plaza  
40 King Street West  
Toronto, ON M5H 3C2

**David S. Ward LSUC #: 33541W**

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**Jeremy Martin LSUC #: 61610K**

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Fax: 416.640.3188  
jmartin@casselsbrock.com

Lawyers for the Plaintiff

## APPENDIX “F”

Court File No. CV-16-11498-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**B E T W E E N:**

**BANNERS BROKER INTERNATIONAL LIMITED,  
by its receiver MSI SPERGEL INC.**

**Plaintiff**

**and**

**DONRIVER INC.**

**Defendant**

**STATEMENT OF DEFENCE**

1. The Defendant admits the allegation contained in paragraph 5 of the Plaintiff's Statement of Claim.
2. The Defendant denies the allegations contained in paragraphs 1, 17, 24 insofar as the allegation that the monies received were not earned, and 25, 26, 27, 28 and 29 of the Plaintiff's Statement of Claim.
3. The Defendant denies the allegations contained in paragraph 18, as the Defendant, the Monetize Group engaged and executed a specific and detailed software development contract with the Defendant for the express purpose of developing a Digital Wallet software platform, that would be owned and operated by the Monetize Group. This Digital Wallet, would be accessible anywhere, and anytime, by consumers through online and mobile channels and allow for the electronic storage of money, commerce, and

transferring of funds around the globe in an Anti Money Laundering (AML) and Know Your Customer (KYC) fashion.

4. The Defendant denies the allegations contained in paragraph 19, 20, 21, as the Monetize Group did indeed execute a detailed contract with the Defendant for the Digital Wallet software platform, and related software analysis, design, development, and testing services that the Defendant would perform to deliver the Digital Wallet software platform.

5. The Defendant has no knowledge of the allegations contained in paragraphs 2, 3, 4, 6, 9 through 13 insofar as any direct knowledge, 14, 15, 16, 22 and 23 of the Plaintiff's Statement of Claim.

6. The Defendant, DonRiver Inc., ("DonRiver") states that it was engaged by the Monetize Group for the purpose of designing and developing a digital wallet software platform that would be owned and operated by the Monetize Group, CEO of which is Christopher Smith. Since that time, the assets and undertaking of DonRiver related to its business line, operations, associated liabilities and obligations, and software development consulting contracts and clients within the financial services domain, including engagement with the Monetize Group related to the Statement of Claim, of DonRiver has been acquired and assumed by DonRiver Mobile Inc. ("DonRiver Mobile").

7. The Defendant states it had knowledge that Monetize was/is a parent company of Banners Brokers International Limited ("BBIL").

8. The Defendant, DonRiver, states that it entered into a Software Development Agreement Statement of Work ("SOW") dated October 12, 2012 wherein DonRiver was to:

- (a) Engage in a software development project in which in design and develop a custom software Digital Wallet platform ("PayValley") on a time and materials, software development contract, basis to meet the requirements of the Monetize Group Inc. ("Monetize Group").
- (b) With the engagement, DonRiver was contracted, as specified in the SOW, to provide the following services in the design and development of the PayValley Digital Wallet:
  - i. **Project Planning:** Plan the software development related aspects of the project, manage the required work activities of DonRiver personnel, and provide detailed status reports to the Monetize Group's management team regarding project progress, issues, and key dependencies impacting the delivery of the project.
  - ii. **Requirements Gathering:** The Monetize Group and its assigned stakeholders would define the scope of functionality to be supported by the PayValley system, as well as the application flow, story-board, and requirements and the scope of functionality that the PayValley system should support. DonRiver was contracted to work with the Monetize Group PayValley stakeholders to define and prioritize specific business, functional, and technical requirements that the PayValley Digital Wallet should support.
  - iii. **Software Design and Development:** DonRiver was to design and develop a custom software solution that would meet the



requirements defined by the Monetize Group for the PayValley Digital Wallet.

- iv. **Software Application and Integration Testing:** DonRiver was to test the PayValley Digital Wallet software solution that it developed for the Monetize Group. The testing was to include the design of test cases that the DonRiver testing team would use to document and verify the expected behavior of the developed software.
- v. **User Acceptance Testing Support:** The Monetize Group's stakeholders were to execute acceptance testing for the PayValley Digital Wallet system that DonRiver developed. With this, DonRiver would provide support to the Monetize Group's personnel as they tested and verified that the PayValley Digital Wallet software as developed and delivered by DonRiver team met their expectations and was acceptable.

9. The Defendant, DonRiver, states that the work undertaken for the Monetize Group is particularized as follows:

- (a) The Monetize Group engaged DonRiver in the summer of 2012 as the Monetize Group communicated that it desired to become a leading provider of a Digital Wallet and innovative financial services for online and mobile customers around the world.
- (b) The Monetize Group contracted DonRiver due to DonRiver being an experienced and expert software developer of electronic payment,

mobile and digital wallet, and electronic money transfer software solutions. In DonRiver's software development work, it had designed, developed, integrated, tested, and/or deployed large scale online and mobile payment software systems for several of the world's leading providers of financial services.

- (c) The Monetize Group retained DonRiver to design and develop a digital wallet platform that it initially branded "PayValley" and that would enable it to become a leading provider of Digital Wallets and Financial Services for online and mobile customers around the world. The Digital Wallet would be accessible anywhere, and anytime, by consumers through online and mobile channels and allow for the electronic storage of money, commerce, and transferring of funds around the globe.
- (d) When the Monetize Group initially contacted DonRiver the Monetize Group did not have documented business or system requirements for the PayValley wallet, so DonRiver conducted in-depth scoping and discovery sessions with the Monetize Group for several weeks at no charge to the client.
- (e) From the series of initial scoping meetings with the Monetize Group, DonRiver gathered an initial understanding of the set of capabilities that the Monetize Group desired DonRiver to develop as part of the PayValley digital wallet, included the following:
  - i. The ability for customers to register online for the PayValley Digital Wallet and services.

- ii. The ability for the PayValley Digital Wallet system to securely store all required registered customer information for KYC, AML, and compliance purposes, including customer name, address, birth date / place, Government ID card etc.
- iii. The ability for PayValley customers to use an online portal to access their digital wallet online and perform financial transactions, including checking account balances, transferring funds, accessing reports, etc.
- iv. The ability for PayValley personnel, including customer support, operations, IT, finance, and compliance teams to access information across all consumer accounts and transaction activity.
- v. The ability for PayValley to monitor, approve, and/or reject financial transactions performed by PayValley users based on the specific requirements defined by PayValley.
- vi. The ability for the PayValley system to integrate to third party digital commerce providers and financial services providers to provide payment and money transfer services between PayValley and those third parties.
- vii. The ability to have PayValley digital wallet account holders to be able to connect to bank accounts at various financial institutions.
- viii. The ability for the PayValley system to provide reports that PayValley personnel would use to view such things as subscriber

accounts, current and historical transaction details, audit and compliance data etc.

10. DonRiver created a high-level proposal for the PayValley Digital Wallet that was presented to and reviewed in detail by the client. The proposal outlined DonRiver's understanding of the Monetize Group's needs and objectives for the software solution to be developed by DonRiver, the high level solution and system architecture, the project roles, work activity streams and responsibilities across the Monetize Group and DonRiver.

11. The Monetize Group was pleased with the initial proposal and requested that DonRiver provide a detailed SOW for the full engagement, including the following: description of the software that would be designed and developed for the client; description of the responsibilities and activities that DonRiver personnel would perform on the project; and time and material billing rates for the DonRiver personnel that would participate on the project would be charged to the client.

12. DonRiver also provided the Monetize Group with a software license agreement that defined the base software from DonRiver that DonRiver would customize to meet their defined requirements. The Monetize Group reviewed the SOW and the Software License Agreement and after a series of negotiations and refinements to the materials, the Monetize Group accepted both agreements and the Monetize Group and DonRiver jointly executed the documents. The full engagement and first formal kickoff meetings occurred between the Monetize Group and DonRiver during the first week of October in 2012. The kickoff meeting included introducing the Monetize Group to the DonRiver personnel that were the key team leads that would manage the overall implementation of the project.

13. As the Monetize Group had not created any documentation describing the specific software requirements for the PayValley Digital Wallet solution, the initial project meetings were focused on having the Monetize Group and DonRiver conduct requirements gathering sessions. The sessions allowed DonRiver to develop an understanding of the specific scope of the product to be developed for Monetize. During the requirements gathering phase, and throughout the life of the project, DonRiver had to take on the added responsibility of documenting the specific capabilities and requirements that Monetize Group desired the PayValley digital wallet to support. From the requirements gathering exercise, the Monetize Group provided detailed requirements that were broader in scope and functionality than what had been initially communicated to DonRiver and that had been specified in the SOW. As such, DonRiver and the Monetize Group worked together to capture the specific capabilities and requirements that were to be designed and developed over the course of the engagement by DonRiver.

14. The Defendant states that with this, the scope of the project had grown and DonRiver and the Monetize Group worked together to prioritize requirements and create a series of 4 product releases that would deliver the requested functionality over a period of 10 to 12 months. These releases, capabilities, and requirements were captured in a variety of documents that were shared with the client and were used to explicitly define the full set of functionality to be designed, developed, tested, and delivered by DonRiver over the course of each specific release. These requirement deliverables include a detailed matrix that was used to capture, track, and prioritize the requirements and was used to define the scope of software development work, customizations that were implemented on the project at the direction of the Monetize Group, and the set of releases

that the Monetize Group directed DonRiver to deliver the software across. In addition to the expanded scope of the PayValley Digital Wallet system that the Monetize Group engaged DonRiver to develop, the Monetize Group also introduced two additional major financial services partners with respect to which it desired the PayValley system to be integrated. These partners were "Vector Card Services" and "Via Bank Ltd."

15. DonRiver states that the Receiver's theory, as set out in the Statement of Claim, that the remuneration paid under the contracts was not earned by DonRiver is without basis. To design, develop, test, and ultimately deliver the software solution by DonRiver, DonRiver assembled its software development team that were each charged to the client on a time and materials basis for the activities they undertook as part of the engagement. The DonRiver resources that participated on the project were allocated to the following software delivery project teams as follows:

- (a) **Software Development Project Management**
- (b) **Software Architecture** – Responsible for the overall architecture and design of the PayValley system.
- (c) **Business & Systems Analysis:** Business and systems analysis responsible for gathering and documenting all required functionality to be supported by the PayValley system.
- (d) **Software Design & Test Team Management** –Responsible for managing the design and component testing of the overall PayValley system.

(e) **Software Designer / Developers** – Software development personnel were spread across the following separate software development teams:

- Web Portal Software Design & Development
- CRM & Operations Portal Software Design & Development
- Core Application Software Design & Development
- Application Server Software Design & Development
- Database Software Design & Development
- System Integration Software Design & Development
- Security Module Software Design & Development

(f) **Technical Architecture & Hardware Infrastructure** –Responsible for designing and building the supporting software development system and hardware server environments in which the PayValley was developed in and tested against by DonRiver and the client's personnel.

(g) **System Testing & Quality Assurance** – Quality assurance personnel were contracted from an external company solely focused on software testing to assist with the overall system testing of the PayValley System. The external company is based in Ontario, Canada and is named MIPE ([www.miipe.com](http://www.miipe.com)). DonRiver signed a contract with MIPE that defines the scope of work and the time and billing rates that MIPE charged to DonRiver over the course of the PayValley project.

16. DonRiver states that while it was in the process of completing the development and testing of the final PayValley system, the Monetize Group directed DonRiver to work with the company that the Monetize Group had contracted to host the final version of the PayValley Digital Wallet system in commercial production, RackSpace ([www.RackSpace.com](http://www.RackSpace.com)). RackSpace is one of the world's largest providers of datacenter

and application hosting services to companies that require their software to be hosted and managed offsite and by an external provider. DonRiver was in the process of configuring and deploying the developed PayValley Digital Wallet system to servers managed by RackSpace on behalf of the Monetize Group for the final user accepting testing process, when the Monetize Group cancelled the hosting contract with RackSpace and thereby stopped the user acceptance testing phase of the engagement with DonRiver.

17. DonRiver states that it understands that ultimately the Monetize Group chose not to deploy the DonRiver developed PayValley Digital Wallet into production and/or commercial operation. In addition, RackSpace informed DonRiver on August 15<sup>th</sup> 2013 that the PayValley contract for RackSpace's hosting services had been cancelled by the client, and as such the PayValley System developed by DonRiver would not launched into commercial service or operation.

18. At no time after the cancellation of the contract with the hosting provider RackSpace, did the Monetize Group, nor any agents acting on behalf of the Monetize Group, instruct DonRiver to deploy the PayValley System to any other hosting providers for the commercial launch of the system. The Monetize Group was solely responsible for the launch and commercialization of the developed PayValley Digital Wallet system, and its decision not to do so, was solely of its own choosing and as such, DonRiver has no responsibility nor obligation to return any of the fees that were paid to the company for its software design and development services.



19. DonRiver states that the invoices listed at paragraph 24 of the Statement of Claim represent the entirety of the invoices rendered to the Monetize Group for this project. The Defendant states further that the listed invoices were paid but for the following:

- June 2013, Invoice number MG201306, in the amount of \$193,248.40USD.
- July 2013, Invoice number MG201307, in the amount of \$264,524USD.

20. DonRiver states that the invoices specified within Statement of Claim were in respect of the project management, requirements gathering, software design, software development, software testing, technical architecture, and production environment configuration (in RackSpace) services that DonRiver provided on a time and materials basis in the completion of the PayValley Digital Wallet software platform that the Monetize Group contracted DonRiver to perform.

21. DonRiver denies that the invoices were summarily prepared and devoid of detail. In fact, each of the invoices that were delivered to the client specified the total amount of time and associated billings that DonRiver personal expended in a given period in the development of the PayValley software. In addition to the invoices, DonRiver also produced and presented detailed status reports that were reviewed by the client at key points in the lifecycle of the project and captured the specific work activities completed by the project team in a given period, the planned work activities for the following period, issues for the Monetize Group's management attention, and key dependencies that were impacting and/or could potentially impact the overall project delivery.

22. DonRiver Inc. states in response to the allegation that it did not complete the work that same is without basis. It did in fact complete all aspects of the software project

management, analysis, design, testing, and development work that it had been contracted to complete and as stated in the Statement of Work contracted agreed to by the Monetize Group and DonRiver, up until the final point of project cancellation, when DonRiver was in the process of deploying the solution for User Acceptance Testing and Commercial Deployment. Moreover, the software design and development services that DonRiver provided to the Monetize Group were of high quality, met the expectations of the client through the life of the project, and resulted in valuable deliverables and outputs, including a thoroughly tested (by Miipe, DonRiver, and Monetize resources) and resulting PayValley Digital Wallet software system that DonRiver provided to PayValley and reviewed in conjunction with DonRiver throughout the life of the project.

23. DonRiver states that the Monetize Group collaborated closely with DonRiver throughout the course of the project and continued to engage DonRiver from the onset of the project in October 2012 to its closure in August, 2013.

24. The Monetize Group reviewed and approved the activities, work efforts, and billings by DonRiver throughout the life of project. DonRiver completed the software development of the PayValley software system and has retained all copies of the key associated deliverables that were created, reviewed, and accepted by the Monetize Group throughout the PayValley project undertaken with the Monetize Group. These deliverables included business, functional, and system customization requirements. These requirements were gathered, specified, reviewed, and agreed to by the Monetize Group. The following software design deliverables and software components were designed, developed, and documented by DonRiver during the course of the project to support the software modules and requirements for the PayValley Digital Wallet system:

- (a) Technical Designs, Sequence Diagrams, and API Specifications
- (b) Web Page Mock Up designs
- (c) Web Page Transition Flows for the entire web portal
- (d) Web Services Protocol Contracts
- (e) Source Code including java classes and libraries, XML documents, WSDL artefacts, HTML, JSP and CSS files, Resource bundles such as icons, images, themes, etc.
- (f) Build Scripts: Jenkins build scripts and projects
- (g) Test Scripts: SOAP UI test scripts and data load files
- (h) Code Binaries and Application Packages
- (i) Third Party SDK: APIs exposed for integration to PayValley partner systems
- (j) Notifications and Alerting Module: Software for email and SMS communication, automated notifications and alerts based on specific business and system events and triggers defined by the Monetize Group.
- (k) Database Schema: Updated data schema designs and deployment to accommodate new data structures, data objects, and data fields for PayValley
- (l) Security Module: Security software developed to manage access to all required components of the PayValley Digital Wallet System.

25. DonRiver fulfilled its obligation to create software system designs and completed software development services needed to realize the functionality defined by the SOW and specific requirements defined and agreed to over the course of the engagement by the Monetize Group.

26. DonRiver states in addition to the foregoing that it created and implemented testing deliverables, status reports and details of the activities that DonRiver personnel would be assigned to and working on as part of the overall software development project. The Defendants states further that as part of the foregoing DonRiver identified any issues for the attention of PayValley Management, key dependencies which required resolution by the Monetize Group and third parties contracted by Monetize, including RackSpace, BBIL, Viabank, Vector Card Services, etc.

27. DonRiver states that the Monetize Group was provided detailed testing and quality assurance reports throughout the testing phases of the project that were created by the third party testing and quality assurance company that it had contracted to perform such services. These testing and quality assurance reports provided the detailed and definitive set of Monetize Group agreed to functionality that the PayValley system should support.

28. DonRiver states that as the terms dictated by the SOW executed with the Monetize Group, that it had no obligation to continue to provide any services to and/or deliverables for the Monetize Group once the Monetize Group stopped paying for the invoices submitted to the Monetize group from DonRiver. This is evidenced in section within section 3.6 of the SOW with the following: "Without limiting its rights or remedies Vendor shall have the right to suspend or terminate the Services entirely or in part if payment is not received within five (5) days of the invoice date. As stated above, the Monetize Group

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did not provide payment for the DonRiver services rendered related to the June 2013 and July 2013 period and related invoices specified in the Statement of Claim.

29. DonRiver respectfully requests that the within action be dismissed against it with costs on a full indemnity basis.

Date: March 17, 2017

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Lawyers for the Plaintiff

BANNERS BROKER INTERNATOINAL LTD. BY ITS  
RECEIVER MSI SPERGEL INC.  
Plaintiff

DONRIVER INC.

Defendant

108

Court File No. CV-16-11498-OOCL

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**PROCEEDING COMMENCED AT TORONTO**

**STATEMENT OF DEFENCE**

**SimpsonWigle LAW LLP**  
501 - 390 Brant Street  
BURLINGTON, ON L7R 4J4

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**Lawyers for the Defendant**

## APPENDIX “G”

Court File No.

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(Commercial List)**

CV-16-11499-0001

B E T W E E N:

BANNERS BROKER INTERNATIONAL LIMITED, and STELLAR POINT  
 INC. by their receiver MSI SPERGEL INC.

Plaintiffs

- and -

1587803 ONTARIO LIMITED o/a ARAMOR, 2319636 ONTARIO INC.,  
 MAXWELL MORGAN, and 2338117 ONTARIO INC.

Defendants

**STATEMENT OF CLAIM**

TO THE DEFENDANT(S):

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

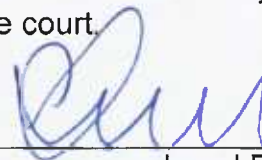


TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date

Aug 22 14

Issued by



C. Irwin  
Registrar

Local Registrar

Address of  
court office:

~~Superior Court of Justice - Commercial  
List~~

~~393 University Avenue~~ 40

~~Toronto, ON  
M5G 1E6~~

SUPERIOR COURT OF JUSTICE  
COUR SUPÉRIEURE DE JUSTICE  
BANKRUPTCY / COMMERCIAL  
COURTS  
399 UNIVERSITY AVENUE  
7TH FLOOR  
TORONTO, ONTARIO M5G 1R7

TO:

**1587803 ONTARIO LIMITED o/a ARAMOR**  
100 King Street West, Suite 5700  
Toronto, ON  
M5X 1C7

AND

TO:

**2319636 ONTARIO INC.**  
219 Dufferin Street, Suite 116c  
Toronto, ON  
M8Z 3L2

AND

TO:

**MAXWELL MORGAN**  
583 Fleetwood Drive  
Oshawa, ON  
L1K 2V7

AND

TO:

**2338117 ONTARIO INC.**  
100 King Street West, Suite 5700  
Toronto, ON  
M5X 1C7

### CLAIM

1. The plaintiffs, Banners Broker International Limited ("**BBIL**") and Stellar Point Inc. ("**Stellar Point**"), by it their receiver, msi Spergel inc. (the "**Receiver**"), claim the following:

(a) As against 1587803 Ontario Limited o/a Aramor ("**Aramor**):

- (i) damages in the sum of Canadian dollars required to purchase US\$300,000 for negligent misrepresentation;
- (ii) an order for disgorgement and restitution of monies unlawfully received, or profits unlawfully derived from the corporate assets of BBIL and Stellar Point and their creditors by virtue of unjust enrichment or waiver of tort;

(b) As against 2319636 Ontario Inc. ("**231**):

- (i) damages in the sum of Canadian dollars required to purchase US\$54,732 for conversion;
- (ii) an order for disgorgement and restitution of monies unlawfully received, or profits unlawfully derived from the corporate assets of BBIL and its creditors by virtue of unjust enrichment or waiver of tort;

(c) As against Maxwell Morgan ("**Morgan**):

- (i) damages in the sum of Canadian dollars required to purchase US\$300,000 for negligent misrepresentation;

- (ii) an order for disgorgement and restitution of monies unlawfully received, or profits unlawfully derived from the corporate assets of BBIL and its creditors by virtue of unjust enrichment or waiver of tort;
- (d) As against 2338117 Ontario Inc. ("**233**"):
  - (i) damages in the sum of Canadian dollars required to purchase US\$17,517 for conversion;
  - (ii) an order for disgorgement and restitution of monies unlawfully received, or profits unlawfully derived from the corporate assets of BBIL and its creditors by virtue of unjust enrichment or waiver of tort;
- (e) As against all defendants:
  - (i) an Order, injunctive or otherwise, interim and permanent, to preserve, trace and locate all funds received by the defendants from BBIL (or BBIL affiliates) and Stellar Point;
  - (ii) in addition or in the alternative an accounting of all amounts received from BBIL (or BBIL affiliates) and from Stellar Point and judgment in accordance with such accounting;
  - (iii) an Order directing the defendants to produce to the Receiver any and all documents in their possession or control relating to the business of BBIL, Stellar Point, Banners Broker (defined below), the

Associated Corporations (defined below) and Dixit Consortium Inc. (“**Dixit Consortium**”);

- (iv) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (v) postjudgment interest in accordance with section 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (vi) the costs of this proceeding on a full indemnity basis, plus all applicable taxes; and
- (f) Such further and other relief as to this Honourable Court may seem just.

## **Parties**

2. The plaintiff, BBIL, is a company incorporated pursuant to the laws of the Isle of Man. It is subject to liquidation proceedings in the Isle of Man and receivership proceedings in Canada.

3. The plaintiff, Stellar Point, is a company incorporated pursuant to the laws of Canada. It is subject to receivership proceedings in Canada.

4. The defendant, Aramor, is a company incorporated pursuant to the laws of the province of Ontario. Its director is Morgan.

5. The defendant, 231, is a corporation incorporated pursuant to the laws of the province of Ontario. Its director is Morgan.

6. The defendant, Morgan, is an individual residing in Oshawa, Ontario. He is a director of Aramor and 231.

7. The defendant, 233, is a corporation incorporated pursuant to the laws of the province of Ontario. Its director is Tricia Edwards, a one-time independent contractor with Aramor.

### **Overview**

8. At all material times, BBIL was one of a number of related entities that between approximately 2010 and 2014 conducted operations under the trade name 'Banners Broker'.

9. Banners Broker was alleged to be an internet advertising service that operated on a multi-level marketing model. Investors (or "**Affiliates**") were induced to purchase advertising space on the internet through Banners Broker, which represented that it would then 'lease' that space to advertisers.

10. Despite generating hundreds of millions of dollars in investments internationally, Banners Broker was not a *bona fide* advertising business. Affiliates' accounts were manipulated to show extraordinary profits when the company in fact had no source of revenue.

11. In reality, management improperly converted the Banners Broker invested capital to fund extravagant lifestyles for themselves and gifts for their families and friends. Affiliates' demands for repayment from BBIL were satisfied with the invested funds of

other Affiliates. Once it became impossible for BBIL to meet those demands in that way, the winding-up process was commenced.

12. As early as 2012, Canadian and American law enforcement and regulatory authorities commenced a multinational investigation into Banners Broker. That investigation has resulted in various *Criminal Code* and *Competition Act* charges against the management of Banners Broker.

### **Receivership Proceedings**

13. The winding-up process in the Isle of Man was commenced on or about January 10, 2014. A couple months later, on March 14, 2014, the joint liquidators of BBIL were appointed in the Isle of Man.

14. Subsequently, on August 22, 2014, the Isle of Man liquidation proceedings were recognized as foreign main proceedings in the Ontario court and the Receiver was appointed receiver of BBIL.

15. On October 15, 2014, the Receiver was granted certain investigatory powers over various other entities affiliated with BBIL ("**Associated Corporations**"), including Dixit Holdings Inc. ("**Dixit Holdings**"). This relief was granted, in part, because BBIL and the Associated Corporations were used interchangeably and with a complete lack of regard to the corporate formality between them. Funds were transferred between BBIL and the Associated Corporations and BBIL's parent company Monetize Group Inc. ("**Monetize**") on an *ad hoc* and largely undocumented basis and without any business or contractual reason.

16. On August 7, 2015, the Receiver was granted further investigatory powers over two additional entities associated with the Banners Broker business, including Dixit Consortium Inc. ("**Dixit Consortium**").

17. On April 8, 2016, the Receiver was appointed receiver of Stellar Point.

### **Defendants Obtained over US\$2 Million in Unaccounted for BBIL Funds**

#### *Aramor*

18. Aramor is a payment processor solutions company. In 2011 it was engaged by BBIL and Stellar Point to match the plaintiffs with third party payment processors. Payment processors are hired by merchants to handle purchases made by a merchant's customers, including credit card and wire transfer transactions. Aramor also provided direct payment processing for BBIL by allowing Affiliates to wire funds directly to Aramor's bank accounts. Aramor also remitted payments to Affiliates.

19. From 2011 to 2014, Aramor received a total US\$2,165,993 in BBIL funds. Of this total, US\$1,321,000 was transferred from Stellar Point. The remainder was transferred from Monetize, Dixit Holdings and Dixit Consortium. Although funds were transferred from Monetize, Dixit Holdings and Dixit Consortium, all of the funds transferred originated from and belonged to BBIL.

20. In addition to providing payment processing to BBIL and matching BBIL with payment processors, Aramor also provided BBIL principals with a way to convert amounts in Banners Broker bank accounts to significant amounts of physical cash. In November 2012, Christopher Smith ("**Smith**"), one of BBIL's principals, asked Morgan

how BBIL could obtain US\$300,000 in physical cash. As Morgan had done on previous occasions, he directed Smith to wire US\$300,000 in BBIL funds to Aramor's account with Cambridge Mercantile Corp. Morgan emailed Smith the wire instructions and assured him "[n]o need to worry about it all being there. This source is very thorough."

21. Despite Morgan's assurances, neither Smith nor BBIL ever received the US\$300,000. According to Morgan, the funds were allegedly stolen by Morgan's "source".

22. Although the US\$300,000 was transferred from Monetize, all of the funds originated from and belonged to BBIL. Monetize has and will assign to the Receiver any contractual or other rights as may be appropriate for the Receiver to more effectively pursue its receivership realization efforts.

231

23. 231 received US\$54,732 in BBIL funds. Although the funds were transferred from Dixit Consortium, all of the funds originated from and belonged to BBIL.

24. 231 did not provide any products, services or any other valuable consideration of any kind in exchange for the funds received from BBIL. There was no contractual, restitutionary, or other lawful basis for such payments.

25. The Receiver lacks sufficient particulars to plead the details of the relationship between BBIL and 231 and the purpose of the transfers of BBIL funds to 231 but alleges that the nature of the relationship between 231 and BBIL is known to 231 and Morgan.



233

26. 233 received US\$17,517 in BBIL funds. Although the funds were transferred from Dixit Consortium, all of the funds originated from and belonged to BBIL.

27. 233 did not provide any products, services or any other valuable consideration of any kind in exchange for the funds received from BBIL. There was no contractual, restitutionary or other lawful basis for such payments.

28. The Receiver lacks sufficient particulars to plead the details of the relationship between BBIL and 233 and the purpose of the transfers of BBIL funds to 233 but alleges that the nature of the relationship between 233 and BBIL is known to 233.

*Morgan*

29. Morgan is a director of Aramor and 231 and personally benefitted from the more than US\$2,220,725 in BBIL funds transferred to companies controlled by him.

### **Receiver's Claims as Against all Defendants**

#### **Unjust Enrichment and Accounting**

30. The Defendants collectively received US\$2,238,242 in BBIL funds. Although some of the US\$2.2 million in BBIL funds received by Aramor may have been for services rendered, the payments in aggregate are grossly excessive and far exceed any reasonable measure of fair market compensation.

31. Further, and as indicated above, the monies transferred to 231 and 233 are wholly unsupported by any exchange value or consideration.

32. As a result, BBIL has been deprived of the benefit of these funds and 231 and 233 have been correspondingly unjustly enriched by their misconduct without juristic reason. With respect to Aramor and Morgan, to the extent that Aramor received funds from BBIL not otherwise earned as commissions by Aramor, they too were unjustly enriched without juristic reason and BBIL was denied the benefit of the excess funds transferred. The Defendants should not benefit from their wrongful conduct. The enrichment the Defendants have enjoyed from the appropriation of BBIL funds should be accounted for and disgorged to BBIL.

33. The Receiver further claims for an order accounting for and tracing the disposition of the US\$2,238,242 received by the Defendants and judgment in accordance with such accounting.

*Production of Documents*

34. As both an intermediary connecting BBIL with payment processors and as a payment processor itself, Aramor has documents within its possession and control relating to BBIL, Stellar Point, and the Associated Corporations. In accordance with orders granted in the receivership proceedings, the Receiver has repeatedly requested that Morgan, in his capacity as director of Aramor, deliver to the Receiver certain documents within his possession and control relating to BBIL, Stellar Point, the Associated Corporations and the Banners Broker business. Morgan has failed to provide all of the requested documents.

35. As recipients of BBIL funds, 231 and 233 would have documents in their power, possession or control relating to the money transfers at issue in this proceeding.

36. The Defendants must produce to the Receiver any and all documents relating to BBIL, Stellar Point, the Associated Corporations and the Banners Broker business, including those documents related to the transfer of BBIL funds to the Defendants.

#### **Receiver's Claims Against 231 and 233**

37. 231 and 233, by their misconduct, wrongfully converted BBIL's funds for their own use. In doing so, 231 and 233 intentionally exercised control over the funds of BBIL in a manner that impeded the possessory rights of BBIL.

38. In taking BBIL's funds for their own use, the Defendants knowingly and wrongfully converted the funds by treating them as if they were their own and exercising unauthorized control over their use.

39. Further particulars of the conduct of the Defendants are within their knowledge.

#### **Receiver's Claims Against Aramor and Morgan**

40. Aramor, through its principal Morgan, instructed BBIL to transfer US\$300,000 to an Aramor account held with Cambridge Mercantile Corp. so that BBIL could obtain US\$300,000 in physical cash. In instructing BBIL to transfer US\$300,000, Morgan represented to BBIL that there was "[n]o need to worry about it all being there. This source is very thorough." To Morgan's knowledge, such representation was false and misleading.

41. BBIL reasonably relied on this representation as it was made directly to BBIL to induce the company to wire the funds to Aramor. BBIL suffered a loss as a result of this representation because it never received the US\$300,000 in cash.

42. In the alternative, to the extent that Morgan was acting in his personal capacity and not as a principal of Aramor, Morgan is personally liable for his negligent misrepresentation to BBIL.

43. Morgan also used Aramor and 231 as instruments of and as shields for his wrongful and improper conduct including, but not limited to, misleading Banners Broker about the services that would be provided by Aramor to Banners Broker, inducing Banners Broker to transfer over two million dollars of BBIL funds to Aramor and 231, and misappropriating the transferred funds. As a result, Morgan should be held personally liable for the actions of Aramor and 231.

44. In the alternative, Morgan acted outside the scope of his corporate authority and for his own direct personal benefit as a director of Aramor and 231 such that Morgan should be held personally liable for his conduct.

45. Further, the defendants have so far failed to account to the Receiver for monies received from Banners Broker.

46. The plaintiff proposes that this action be tried in the City of Toronto.

August 22, 2016

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Banners Broker International Limited et al

Plaintiff

and Maxwell Morgan et al.

Defendants

CV-16-11499-0000

Court File No.

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

PROCEEDING COMMENCED AT  
TORONTO

**STATEMENT OF CLAIM**

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## APPENDIX “H”

Court File Number: CV-16-11499-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

**B E T W E E N:**

**BANNERS BROKER INTERNATIONAL LIMITED, and STELLAR POINT  
INC. by their receiver MSI SPERGEL INC.**

**Plaintiffs**

**-and-**

**1587803 ONTARIO LIMITED o/a ARAMOR, 2319636 ONTARIO INC., MAXWELL  
MORGAN, and 2338117 ONTARIO INC.**

**Defendants**

**STATEMENT OF DEFENCE**

1. Except as hereinafter specifically admitted, the Defendants deny each and every allegation contained in the Statement of Claim and put the Plaintiffs to the strict proof thereof.
2. The Defendants deny that the Plaintiffs are entitled to the relief claimed in the Statement of Claim or any portion thereof or any relief at all and put the Plaintiffs to the strict proof thereof.
3. The Defendants state that the relief claimed in the Statement of Claim is excessive, remote, and without basis or justification in fact or in law.



4. The Defendants deny that the Plaintiffs are entitled to damages as claimed or at all and put the Plaintiffs to the strict proof thereof.
5. The Defendants deny that the Plaintiffs are entitled to an order "to preserve, trace and locate all funds received by the Defendants" as claimed by the Plaintiffs, and state that such claim is without basis or authority in fact or in law.
6. The Defendants deny that they Plaintiffs are entitled to "an accounting of all amounts received (by the Defendants) ... and judgment in accordance with such accounting" as claimed by the Plaintiffs, and state that such claim is without basis or authority in fact or in law.
7. The Defendants deny that they or any of them "obtained over US\$2 Million in Unaccounted for BBIL Funds" and put the Plaintiffs to the strict proof of all such allegations.
8. The Defendants deny that any of them made any misrepresentations, whether negligent or otherwise, as alleged or at all, and the Defendants put the Plaintiffs to the strict proof of all such allegations. Further, if any representations were made, which is in any event denied, then (a) such representations were not relied upon by the Plaintiffs or any of them, and (b) the Plaintiffs made decisions and engaged in actions on the basis of such decisions voluntarily and for their own purposes, and without being induced or influenced by any of the Defendants. The Defendants put the Plaintiffs to the strict proof of all allegations to the

contrary.

9. The Defendants deny that any of them were unjustly enriched as alleged by the Plaintiffs, and the Defendants put the Plaintiffs to the strict proof of all such allegations.
10. The Defendants deny that any of them received funds unlawfully or derived profits unlawfully as alleged by the Plaintiffs, and the Defendants put the Plaintiffs to the strict proof of all such allegations.
11. The Defendants deny that any of them wrongfully converted funds for their own use as alleged by the Plaintiffs, and the Defendants put the Plaintiffs to the strict proof of all such allegations.
12. The Defendants deny that any of them received or appropriated funds for their own benefit as alleged by the Plaintiffs, and the Defendants put the Plaintiffs to the strict proof of all such allegations.
13. The Defendants state in this regard and the fact is that the only funds which any of the Defendants received for their own benefit were the specific commission fees and, to a minor extent, other remuneration, all of which was authorized by the agreement between the applicable parties. Any funds received by any of the Defendants for their own benefit were solely commission fees and, to a minor extent, other remuneration, all of which was earned and charged for services

rendered pursuant to the said agreement. The Defendants put the Plaintiffs to the strict proof of all allegations to the contrary.

14. The Defendants further state and the fact is that rather than receiving funds as falsely alleged by the Plaintiffs, one or more of the Defendants simply transferred, or arranged for the transfer of funds to third party recipients pursuant to the agreement between the applicable parties. The Defendants put the Plaintiffs to the strict proof of all allegations to the contrary.
15. The Defendants further state and the fact is that the Plaintiffs are and were at all material times aware of the said transfers of funds by one or more of the Defendants to third party recipients, the identity of such third party recipients, the circumstances of such transfers of funds, and the fact that in the said circumstances of such transfers, none of the Defendants received any of these funds for their own benefit – with the sole exception of the earned commission fees and remuneration for services rendered as described above.
16. The Defendants accordingly plead and state that in view of the Plaintiffs' knowledge as aforesaid, the Plaintiffs' claim is frivolous, vexatious and an abuse of process.
17. The Defendants deny that 2319636 Ontario Inc. "received US\$54,732 in BBIL funds" as alleged in paragraph 23 of the Statement of Claim. The Defendants put the Plaintiffs to the strict proof of all such allegations.

18. The Defendants further deny that 2338117 Ontario Inc. "received US\$ 17,517 in BBIL funds" as alleged in paragraph 26 of the Statement of Claim. The Defendants put the Plaintiffs to the strict proof of all such allegations.
19. The Defendants state in any event that the amounts referenced in the Statement of Claim are incorrect and excessive, and the Defendants put the Plaintiffs to the strict proof of all such amounts.
20. In this regard, the Defendants deny the Plaintiffs' allegations that "Aramor received a total US\$2,165,993 in BBIL funds. Of this total, US\$1,321,000 was transferred from Stellar Point." The Defendants put the Plaintiffs to the strict proof of all such allegations.
21. Contrary to the allegations in paragraph 30 of the Statement of Claim, the Defendants deny that they "collectively received US\$2,238,242 in BBIL funds," and further deny that 1587803 Ontario Limited (Aramor) received "US\$2.2 million in BBIL funds." The Defendants put the Plaintiffs to the strict proof of all such allegations.
22. With respect to paragraph 21 of the Statement of Claim, the Defendants deny that Maxwell Morgan gave any assurances as alleged, and put the Plaintiffs to the strict proof of all such allegations. The Defendants further state and the fact is that the referenced funds were not received, or alternatively were not

converted, by any of the Defendants, and the Defendants put the Plaintiffs to the strict proof of all allegations to the contrary. The Defendants further plead and state that if any of the Plaintiffs incurred any loss, whether of the referenced amount of US\$300,000 or otherwise, which alleged loss is in any event denied, then this was caused by the actions and/or omissions of Christopher Smith, BBIL or others, and not by any of the Defendants, and that Christopher Smith, BBIL and/or others are liable for same and not any of the Defendants. The Defendants put the Plaintiffs to the strict proof of all allegations to the contrary.

23. With further respect to the said allegations, and contrary to the allegations in paragraphs 21, 40 and 41 of the Statement of Claim:

a) The Defendants deny that Maxwell Morgan "instructed" BBIL to transfer US\$300,000. If BBIL, Christopher Smith or others transferred US\$300,000 as alleged, they did so of their own volition and as a consequence of their own voluntary decision to do so. The Defendants put the Plaintiffs to the strict proof of all allegations to the contrary.

b) The Defendants deny that Maxwell Morgan made any representations as alleged. Further, if any representations were made, which is in any event denied, then such representations were not relied upon by the Plaintiffs or any of them, and the Plaintiffs made decisions and engaged in actions on the basis of such

decisions (including in particular transfer of funds) voluntarily and for their own purposes, and without being induced or influenced by any of the Defendants. The Defendants put the Plaintiffs to the strict proof of all allegations to the contrary.

- c) Further, if any representations were made by Maxwell Morgan, which is in any event denied, the Defendants deny that any such representations were false and misleading as alleged, and further deny that Maxwell Morgan knew that any such representations were false and misleading as alleged. The Defendants put the Plaintiffs to the strict proof of all such allegations.
- d) The Defendants state and the fact is that Maxwell Morgan only made the introduction between Christopher Smith/BBIL and the transferee of the funds which Christopher Smith/BBIL advised they wished to transfer and convert to cash. The Defendants put the Plaintiffs to the strict proof of all allegations to the contrary.
- e) Moreover, the Defendants state and the fact is that Maxwell Morgan specifically warned and advised Christopher Smith/BBIL (i) that their desired transfer of funds was risky – ie. that there was a risk that the funds they wanted to transfer would be lost or otherwise not end up at their desired destination, and (ii) that neither he (Maxwell Morgan) nor Aramor (1587803 Ontario Limited) assumed any responsibility

whatsoever for any loss or risk of loss, and that they (Christopher Smith/BBIL) assumed full responsibility for same. The Defendants put the Plaintiffs to the strict proof of all allegations to the contrary.

- f) The Defendants further plead and state that if any of the Plaintiffs incurred any loss, whether of the referenced amount of US\$300,000 or otherwise, which alleged loss is in any event denied, then this was caused by the actions and/or omissions of Christopher Smith, BBIL or others, and not by any of the Defendants, and that Christopher Smith, BBIL and/or others are liable for same and not any of the Defendants. The Defendants put the Plaintiffs to the strict proof of all allegations to the contrary.
- g) The Defendants specifically deny that BBIL transferred the referenced funds to any of Aramor's accounts, and the Defendants put the Plaintiffs to the strict proof thereof.
- h) The Defendants state instead and the fact is that BBIL transferred the referenced funds to a third party recipient, for which, as stated above, none of the Defendants were responsible, in fact or in law. The Defendants put the Plaintiffs to the strict proof of all allegations to the contrary.

24. The Defendants specifically deny that the Defendant Maxwell Morgan "personally benefitted from the more than US\$2,220,725 in BBIL funds

transferred to companies controlled by him", as alleged in paragraph 29 of the Statement of Claim or at all, and the Defendants put the Plaintiffs to the strict proof of all such allegations.

25. The Defendants deny that Maxwell Morgan acted in his personal capacity and not as a principal of Aramor, and put the Plaintiffs to the strict proof of all such allegations.
26. The Defendants state and the fact is that at all material times Maxwell Morgan acted solely in his capacity as a representative of 1587803 Ontario Limited (Aramor) and/or other corporate Defendants, and the Defendants put the Plaintiffs to the strict proof of all allegations to the contrary.
27. The Defendants deny that Maxwell Morgan is personally liable to the Plaintiffs as alleged or at all, and the Defendants put the Plaintiffs to the strict proof of all such allegations.
28. The Defendants deny that Maxwell Morgan committed any negligent misrepresentation to BBIL as alleged or at all, and the Defendants put the Plaintiffs to the strict proof of all such allegations.
29. The Defendants plead and state that even if such misrepresentation was made, which is in any event denied, this would not make Maxwell Morgan personally liable, as any such representation would have been made solely on behalf of and



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in the sole capacity as a representative of the corporate Defendant 1587803 Ontario Limited and/or other corporate Defendants. The Defendants put the Plaintiffs to the strict proof of all allegations to the contrary.

30. The Defendants deny that Maxwell Morgan acted outside the scope of his corporate authority and for his own direct personal benefit, and deny that there is any basis, in fact or in law, for holding Maxwell Morgan "personally liable for his conduct." The Defendants put the Plaintiffs to the strict proof of all such allegations.
31. The Defendants state and the fact is that at all material times Maxwell Morgan acted within the scope of his corporate authority. The Defendants put the Plaintiffs to the strict proof of all allegations to the contrary.
32. The Defendants specifically deny that Maxwell Morgan used 1587803 Ontario Limited (Aramor) and 2319636 Ontario Inc. "as instruments of and as shields for his wrongful and improper conduct", as alleged or at all. The Defendants further deny that Maxwell Morgan misled Banners Broker as alleged. The Defendants further deny that Maxwell Morgan "induced Banners Broker to transfer over two million dollars of BBIL funds to Aramor and 231." The Defendants further specifically deny that Maxwell Morgan "misappropriated the transferred funds", as alleged or at all. The Defendants further deny that Maxwell Morgan should, "as a result", "be held personally liable for the actions of Aramor and 231." The Defendants put the Plaintiffs to the strict proof of all such allegations. The

Defendants state that all such allegations are false and without basis in fact or in law.

33. The Defendants state and the fact is that at all times Maxwell Morgan and the other Defendants acted in good faith, and the Defendants put the Plaintiffs to the strict proof of all allegations to the contrary.

**THE PLAINTIFFS' CLAIM IS STATUTE-BARRED**

34. The Defendants plead and state that the Plaintiffs' claim against the Defendants is statute-barred as it was commenced after the expiry of the applicable limitation period, and the Defendants put the Plaintiffs to the strict proof of all allegations to the contrary. The Defendants plead and state that the Plaintiffs are accordingly estopped from proceeding with, and in any event not entitled to proceed with their claim herein against the Defendants.
35. The Defendants plead and state that the Plaintiffs' claim in Canadian currency for alleged damages in a foreign currency has been incorrectly and improperly pled and described in the Statement of Claim. In particular, the Plaintiffs' claim is in breach of section 12(1) of the *Courts of Justice Act*, R.S.O. 1990, ch. C.43. Accordingly, the Plaintiffs are not entitled to proceed with the claim herein.
36. The Defendants accordingly ask that the claim herein be dismissed with costs in favour of the Defendants on a substantial indemnity scale.

Date: March 14, 2017

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BANNERS BROKER INTERNATIONAL LIMITED et al  
Plaintiff

v.

1587803 ONTARIO LIMITED o/a as ARAMOR et al  
Defendants

Court File Number: CV-16-11499-00CL

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

Proceeding commenced at Toronto

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**STATEMENT OF DEFENCE**

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P.015/015

(FAX)

03/14/2017 12:31 BELMONT LAWYERS

## **APPENDIX “I”**

**EIGHTH REPORT OF MSI SPERGEL INC.,  
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF  
BANNERS BROKER INTERNATIONAL LIMITED AND STELLAR POINT  
INC.**

**December 9, 2016**

Court File No. CV-14-10663-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
R.S.C. 1992, c. 27, s.2, AS AMENDED**

**AND IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990,  
c. C-43**

**AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE ISLE OF MAN WITH  
RESPECT TO BANNERS BROKER INTERNATIONAL LIMITED**

**AND IN THE MATTER OF THE RECEIVERSHIP OF STELLAR POINT INC.**

**APPLICATION OF MILES ANDREW BENHAM AND PAUL ROBERT APPLETON, IN THEIR  
CAPACITY AS JOINT LIQUIDATORS OF BANNERS BROKER INTERNATIONAL LIMITED,  
UNDER PART XIII OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CROSS-BORDER  
INSOLVENCIES)**

**EIGHTH REPORT OF THE  
COURT-APPOINTED RECEIVER OF  
BANNERS BROKER INTERNATIONAL LIMITED  
("EIGHTH REPORT")**

**December 9, 2016**

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- A. Order of the Ontario Superior Court of Justice (Commercial List), dated May 31, 2016
- B. Order of the Ontario Superior Court of Justice (Commercial List), dated June 7, 2016
- C. Letter from counsel for the Receiver to Scotia Bank, dated July 25, 2016
- D. Letter from counsel for the Receiver to Capital One, dated July 29, 2016 (without enclosures)
- E. Letter from counsel for the Receiver to Hudson's Bay Company (c/o Capital One), dated July 29, 2016 (without enclosures)
- F. Letter from counsel for the Receiver to Bank of Montreal, dated July 28, 2016 (without enclosures)
- G. Letter from Scotiabank to counsel for the Receiver, dated August 9, 2016 (without enclosures)
- H. Letter from counsel for the Receiver to Scotiabank, dated August 12, 2016
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- J. Email money transfer from Kuldip Josun to Tara Reeves, dated June 2, 2016
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- O. Letter from Capital One to counsel for the Receiver, dated August 16, 2016
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- R. Capital One credit card statements for Kuldip Josun
- S. Email from Kuldip Josun to counsel for the Receiver, sent June 16, 2016
- T. Letter from counsel for the Receiver to Kuldip Josun, dated June 21, 2016
- U. Email from Balwinder Sran to counsel for the Receiver, dated June 21, 2016
- V. Letter from Balwinder Sran to counsel for the Receiver, dated July 4, 2016
- W. Email from counsel for the Receiver to Balwinder Sran, dated July 8, 2016
- X. Email from Balwinder Sran to counsel for the Receiver, dated July 11, 2016

- Y. Email chain between Balwinder Sran and counsel for the Receiver, dated July 13, 2016
- Z. Email from counsel for the Receiver to Balwinder Sran, dated July 25, 20216
- AA. Email from Balwinder Sran to counsel for the Receiver, dated July 26, 2016 (with attachments)
- BB. Email from counsel for the Receiver to Balwinder Sran, dated August 9, 2016
- CC. Email from Balwinder Sran to counsel for the Receiver, dated August 15, 2016 (with attachments)
- DD. Email from counsel for the Receiver to Balwinder Sran, dated August 16, 2016
- EE. Email from Balwinder Sran to counsel for the Receiver, dated August 16, 2016
- FF. Notice of Default, dated September 9, 2016

## I. Purpose of this Report

1. This Report is filed in support of an *ex parte* motion by msi Spergel inc., in its capacity as court-appointed receiver (in such capacity, the “**Receiver**”) of Banners Broker International Limited (“**BBIL**”) and Stellar Point Inc. (“**Stellar Point**”), for an order freezing two bank accounts that received funds transferred in violation of a *Mareva* order granted by the Honourable Mr. Justice Newbould on May 31, 2016 (“**Mareva Order**”), as continued by this Court on June 7, 2016 (“**Mareva Continuation Order**”).

2. The *Mareva* Order restrained Kuldip Josun (“**Josun**”) from, among other actions, removing, dissipating, alienating, transferring, or dealing with any of his assets. After learning of the *Mareva* Order it appears that Josun dissipated over \$50,000 in assets in violation of the order, including by transferring \$8,850 to two bank accounts held by his daughter, and former Stellar Point employee, Tara Reeves (“**Reeves**”).

3. The Receiver accordingly seeks an order freezing the two bank accounts held by Reeves (“**Reeves Bank Accounts**”) with Canadian Imperial Bank of Commerce (“**CIBC**”) and the Toronto Dominion Bank (“**TD Bank**”), that received the dissipated funds pending the final disposition of the Receiver’s action against Josun. Without the relief sought, the Receiver believes it is likely that assets will be further dissipated or transferred abroad and that its right of recovery will be irreparably prejudiced.

4. The Receiver intends to bring a further motion, on notice to Josun, for an order declaring Josun in contempt of the *Mareva* Order.

5. This Eighth Report to Court should be read in conjunction with the Receiver’s Seventh Report to Court, dated May 30, 2016 (“**Seventh Report**”), which was filed in support of the Receiver’s motion for the *Mareva* Order.

## II. Josun's Contempt of the *Mareva* Order

6. As noted above, the *Mareva* Order was granted on May 31, 2016. The *Mareva* Order froze the assets of certain defendants to litigation commenced by the Receiver including Josun. The litigation was commenced by the Receiver on behalf of the insolvent corporations BBIL and Stellar Point and their creditors. The action seeks the recovery of over \$100 million in damages for negligent and/or fraudulent misrepresentation, conspiracy, conversion, breach of fiduciary duties, breach of contract, negligence and oppression contrary to the *Canada Business Corporations Act* R.S.C. 1985, c. C-44 (the "**CBCA**"), as well as punitive damages, disgorgement and restitutionary remedies arising from the alleged misappropriation of millions of dollars in affiliate funds by, among others, Josun and certain Banners Broker associated corporations under his ownership and control ("**Litigation**")

7. After serving the financial institutions named in the order with a copy of the same, and ensuring that the named financial institutions had frozen the bank accounts of the subjects of the *Mareva* Order, the Receiver served the defendants, including Josun, with a copy of the *Mareva* Order and the Receiver's motion record for the same. Attached hereto as **Appendix "A"** is a copy of the *Mareva* Order.

8. Initial attempts to serve Josun personally with the *Mareva* Order and related materials were unsuccessful.

9. However, on the morning of June 2, 2016, Josun called counsel for the Receiver regarding the fact that CIBC had frozen his bank accounts. Counsel for the Receiver advised Josun of the *Mareva* Order. At Josun's request the *Mareva* Order and related motion record were sent to him via email that day.

10. On June 7, 2016, at the comeback date fixed in the *Mareva* Order, Josun appeared in person to oppose the continuation of the *Mareva* Order. Josun contended during the hearing

that he had nothing to do with Banners Broker and that he did not have any assets. Josun did not file evidence or request an adjournment to obtain counsel although this Court invited him to do so.

11. Despite Josun's protestations, the Honourable Madam Justice Swinton continued the *Mareva* Order and noted in her endorsement that there is a "strong *prima facie* case of fraud, breach of fiduciary duty and oppression by the defendants and there is a genuine risk of disappearance of assets if the *Mareva* is not continued." A copy of Justice Swinton's endorsement is attached as **Appendix "B"**.

12. Although Josun was aware of the *Mareva* Order and its effects on June 2, 2016, he did not abide by the order. Starting on June 2, 2016, there is evidence that Josun transferred, removed and otherwise dissipated at least \$50,000 in assets held by him in direct contravention of the *Mareva* Order.

13. At the time of obtaining the *Mareva* Order, the Receiver had identified bank accounts at CIBC, Royal Bank of Canada ("**RBC**"), TD Bank, President's Choice Financial Group and CIM Banque that were held by Josun. The Receiver did not have any evidence that Josun held bank accounts at any other financial institutions. As a result, the *Mareva* Order was served on the aforementioned financial institutions.

14. After conducting a detailed review and analysis of records produced by the financial institutions listed above pursuant to the *Mareva* Order, the Receiver learned that Josun may also hold bank accounts with Scotiabank and credit cards with Capital One and the Hudson's Bay Company ("**HBC**"). Upon learning this information, the Receiver served the *Mareva* Order on Scotiabank on July 25, 2016, and on Capital One on July 29, 2016 (the HBC credit card is operated by Capital One). The Receiver also served the *Mareva* Order on Bank of Montreal on July 28, 2016, as a precaution. Copies of the letters from counsel for the Receiver serving

Scotiabank, Capital One and Bank of Montreal with the *Mareva* Order are attached as **Appendices “C”, “D”, “E”, and “F”** respectively.

15. Scotiabank responded to the *Mareva* Order by letter dated August 9, 2016, and advised the Receiver that it had frozen all accounts held by Josun with Scotiabank and provided the Receiver with records for those bank accounts and credit cards held by Josun with Scotiabank. A copy of the August 9, 2016 letter from Scotiabank, without enclosures, is attached hereto as **Appendix “G”**.

16. The Receiver responded to Scotiabank by letter dated August 12, 2016, and requested supporting documents for certain of the transactions contained in the Scotiabank account statements. Scotiabank provided those supporting documents by letter dated September 7, 2016. Copies of the August 12, 2016 letter from counsel for the Receiver and the September 7, 2016 letter from Scotiabank are attached as **Appendices “H”, and “I”,** respectively.

17. The account records produced by Scotiabank indicate that Josun transferred approximately \$40,000 out of his Scotiabank account to third parties. The largest recipient of these funds is his daughter, Reeves.

18. With respect to the transfers to Reeves, it appears that after learning of the *Mareva* Order on the morning of June 2, 2016, and receiving a copy of the same via email later that day, Josun e-transferred \$2,350 to Reeves at 11:04 pm. Reeves deposited the funds in an account held with CIBC on June 3, 2016. A copy of the email money transfer is attached as **Appendix “J”**.

19. As well, on June 3, 2016, Josun purchased a \$6,500 bank draft in Reeves’s name, which was deposited into a bank account with TD Bank. A copy of the money order is attached as **Appendix “K”**.

20. Based on the timing and amount of these transfers, the Receiver believes that the transfers to the Reeves Bank Accounts were made to avoid the *Mareva* Order.

21. Other significant payments from Josun's account with Scotiabank made after the date of the *Mareva* Order include \$13,000 in credit card payments, \$7,582 in cash withdrawals, a \$5,000 bank draft made out to GM Financial, \$1,664 in loan payments, and \$1,027 for travel. Copies of Josun's Scotiabank account statements are attached as **Appendix "L"**. A chart summarizing the Scotiabank account statements is attached as **Appendix "M"**.

22. In addition to the \$39,386 Josun transferred from his Scotiabank account, Josun took \$3,000 in cash advances and made \$3,600 in purchases on his Scotiabank American Express credit card after learning of the *Mareva* Order. Copies of Josun's account statements for his Scotiabank American Express credit card are attached as **Appendix "N"**.

23. With respect to the Capital One and HBC credit cards, Capital One responded to the Receiver's July 29, 2016 letter on August 16, 2016, and confirmed that Josun's Capital One and HBC credit cards had been frozen. A copy of the August 16, 2016 letter from Capital One is attached as **Appendix "O"**.

24. Although Capital One had confirmed that it had frozen the two credit cards, it had not included account statements for the cards with its August 16, 2016 letter. The Receiver reiterated its request for account statements by letter dated August 23, 2016. A copy of the August 23, 2016 letter from counsel for the Receiver to Capital One is attached as **Appendix "P"**.

25. Capital One provided account statements for the two credit cards by letter dated September 19, 2016. A copy of the September 19, 2016 letter from Capital One, without enclosures, is attached as **Appendix “Q”**.<sup>1</sup>

26. Account statements for the Capital One credit card indicate that Josun charged \$5,662 after learning of the *Mareva*. This includes \$3,189 in hotel charges, \$1,893 in travel expenses, and \$915 in charges described as “OLG Slots Cash Advance”. Copies of Josun's Capital One credit card statements are attached as **Appendix “R”**.

27. The Receiver notes that the terms of the *Mareva* Order permit Josun to negotiate a carve out for ordinary living expenses. Although Josun indicated that he wanted the order varied, he did not respond to the documentary requests made by the Receiver. The Receiver asked for responses to these requests before the Receiver would consider agreeing to vary the *Mareva* Order.

28. Josun has also failed to comply with the *Mareva* Order by not providing the Receiver with a sworn statement of the nature, value and location of his assets worldwide

### **III. Meetings and Correspondence with Josun**

29. This section of the Eighth Report provides a detailed synopsis of meetings and correspondence between the Receiver and its counsel and Josun and his counsel in the weeks following the grant of the *Mareva* Order. All relevant non-privileged correspondence is attached to the report. This correspondence is provided in fulfillment of the Receiver's obligation to make full disclosure on a motion of this nature.

30. On June 16, 2016, two weeks after learning of the *Mareva* Order and nine days after the continuation hearing for the same, Josun wrote to counsel for the Receiver asking how he could

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<sup>1</sup> Capital One has not yet produced complete copies of the HBC credit card statements. The Receiver is pursuing production of the same.



release the bank accounts that were frozen pursuant to the *Mareva* Order. Attached as **Appendix “S”** is a copy of the June 16, 2016 email from Josun.

31. Counsel for the Receiver responded by letter dated June 21, 2016. Counsel for the Receiver reiterated its position that Josun should retain counsel. Further, counsel for the Receiver noted that before the Receiver would consider releasing any funds subject to the *Mareva* Order to Josun, he would first need to comply with the *Mareva* Order including by providing a sworn statement of assets and liabilities, and would need to provide additional disclosure to the Receiver including bank statements from December 1, 2015 to May 31, 2016, for all accounts listed in the *Mareva* Order. A copy of the June 21, 2016 letter from counsel for the Receiver is attached as **Appendix “T”**.

32. That same date, June 21, 2016, Balwinder Sran (“**Balwinder**”) contacted counsel for the Receiver to advise that he had been retained by Josun and would file a “Change of Representation soon”. Attached hereto and marked as **Appendix “U”** is a copy of the June 21, 2016 email.

33. As of the date of this report, Balwinder has not gone on record by serving a notice of intent to defend on the Receiver.

34. On July 4, 2016, four days after the court ordered deadline for Josun to provide a sworn statement of assets and liabilities to the Receiver, Balwinder wrote to the Receiver and requested a further 40 days to file the sworn statement and provide documentary disclosure to the Receiver. Despite the fact that Josun had not complied with the court ordered deadline and, unbeknownst to the Receiver, had transferred thousands of dollars from bank accounts subject to the *Mareva* Order, Josun requested that the Receiver agree to unfreeze \$25,376 of his assets. Attached hereto as **Appendix “V”** is a copy of the July 4, 2016 letter from Balwinder.

35. On July 8, 2016, counsel for the Receiver responded via email to the July 4, 2016 letter from Balwinder. Counsel for the Receiver requested that Balwinder confirm who he represented in the Litigation. Counsel for the Receiver also advised, once again, that Josun was in violation of the *Mareva* Order by failing to provide a sworn statement of his assets and liabilities. Counsel for the Receiver also reiterated the Receiver's request for documentary disclosure that had been made in the June 21, 2016 letter. Finally, counsel for the Receiver invited Josun and Balwinder to its offices for a meeting. Attached hereto as **Appendix "W"** is a copy of the July 8, 2016 email from counsel for the Receiver.

36. On July 11, 2016, Balwinder responded to the Receiver's invitation for a meeting and advised of Josun's availability for the same. Attached hereto as **Appendix "X"** is a copy of the July 11, 2016 email from Balwinder.

37. On July 13, 2016, counsel for the Receiver advised that the Receiver was available for a meeting on July 29, 2016. Balwinder confirmed later that day that this timing also worked for Josun. Attached hereto as **Appendix "Y"** is a copy of the July 13, 2016 email exchange between Balwinder and counsel for the Receiver.

38. On July 25, 2016, counsel for the Receiver again wrote to Balwinder and requested that Josun provide the requested documentary disclosure in advance of the July 29, 2016 meeting. Counsel for the Receiver also advised that Josun, World Web Media Inc. and Real Profit Limited, all defendants in the Litigation, were in default of their obligation to deliver a defence and that Josun remained in breach of the *Mareva* Order as Josun had not provided a sworn statement of assets and liabilities. Counsel for the Receiver advised that if Josun did not deliver a defence and a sworn statement of assets by July 29, 2016, the Receiver would note Josun in default and pursue contempt proceedings against him for violation of the *Mareva* Order. Attached hereto as **Appendix "Z"** is a copy of the July 25, 2016 email from counsel for the Receiver.

39. On July 26, 2016, Balwinder provided the Receiver with a small number of documents that effectively provided a summary of the balances of certain bank accounts held by Josun with CIBC, RBC, Scotiabank, PC Financial, Canadian Tire Bank, Capital One, HBC, and a copy of Josun's credit report. Importantly, the incomplete statement for Josun's Capital One Gold MasterCard indicated that Josun had potentially violated by the *Mareva* Order by making a \$1,700 payment towards the balance owing on the card on June 17, 2016, more than two weeks after he had learned of the order and the day after he had requested that the Receiver unfreeze his accounts. Attached hereto as **Appendix "AA"** is a copy of the July 26, 2016 email from Balwinder with attachments.

40. On July 29, 2016, the Receiver and its counsel met with Josun and Balwinder at the offices of the Receiver's counsel. The meeting was without prejudice because it involved settlement discussions. The contents of the discussion during the meeting is not otherwise relevant to the within motion.

41. On August 9, 2016, counsel for the Receiver wrote to Balwinder and requested that Josun advise of his position on the settlement discussions that occurred during the July 29, 2016 meeting. Counsel for the Receiver also again requested that Balwinder go on the record for whichever defendants in the Litigation he was retained to represent. Attached hereto as **Appendix "BB"** is a copy of the August 9, 2016 email from counsel for the Receiver.

42. On August 15, 2016, Balwinder provided the Receiver with additional banking records for Josun via email. These banking records indicate that Josun transferred approximately \$40,000 from the Scotiabank account after learning of the *Mareva* Order. Despite the fact that these banking records evidenced Josun's contempt of the *Mareva* Order, Balwinder advised that he would bring a motion to release two of Josun's bank accounts so that Josun could use the accounts for his "day to day ordinary living expenses and fees". Balwinder also advised that he had been retained by Josun for the "limited" purpose of bringing that motion and requested

the Receiver's position on the same. Balwinder considered his email "24 hours advance notice" to bring the motion and stated that he would bring a motion to vary the *Mareva* Order that week "after 24 hours from today or in next week [sic]." Attached hereto as **Appendix "CC"** is a copy of the August 15, 2016 email from Balwinder.

43. On August 16, 2016, counsel for the Receiver responded to Balwinder's August 15, 2016 email and advised that the Receiver could not provide a position on Josun's proposed motion without first seeing the materials. Counsel for the Receiver also reiterated that the Receiver would not agree to a carve out for ordinary living and legal expenses from the *Mareva* Order until Josun provided the disclosure that had first been requested by the Receiver nearly two months prior on June 21, 2016. Counsel for the Receiver also noted that Josun had breached the *Mareva* Order by transferring \$40,000 from his bank account with Scotiabank after the *Mareva* Order. Counsel for the Receiver further stated that the Receiver would raise Josun's contempt, as well as Josun's other breaches of the *Mareva* Order, on any motion brought by Josun to vary the same. Finally, counsel for the Receiver advised that the alleged notice of the motion provided by Balwinder was insufficient under the *Mareva* Order. Attached hereto as **Appendix "DD"** is a copy of August 16, 2016 email from counsel for the Receiver.

44. Later that same date Balwinder responded that he would provide motion materials to the Receiver at least four days prior to any hearing. Attached hereto as **Appendix "EE"** is a copy of the August 16, 2016 email from Balwinder.

45. As of the date of the Eighth Report, Josun has not brought a motion to vary the *Mareva* Order. Further, Josun has failed to defend the Litigation and was noted in default by the Receiver on September 9, 2016. Attached hereto as **Appendix "FF"** is a copy of the Notice of Default.

46. So as to provide full disclosure to the Court, the Receiver has reached an agreement with Dixit to vary the *Mareva* Order.

**V. Ex Parte Nature of Motion**

47. The Receiver seeks an order freezing the Reeves Bank Accounts on the basis of this Court's finding of a strong *prima facie* case of fraud and oppression (and related claims of wrong-doing) committed by Josun and his contempt of the *Mareva* Order.

48. In all of the above circumstances, the Receiver believes that Josun has dissipated, concealed, transferred and otherwise conveyed assets for the purpose of not only evading the Plaintiff's recovery, but also the reach of the *Mareva* Order. This is demonstrated by, among other things:

- (a) Josun's breach of this Court's *Mareva* Order by:
  - i. transferring \$8,850 to the Reeves Bank Accounts after learning of the order;
  - ii. transferring and/or dissipating over \$42,000 in assets after learning of the order; and
  - iii. failing to provide a sworn statement of assets and liabilities within 30 days of the grant of the order.
- (b) Josun's maintenance of bank accounts in foreign jurisdictions, such as Switzerland.

49. The nature of the motion and the circumstances surrounding the motion make service of court materials at this time impracticable because it would be genuinely impossible to give notice to Reeves and Josun, who has violated the *Mareva* Order, without defeating the purpose of the order sought.

50. In these circumstances, the Receiver is concerned that if notice were provided to Josun or Reeves of the within motion they would have motive and opportunity to move any funds remaining in the Reeves Bank Accounts beyond the reach of the Receiver and outside of the jurisdiction of this Court. Josun has already demonstrated the capacity and inclination to systematically transfer funds abroad and violate this Court's orders.

## **VI. Full Disclosure**

51. The Receiver has made full and frank disclosure of all material facts. The supporting evidence for this motion was collected by the Receiver through materials produced in response to the *Mareva Order* and the cross-border insolvency proceedings in respect of Banners Broker and the receiverships of BBIL and Stellar Point granted in the context of those proceedings. Josun was invited to participate in those proceedings.

52. The Receiver's previous reports to the Court, which describe all of the activities and conclusions of the Receiver from its appointment in August 2014 to date were attached to the Seventh Report. Copies of these materials have been made available to Josun and can be publicly accessed from the Receiver's website: <http://www.spergel.ca/banners>.

## **VII. Timing**

53. The Receiver has brought this motion as expeditiously as possible in the circumstances. The Receiver only learned of Josun's Scotiabank account in late July 2016. The Receiver did not receive the documents from Scotiabank that indicated Josun had transferred funds from the Scotiabank account to the Reeves Bank Accounts until mid-September 2016. Thus, the Receiver did not know that Josun had used the Reeves Bank Accounts to avoid and otherwise violate the *Mareva Order* until mid-September 2016.

**VIII. Undertaking**

54. The Receiver undertakes to abide by any order concerning damages that this Honourable Court may make if it ultimately appears that granting the relief sought on the motion causes damages for which the Receiver ought to compensate Josun and/or Reeves.

**IX. Recommendations**

55. Based upon the foregoing, the Receiver respectfully requests that this Honourable Court issue an order:

- (a) in the form attached to the Receiver's Notice of Motion as Schedule "A" for an order freezing the Reeves Bank Accounts;
- (b) scheduling the return date for the continuation of the order before it expires and appointing a judge to remain seized of these motions; and
- (c) such further and other relief as this Honourable Court may deem just.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED** this 9th day of December, 2016.

**msi Spergel inc.,**  
Court-appointed Receiver of  
Banners Broker International Limited



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Per: Philip H. Gennis, J.D., CIRP, LIT

## APPENDIX “J”



Court File No. CV-14-10663-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
R.S.C. 1985, c. B-3, AS AMENDED**

**AND IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990,  
c. C-43**

**AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE ISLE OF MAN WITH  
RESPECT TO BANNERS BROKER INTERNATIONAL LIMITED**

**AND IN THE MATTER OF THE RECEIVERSHIP OF STELLAR POINT INC.**

**APPLICATION OF MILES ANDREW BENHAM AND PAUL ROBERT APPLETON, IN THEIR  
CAPACITY AS JOINT LIQUIDATORS OF BANNERS BROKER INTERNATIONAL LIMITED,  
UNDER PART XIII OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CROSS-BORDER  
INSOLVENCIES)**

**AFFIDAVIT OF PHILIP H. GENNIS  
(sworn May 9, 2017)**

**I PHILIP H. GENNIS, of the Town of Markham, in the Province of Ontario, MAKE OATH  
AND SAY:**

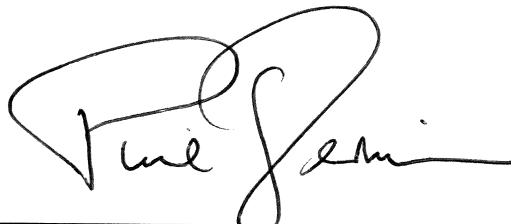
1. I am a Licensed Insolvency Trustee with msi Spergel inc. ("**MSI**"), the court appointed Receiver (the "**Receiver**") in the within proceeding. As such I have knowledge of the matters hereinafter deposed to.
2. MSI was appointed as Receiver by Order of the Honourable Justice Matheson of the Ontario Superior Court of Justice (the "**Court**") dated August 22, 2014.
3. In connection with the receivership for the period from September 1, 2016 to and including March 31, 2017 fees of \$191,988.75 exclusive of sales taxes were charged by MSI as detailed in the Bill of Costs apprehended hereto and marked as **Exhibit "A"** to this my Affidavit. This represents 425.65 hours at an effective hourly rate of \$451.05.
4. To the best of my knowledge the rates charged by MSI in connection with acting as Receiver are comparable to the rates charged by other firms in the Toronto market for the provision of similar services.

5. I make this affidavit for no improper purpose.

SWORN BEFORE ME at the City of  
Toronto, in the Province of Ontario, on  
the 9th day of May, 2017.

  
A Commissioner for Taking Affidavits

Barbara Eileen Sturge, a Commissioner, etc.,  
Province of Ontario, for msi Spergel inc. and  
Spergel & Associates inc.  
Expires September 21, 2019.

  
PHILIP H. GENNIS

This is **Exhibit "A"** referred to in the affidavit of **PHILLIP H. GENNIS** sworn before me in the City of Toronto, in the Province of Ontario, this 9th day of May, 2017.

*B. Eileen Sturge*  
.....  
A Commissioner For Taking Affidavits

Barbara Eileen Sturge, a Commissioner, etc.,  
Province of Ontario, for msi Spergel inc. and  
Spergel & Associates inc.  
Expires September 21, 2019.

## Filters Used:

- Time Entry Date: 9/01/2016 to 3/31/2017
- File ID: AABBL-R: to AABBL-R:

## Detailed Time Dockets

Printed on: 5/08/2017

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## File Name (ID): Banners Broker International Limited (AABBL-R:)

| Day                             | Date       | Memo   | B-Hrs       | B-Rate   | Amount          |
|---------------------------------|------------|--|-------------|----------|-----------------|
| <b>Alan Spergel (ASP)</b>       |            |  |             |          |                 |
| Thur                            | 12/22/2016 | Update from Phil Gennis/Gillian Goldblatt re: status from Isle of Mann to Canada and approve 2 payments to closeout. | 0.50        | \$575.00 | \$287.50        |
| Thur                            | 01/05/2017 | Administration of trust funds.   | 0.20        | \$575.00 | \$115.00        |
| <b>Alan Spergel (ASP)</b>       |            |  | <b>0.70</b> |          | <b>\$402.50</b> |
| <b>Deborah Hornbostel (DHO)</b> |            |  |             |          |                 |
| Mon                             | 10/24/2016 | Administration of trust funds.   | 0.10        | \$600.00 | \$60.00         |
| Wed                             | 11/23/2016 | Administration of trust funds.   | 0.10        | \$600.00 | \$60.00         |
| Tues                            | 11/29/2016 | Administration of trust funds.   | 0.10        | \$600.00 | \$60.00         |
| Tues                            | 12/20/2016 | Administration of trust funds.   | 0.10        | \$600.00 | \$60.00         |
| Wed                             | 01/04/2017 | Administration of trust funds.   | 0.10        | \$600.00 | \$60.00         |
| Thur                            | 01/05/2017 | Administration of trust funds.   | 0.30        | \$600.00 | \$180.00        |
| Thur                            | 01/19/2017 | Administration of trust funds.   | 0.10        | \$600.00 | \$60.00         |
| Mon                             | 02/06/2017 | Administration of trust funds.   | 0.10        | \$600.00 | \$60.00         |
| Tues                            | 03/21/2017 | Telephone calls from Mark Ghobril, email to GG and PG summarizing the call   | 0.50        | \$600.00 | \$300.00        |
| <b>Deborah Hornbostel (DHO)</b> |            |  | <b>1.50</b> |          | <b>\$900.00</b> |
| <b>Frieda Kanaris (FKA)</b>     |            |  |             |          |                 |
| Tues                            | 01/31/2017 | Meet with GG and PG regarding claims process going forward.  | 0.30        | \$250.00 | \$75.00         |
| Mon                             | 02/06/2017 | Meeting with GG to discuss setting up spreadsheet; review and respond to emails.                                     | 0.50        | \$250.00 | \$125.00        |
| Wed                             | 02/08/2017 | Review and respond to creditor emails; update log.   | 0.50        | \$250.00 | \$125.00        |
| Thur                            | 02/09/2017 | Review and respond to emails; update creditor inquiry log.   | 0.40        | \$250.00 | \$100.00        |
| Mon                             | 02/13/2017 | Review and respond to creditor inquiries.  | 1.00        | \$250.00 | \$250.00        |
| Tues                            | 02/14/2017 | Review and respond to creditor inquiries.  | 0.40        | \$250.00 | \$100.00        |
| Wed                             | 02/15/2017 | Review and respond to creditor email inquiries.  | 0.30        | \$250.00 | \$75.00         |
| Wed                             | 02/22/2017 | Review emails and respond to 18 creditors, update creditor inquiry log.  | 1.10        | \$250.00 | \$275.00        |
| Thur                            | 02/23/2017 | Review and respond to creditor inquiries.  | 0.40        | \$250.00 | \$100.00        |
| Fri                             | 02/24/2017 | Review and respond to creditor inquiries, email and t/c; update log.   | 0.30        | \$250.00 | \$75.00         |
| Tues                            | 02/28/2017 | Review and respond to creditor inquiries, update creditor inquiry log.   | 0.90        | \$250.00 | \$225.00        |
| Wed                             | 03/01/2017 | Review and respond to creditor inquiries.  | 0.40        | \$250.00 | \$100.00        |
| Fri                             | 03/03/2017 | Review and respond to creditor inquiries; t/c from creditor.   | 0.30        | \$250.00 | \$75.00         |
| Tues                            | 03/07/2017 | Review emails and respond to creditor inquiries, update log.   | 0.60        | \$250.00 | \$150.00        |
| Thur                            | 03/09/2017 | Review and respond to creditor inquiries.  | 0.40        | \$250.00 | \$100.00        |
| Mon                             | 03/13/2017 | Review and respond to creditor inquiries via email; update to Gillian Goldblatt.                                     | 0.70        | \$250.00 | \$175.00        |
| Wed                             | 03/15/2017 | Review and respond to creditor inquiries via email and telephone.  | 1.30        | \$250.00 | \$325.00        |
| Thur                            | 03/16/2017 | Review and respond to  | 0.70        | \$250.00 | \$175.00        |
| Fri                             | 03/17/2017 | Review and respond to creditor inquiries via email.  | 0.40        | \$250.00 | \$100.00        |
| Mon                             | 03/20/2017 | Review and respond to creditor inquiries via email; update log.  | 0.90        | \$250.00 | \$225.00        |
| Wed                             | 03/22/2017 | Review and respond to creditor inquiries.  | 0.30        | \$250.00 | \$75.00         |
| Thur                            | 03/23/2017 | General  | 0.30        | \$250.00 | \$75.00         |
| Fri                             | 03/24/2017 | Review and respond to email creditor inquiries, update log.  | 0.20        | \$250.00 | \$50.00         |
| Tues                            | 03/28/2017 | Review and respond to creditor email inquiries; respond to t/c inquiry.  | 0.60        | \$250.00 | \$150.00        |
| Wed                             | 03/29/2017 | Review and respond to email creditor inquiries.  | 0.40        | \$250.00 | \$100.00        |
| Thur                            | 03/30/2017 | Review and respond to creditor inquiry.  | 0.10        | \$250.00 | \$25.00         |

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## Filters Used:

- Time Entry Date: 9/01/2016 to 3/31/2017
- File ID: AABBL-R: to AABBL-R:

## Detailed Time Dockets

Printed on: 5/08/2017

File Name (ID): Banners Broker International Limited (AABBIL-R:)

| Day                            | Date       | Memo   | B-Hrs                       | B-Rate       | Amount            |
|--------------------------------|------------|--|-----------------------------|--------------|-------------------|
| <b>Frieda Kanaris (FKA)</b>    |            |  |                             |              |                   |
| Fri                            | 03/31/2017 | Review and respond to creditor inquiries; update log.  | 0.20                        | \$250.00     | \$50.00           |
|                                |            |  | <b>Frieda Kanaris (FKA)</b> | <b>13.90</b> | <b>\$3,475.00</b> |
| <b>Gillian Goldblatt (GGO)</b> |            |  |                             |              |                   |
| Tues                           | 09/06/2016 | Review final statement of claims   | 1.40                        | \$300.00     | \$420.00          |
| Wed                            | 09/07/2016 | Lengthy meeting with counsel and PGE [REDACTED]  | 2.00                        | \$300.00     | \$600.00          |
| Thur                           | 09/08/2016 | Call with E. Craddock [REDACTED]<br>[REDACTED] review Confidentiality Agreement  | 1.10                        | \$300.00     | \$330.00          |
| Fri                            | 09/09/2016 | t/c with E. Craddock [REDACTED]  | 1.60                        | \$300.00     | \$480.00          |
| Wed                            | 09/14/2016 | Review of FoF and Glenroy Browne claim [REDACTED]<br>email to J. Martin [REDACTED] summary of Trust account to reconcile to My<br>Finance Dep't claim; begin review of Dixit Confidentiality Agreement and<br>Term Sheet Settlement. | 1.70                        | \$300.00     | \$510.00          |
| Thur                           | 09/15/2016 | reconcile summary of Trust account to Best statement of claim; vm to E.<br>Craddock [REDACTED].  | 1.20                        | \$300.00     | \$360.00          |
| Tues                           | 09/20/2016 | t/c with E. Craddock [REDACTED]  | 1.00                        | \$300.00     | \$300.00          |
| Tues                           | 10/11/2016 | Review of FoF, call with Jon Chaplin @ DRP re:analysis.  | 1.00                        | \$300.00     | \$300.00          |
| Thur                           | 10/13/2016 | Continued review of FoF, call with Jon Chaplin @ DRP re:analysis.  | 0.70                        | \$300.00     | \$210.00          |
| Tues                           | 10/18/2016 | Review first draft of second IoM report.   | 0.60                        | \$300.00     | \$180.00          |
| Wed                            | 10/19/2016 | Review final draft of second IoM report.   | 0.60                        | \$300.00     | \$180.00          |
| Thur                           | 10/20/2016 | Print and scan to counsel executed version of second IoM report.   | 0.40                        | \$300.00     | \$120.00          |
| Tues                           | 10/25/2016 | Review of Josun bank statements obtained through Mareva order; review<br>[REDACTED] review [REDACTED] from<br>counsel.   | 2.20                        | \$300.00     | \$660.00          |
| Wed                            | 10/26/2016 | Review of all Sept 2016 CSUT provided by Smith; update global listing of<br>accounts; [REDACTED] prepare<br>September 2016 dockets and invoice for JLS, email to JLS re:same.  | 3.20                        | \$300.00     | \$960.00          |
| Thur                           | 10/27/2016 | [REDACTED]   | 0.40                        | \$300.00     | \$120.00          |
| Mon                            | 10/31/2016 | Review of Receiver's Report, Notice of Motion, and Draft Mareva Order<br>re:Tara Josun.  | 1.70                        | \$300.00     | \$510.00          |
| Wed                            | 11/02/2016 | [REDACTED] Meeting with PGE and counsel.   | 1.50                        | \$300.00     | \$450.00          |
| Mon                            | 11/07/2016 | Various emails with counsel [REDACTED]   | 0.40                        | \$300.00     | \$120.00          |
| Wed                            | 11/16/2016 | t/c to counsel [REDACTED]  | 0.50                        | \$300.00     | \$150.00          |
| Mon                            | 11/21/2016 | prepare October invoice and dockets, send to DRP; review and prepare<br>cheque reqs for DRP, MBB, CBB, and Spergel for Sept & Oct.   | 3.90                        | \$300.00     | \$1,170.00        |
| Thur                           | 12/01/2016 | Meeting with counsel and Francis Best  | 4.00                        | \$300.00     | \$1,200.00        |
| Thur                           | 12/08/2016 | conference call with counsel [REDACTED] Follow-up on<br>payment of invoicing to JLS; f/u on CBB account statement;   | 2.30                        | \$300.00     | \$690.00          |
| Fri                            | 12/09/2016 | review of Parrot marketing statements re email from counsel [REDACTED]<br>[REDACTED] email with Berkeley re:MGI<br>registration, coordinate payment re:same.   | 2.10                        | \$300.00     | \$630.00          |
| Thur                           | 12/15/2016 | Attendance at Mareva Injunction.   | 2.00                        | \$300.00     | \$600.00          |
| Mon                            | 12/19/2016 | t/c with counsel [REDACTED] t/c with counsel and Tara Josun<br>[REDACTED].   | 1.50                        | \$300.00     | \$450.00          |
| Tues                           | 12/20/2016 | call with counsel [REDACTED] discuss s [REDACTED]<br>[REDACTED] review bank statements provided by CIBC and TD.  | 4.20                        | \$300.00     | \$1,260.00        |
| Wed                            | 12/21/2016 | Call with counsel [REDACTED] call with counsel and Tara<br>Reeves [REDACTED]   | 2.10                        | \$300.00     | \$630.00          |

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| Day                            | Date       | Memo  | B-Hrs | B-Rate   | Amount     |
|--------------------------------|------------|---|-------|----------|------------|
| <b>Gillian Goldblatt (GGO)</b> |            |   |       |          |            |
| Thur                           | 12/22/2016 | Attendance at Commercaill List re:Tara Reeves Freezing Order; discussions with PGE and SPO re:taking over claim process from UK receivers; draft adn send email regarding   | 3.20  | \$300.00 | \$960.00   |
| Wed                            | 01/04/2017 | emails with DRP, SPO and PGE relating to transitioning claims process; lengthy t/c with PGE and SPO re:same.  | 2.40  | \$300.00 | \$720.00   |
| Mon                            | 01/09/2017 | meeting with SPO re:transition of creditor claims to receiver; call with DRP and SPO re:same; further review of claim form, website copy, discussion with PGE re:proposed claims process; call with Epiq re:site shut down. | 4.90  | \$300.00 | \$1,470.00 |
| Tues                           | 01/10/2017 | review of draft proof of claim for with SPO; lengthy discussion with PGE re:claims process and protocol; email to CBB [REDACTED] review [REDACTED]  | 3.20  | \$300.00 | \$960.00   |
| Wed                            | 01/11/2017 | Final review and edit of draft POC and creditor communication with SPO to incorporate PGE changes;  | 2.20  | \$300.00 | \$660.00   |
| Thur                           | 01/12/2017 | lengthy call with counsel [REDACTED] draft email to DRP re:transition of claims intake; email to Epiq re:copy for old hosting page; various emails to PGE and Counsel [REDACTED]  | 3.60  | \$300.00 | \$1,080.00 |
| Fri                            | 01/13/2017 | draft, edit, and review copy for Spergel website relating to transition from IoM, Claims Process and FAQs; begin drafting Memo on [REDACTED] call with counsel and PGE [REDACTED]   | 6.80  | \$300.00 | \$2,040.00 |
| Mon                            | 01/16/2017 | Review and analyze updated creditor listing provided by DRP; correspond with Epiq re:December billing; various emails from counsel [REDACTED]   | 2.80  | \$300.00 | \$840.00   |
| Tues                           | 01/17/2017 | Call with counsel [REDACTED] call with DRP re:logistical transmission of claims; review of [REDACTED] begin drafting memo to file [REDACTED]  | 2.60  | \$300.00 | \$780.00   |
| Wed                            | 01/18/2017 | begin reviewing claims register sent by JLs; email to JLs re:register; Continue drafting memo to file [REDACTED] email to counsel [REDACTED] respond to various emails from DRP and counsel;                                | 4.40  | \$300.00 | \$1,320.00 |
| Thur                           | 01/19/2017 | calls with counsel [REDACTED] discussion with PGE re:claims issued and claims process   | 1.20  | \$300.00 | \$360.00   |
| Fri                            | 01/20/2017 | Meeting with counsel [REDACTED]   | 2.00  | \$300.00 | \$600.00   |
| Mon                            | 01/23/2017 | Review of FoF and supporting documentation in preparation for call with DRP tomorrow.   | 3.20  | \$300.00 | \$960.00   |
| Tues                           | 01/24/2017 | Call with DRP and PGE re:claims transfer, FoF, admin matters; t/c with PGE re:claims administration.  | 1.60  | \$300.00 | \$480.00   |
| Wed                            | 01/25/2017 | Review Eighth Report and banking records in preparation for examination of Tara Reeves; attend at examination of Tara Reeves.Parrot Marketing and Stellarpoint records in preparation for examination of Brea Hardowa.      | 5.10  | \$300.00 | \$1,530.00 |
| Thur                           | 01/26/2017 | Examination of Brea Hardowa; meeting with counsel [REDACTED]  | 5.00  | \$300.00 | \$1,500.00 |
| Fri                            | 01/27/2017 | email to Epiq re:site continuance; meeting with PGE and FKA re:claims administration; sort all emails to Banners inbox for FKA files.   | 1.10  | \$300.00 | \$330.00   |
| Mon                            | 01/30/2017 | Email to JLs re:notice contact details, adn send fully executed transition agreement; discussion with PGE re:claims administration.   | 1.40  | \$300.00 | \$420.00   |
| Tues                           | 01/31/2017 | Meeting with PGE, FKA, re:claims intake process; emails to IT re:setup of dedicated account; draft standard email response re:claims process; send to PGE for review.   | 1.80  | \$300.00 | \$540.00   |

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| Day                            | Date       | Memo  | B-Hrs | B-Rate   | Amount     |
|--------------------------------|------------|---|-------|----------|------------|
| <b>Gillian Goldblatt (GGO)</b> |            |   |       |          |            |
| Wed                            | 02/01/2017 | Various correspondence with JLs and PGE re:posting of Manx order and notice details, coordination of conference call; review final notice; emails re:Banners broker claims account setup and admin, review process; t/c with E. Craddock [REDACTED]   | 2.60  | \$400.00 | \$1,040.00 |
| Thur                           | 02/02/2017 | prepare schedule of payments from MGI and Parrot to prepare for meeting with Kraemars; Meeting with Mike and Patrick Kraemar; begin review of [REDACTED]  | 3.20  | \$400.00 | \$1,280.00 |
| Fri                            | 02/03/2017 | Call with E. Craddock [REDACTED]  | 2.70  | \$400.00 | \$1,080.00 |
| Mon                            | 02/06/2017 | t/c with JLs and PGE re:transition of administration, reseller claims, claims process; t/c with J. Chapin from DRP re:Fof review and finalization; review and co-ordination of final payments to JLs on Liquidator's account; review and coordinate payments to JLs for on-going services to Receiver; email re:same; meeting with FKA re:communications tracking and creditors claims; t/c with PGE re:reseller claims and communication with creditors; email to counsel re:draft posting for Epiq website. | 6.30  | \$400.00 | \$2,520.00 |
| Tues                           | 02/07/2017 | t/c with E. Craddock [REDACTED] begin review of [REDACTED]  | 3.50  | \$350.00 | \$1,225.00 |
| Wed                            | 02/08/2017 | Detailed review of Francis Best accounting logs; [REDACTED] t/c with counsel [REDACTED]   | 4.10  | \$350.00 | \$1,435.00 |
| Thur                           | 02/09/2017 | Analysis of [REDACTED] email [REDACTED] to E. Craddock; t/c with E. Craddock [REDACTED]   | 5.20  | \$350.00 | \$1,820.00 |
| Fri                            | 02/10/2017 | Review of Letter to Fogul re:Smith follow-up request and [REDACTED]   | 1.90  | \$350.00 | \$665.00   |
| Mon                            | 02/13/2017 | Detailed review [REDACTED]  | 2.60  | \$350.00 | \$910.00   |
| Tues                           | 02/14/2017 | Various emails to JLs re:payment of fees, COI reporting, and responses to creditors; review letter to COI; Discussions with SPO and FKA re:creditor communications.   | 1.60  | \$350.00 | \$560.00   |
| Fri                            | 02/17/2017 | Begin reviewing [REDACTED]  | 2.80  | \$350.00 | \$980.00   |
| Tues                           | 02/21/2017 | [REDACTED] to PGE & counsel; t/c with E. Craddock [REDACTED] Review of [REDACTED] prepare disbursements for Epiq, Platinum asset appraisals, and Counsel January 2017 fees.   | 6.80  | \$350.00 | \$2,380.00 |
| Wed                            | 02/22/2017 | review of [REDACTED] t/c with counsel [REDACTED] Begin drafting examination questions for Brea Hardowa based on [REDACTED] begin assembling and compiling exhibits for use in Hardowa examination.  | 5.90  | \$350.00 | \$2,065.00 |
| Thur                           | 02/23/2017 | Finish drafting examination questions for Brea Hardowa based [REDACTED] finish assembling and compiling exhibits for use in Hardowa examination; [REDACTED] to counsel [REDACTED].  | 3.60  | \$350.00 | \$1,260.00 |

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| Day                            | Date       | Memo  | B-Hrs         | B-Rate   | Amount             |
|--------------------------------|------------|---|---------------|----------|--------------------|
| <b>Gillian Goldblatt (GGO)</b> |            |   |               |          |                    |
| Fri                            | 02/24/2017 | Begin reviewing amended FoF documentation and supporting schedules as sent by J. Chaplin at DRP.  | 1.70          | \$350.00 | \$595.00           |
| Mon                            | 02/27/2017 | Detailed review of updated FoF documentation and reconciliations sent from DRP, t/c with J. CHaplin at DRP re:analysis and reconciliation.  | 5.20          | \$350.00 | \$1,820.00         |
| Tues                           | 02/28/2017 | Reconcile and summarize all payment processor summaries and tie to revised FoF from DRP; send same to DRP.  | 6.30          | \$350.00 | \$2,205.00         |
| Wed                            | 03/01/2017 | Lengthy t/c with J. Chaplin at DRP re: payment processor summaries, Telpay records, and post-receivership statements; detailed review of ACH transactional summaries [REDACTED] t/c with counsel [REDACTED] | 5.60          | \$350.00 | \$1,960.00         |
| Thur                           | 03/02/2017 | Continued Examination of Brea Hardowa.  | 5.40          | \$350.00 | \$1,890.00         |
| Fri                            | 03/03/2017 | Attendance at the Commercial List; Draft follow-up questions [REDACTED]   | 4.40          | \$350.00 | \$1,540.00         |
| Mon                            | 03/06/2017 | Review of [REDACTED], email to counsel [REDACTED] email to counsel [REDACTED]   | 2.70          | \$350.00 | \$945.00           |
| Tues                           | 03/07/2017 | lengthy t/c with J. CHaplin re:payment processor transactions on FoF; t/c with counsel [REDACTED] [REDACTED] email to counsel [REDACTED] emailto DRP re:FoF follow-up discussions.                          | 4.20          | \$350.00 | \$1,470.00         |
| Thur                           | 03/09/2017 | Continue preliminary analysis [REDACTED] prepare memo; lengthy meeting with counsel and PGE [REDACTED]  | 5.80          | \$350.00 | \$2,030.00         |
| Mon                            | 03/13/2017 | t/c with J/ CHaplin at DRP re:FoF analysis update; t/c with counsel [REDACTED]  | 2.00          | \$350.00 | \$700.00           |
| Tues                           | 03/14/2017 | correspondence with counsel and PGE [REDACTED]  | 1.20          | \$350.00 | \$420.00           |
| Wed                            | 03/15/2017 | Call with counsel [REDACTED] call with [REDACTED]   | 2.50          | \$350.00 | \$875.00           |
| Thur                           | 03/16/2017 | various calls and emails with counsel and PGE [REDACTED] review of statement of defence from M. Morgan, [REDACTED]  | 1.80          | \$350.00 | \$630.00           |
| Fri                            | 03/17/2017 | t/c and emails with counsel and PGE [REDACTED]  | 0.40          | \$350.00 | \$140.00           |
| Wed                            | 03/22/2017 | t/c with counsel and Lyndon Farrington  | 1.10          | \$350.00 | \$385.00           |
| Wed                            | 03/29/2017 | Review of World e Wallet Defense; email to counsel [REDACTED]   | 1.40          | \$350.00 | \$490.00           |
| <b>Gillian Goldblatt (GGO)</b> |            |   | <b>208.30</b> |          | <b>\$68,455.00</b> |
| <b>Harvey S. Lipman (HLI)</b>  |            |   |               |          |                    |
| Tues                           | 09/27/2016 | Administration of trust funds.  | 0.10          | \$575.00 | \$57.50            |
| Tues                           | 11/01/2016 | Administration of trust funds.  | 0.10          | \$575.00 | \$57.50            |

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|--------------------------------|------------|--|-------------------------------|-------------|-----------------|
| <b>Harvey S. Lipman (HLI)</b>  |            |  |                               |             |                 |
| Wed                            | 12/07/2016 | Administration of trust funds.   | 0.10                          | \$575.00    | \$57.50         |
|                                |            |  | <b>Harvey S. Lipman (HLI)</b> | <b>0.30</b> | <b>\$172.50</b> |
| <b>Haran Sivanathan (HSI)</b>  |            |  |                               |             |                 |
| Mon                            | 02/27/2017 | General  | 0.60                          | \$75.00     | \$45.00         |
|                                |            |  | <b>Haran Sivanathan (HSI)</b> | <b>0.60</b> | <b>\$45.00</b>  |
| <b>Inga Friptuleac (IFR)</b>   |            |  |                               |             |                 |
| Tues                           | 09/20/2016 | Issue cheque   | 0.20                          | \$50.00     | \$10.00         |
| Tues                           | 10/18/2016 | Collapse GIC   | 0.20                          | \$50.00     | \$10.00         |
| Mon                            | 10/24/2016 | Prepare cheques  | 0.80                          | \$50.00     | \$40.00         |
| Mon                            | 10/31/2016 | Issue cheque   | 0.20                          | \$50.00     | \$10.00         |
| Mon                            | 11/21/2016 | issue cheque   | 0.20                          | \$50.00     | \$10.00         |
| Mon                            | 11/28/2016 | Collapsing GIC;  | 0.40                          | \$50.00     | \$20.00         |
| Mon                            | 12/05/2016 | Issue cheque   | 0.20                          | \$50.00     | \$10.00         |
| Wed                            | 12/28/2016 | Collapsing GIC   | 0.20                          | \$50.00     | \$10.00         |
| Mon                            | 01/16/2017 | GIC collapsing; issue cheque   | 0.60                          | \$50.00     | \$30.00         |
| Mon                            | 01/30/2017 | Term Investments, Issue cheques  | 0.60                          | \$50.00     | \$30.00         |
| Mon                            | 02/06/2017 | Issue cheque, Term Investments, Redeem GIC.  | 1.00                          | \$50.00     | \$50.00         |
| Tues                           | 02/21/2017 | Issue cheques; Collapse GIC  | 0.60                          | \$50.00     | \$30.00         |
| Mon                            | 03/06/2017 | Issue cheque   | 0.20                          | \$50.00     | \$10.00         |
| Mon                            | 03/13/2017 | Prepare cheque   | 0.20                          | \$50.00     | \$10.00         |
| Mon                            | 03/20/2017 | Collapsing GIC   | 0.20                          | \$50.00     | \$10.00         |
|                                |            |  | <b>Inga Friptuleac (IFR)</b>  | <b>5.80</b> | <b>\$290.00</b> |
| <b>Jeff Adiken (JAD)</b>       |            |  |                               |             |                 |
| Tues                           | 01/31/2017 | Nov 4/16 - cheques   | 0.20                          | \$250.00    | \$50.00         |
|                                |            | Dec 21/16 - cheques  |                               |             |                 |
|                                |            | Jan 5/17 - cheques   |                               |             |                 |
|                                |            |  | <b>Jeff Adiken (JAD)</b>      | <b>0.20</b> | <b>\$50.00</b>  |
| <b>Phillip H. Gennis (PGE)</b> |            |  |                               |             |                 |
| Fri                            | 09/02/2016 | Reviewing email exchanges from UK and from Counsel; telephone discussion with David Ward.              | 1.25                          | \$600.00    | \$750.00        |
| Wed                            | 09/07/2016 | Meeting with Counsel.  | 2.50                          | \$600.00    | \$1,500.00      |
| Thur                           | 09/08/2016 | Email exchange with Counsel regarding [REDACTED]   | 0.75                          | \$600.00    | \$450.00        |
| Fri                            | 09/09/2016 | Conference call with UK and counsel.   | 1.00                          | \$600.00    | \$600.00        |
| Tues                           | 09/13/2016 | Telephone discussion with Paul Appleton.   | 0.50                          | \$600.00    | \$300.00        |
| Tues                           | 09/13/2016 | Review correspondence relative to [REDACTED]   | 1.00                          | \$600.00    | \$600.00        |
| Wed                            | 09/14/2016 | Telephone discussion with Counsel.   | 0.50                          | \$600.00    | \$300.00        |
| Tues                           | 09/27/2016 | Discussion with Counsel; general engagement oversight.   | 1.25                          | \$600.00    | \$750.00        |
| Fri                            | 09/30/2016 | Review correspondence from [REDACTED]  | 1.25                          | \$600.00    | \$750.00        |
| Wed                            | 10/05/2016 | Review correspondence to and from IOM regarding impending appearance before Deemster                   | 1.50                          | \$600.00    | \$900.00        |
| Thur                           | 10/06/2016 | Review further emails from IOM regarding next steps on application to move proceeding fully to Canada. | 0.75                          | \$600.00    | \$450.00        |
| Fri                            | 10/07/2016 | Telephone discussion with Counsel.   | 0.50                          | \$600.00    | \$300.00        |
| Tues                           | 10/18/2016 | Review and final revisions to IOM Report   | 1.50                          | \$600.00    | \$900.00        |
| Wed                            | 10/19/2016 | Telephone discussion with Counsel; email exchange with JL.   | 1.00                          | \$600.00    | \$600.00        |
| Thur                           | 10/20/2016 | Telephone discussion with Counsel.   | 0.75                          | \$600.00    | \$450.00        |
| Mon                            | 10/24/2016 | On-going preparation for attendance in IOM.  | 1.50                          | \$600.00    | \$900.00        |

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| Day                            | Date       | Memo  | B-Hrs | B-Rate   | Amount     |
|--------------------------------|------------|---|-------|----------|------------|
| <b>Phillip H. Gennls (PGE)</b> |            |   |       |          |            |
| Fri                            | 10/28/2016 | File review in advance of IOM hearing. Telephone discussions and email exchange with Counsel.   | 2.50  | \$600.00 | \$1,500.00 |
| Wed                            | 11/02/2016 | Meeting with Counsel.   | 1.50  | \$600.00 | \$900.00   |
| Sat                            | 11/05/2016 | Correspondence with Rajiv Dixit and with Vancouver liquidator.  | 0.75  | \$600.00 | \$450.00   |
| Sun                            | 11/06/2016 | Review of outstanding Smith undertakings and correspondence to Aird & Berlis in regards thereto.  | 1.25  | \$600.00 | \$750.00   |
| Tues                           | 11/08/2016 | Finalizing recovery of assets in the hands of Rajiv Dixit.  | 1.25  | \$600.00 | \$750.00   |
| Wed                            | 11/09/2016 | Review materials in advance of trip to UKL and interviews with membris of COI.  | 3.00  | \$600.00 | \$1,800.00 |
| Thur                           | 11/10/2016 | Review in advance of meeting in the UK and IOM.   | 2.50  | \$600.00 | \$1,500.00 |
| Mon                            | 11/14/2016 | Attend meetings in London; travel time  | 8.00  | \$600.00 | \$4,800.00 |
| Tues                           | 11/15/2016 | Attend meetings in London.  | 8.00  | \$600.00 | \$4,800.00 |
| Wed                            | 11/16/2016 | Attend meetings in London; meetings with Counsel in London.   | 4.00  | \$600.00 | \$2,400.00 |
| Thur                           | 11/17/2016 | Conference Call with Joint Liquidators and Counsel  | 1.75  | \$600.00 | \$1,050.00 |
| Wed                            | 11/23/2016 | Correspondence from JLS.  | 0.50  | \$600.00 | \$300.00   |
| Thur                           | 11/24/2016 | Draft response to JLS; email communication with Counsel.  | 0.50  | \$600.00 | \$300.00   |
| Tues                           | 11/29/2016 | Emails from Counsel.  | 0.50  | \$600.00 | \$300.00   |
| Wed                            | 11/30/2016 | Telephone discussion with BC Liquidator;  | 0.50  | \$600.00 | \$300.00   |
| Thur                           | 12/01/2016 | Meeting with Counsel for Receiver and Francis Best.   | 2.00  | \$600.00 | \$1,200.00 |
| Fri                            | 12/02/2016 | Telephone discussion with Vancouver Liquidator; email to Dixit's sister.  | 0.50  | \$600.00 | \$300.00   |
| Tues                           | 12/06/2016 | Review draft order from IOM proceedings.  | 0.75  | \$600.00 | \$450.00   |
| Tues                           | 12/06/2016 | Review draft materials wrt Josun Freezing Order   | 1.00  | \$600.00 | \$600.00   |
| Wed                            | 12/07/2016 | Conference call with Counsel; email [REDACTED]<br>[REDACTED] review [REDACTED]  | 4.50  | \$600.00 | \$2,700.00 |
| Thur                           | 12/08/2016 | Conference call with Counsel; email exchange with Counsel. Further conference call with Counsel for Receiver.   | 2.75  | \$600.00 | \$1,650.00 |
| Fri                            | 12/09/2016 | Review Josun Report and execute.  | 0.75  | \$600.00 | \$450.00   |
| Mon                            | 12/12/2016 | Email exchanges internal to oversight of engagement   | 1.75  | \$600.00 | \$1,050.00 |
| Wed                            | 12/14/2016 | Email exchange with GG and JL   | 0.50  | \$600.00 | \$300.00   |
| Thur                           | 12/15/2016 | Email exchanges with Counsel.   | 0.75  | \$600.00 | \$450.00   |
| Fri                            | 12/16/2016 | Email exchange with JL  | 0.75  | \$600.00 | \$450.00   |
| Sat                            | 12/17/2016 | Email exchanges with Counsel and Crown Attorney.  | 1.50  | \$600.00 | \$900.00   |
| Mon                            | 12/19/2016 | Various email exchanges with office, Counsel and JLS. Emails regarding [REDACTED]   | 1.00  | \$600.00 | \$600.00   |
| Tues                           | 12/20/2016 | Email exchange with GG regarding EPIQ   | 0.50  | \$600.00 | \$300.00   |
| Wed                            | 12/21/2016 | Telephone call with Auctioneer in Langley, BC., email to file regarding auction results; email from Cpounsel [REDACTED]   | 0.50  | \$600.00 | \$300.00   |
| Thur                           | 12/22/2016 | Review of emails; telephone discussion with GG and Counsel regarding [REDACTED] Assessing [REDACTED]<br>[REDACTED] setting up protocols for claims submissions. Email from Counsel regarding [REDACTED] | 1.25  | \$600.00 | \$750.00   |
| Fri                            | 12/23/2016 | Email exchange with Counsel.  | 0.50  | \$600.00 | \$300.00   |
| Fri                            | 12/23/2016 | Email from Counsel  | 0.10  | \$600.00 | \$60.00    |
| Wed                            | 12/28/2016 | Email exchange with EPIQ regarding claims process.  | 1.00  | \$600.00 | \$600.00   |
| Mon                            | 01/02/2017 | Email exchanges with UK   | 0.50  | \$600.00 | \$300.00   |
| Tues                           | 01/03/2017 | Email exchange; telephone discussion with Counsel [REDACTED]  | 0.75  | \$600.00 | \$450.00   |
| Wed                            | 01/04/2017 | Email exchange with UK and GG; telephone discussion with GG regarding EPIQ and claims process.  | 1.00  | \$600.00 | \$600.00   |

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| Day                            | Date | Memo | B-Hrs | B-Rate | Amount |
|--------------------------------|------|------|-------|--------|--------|
| <b>Phillip H. Gennls (PGE)</b> |      |      |       |        |        |

|      |            |  |      |          |            |
|------|------------|--|------|----------|------------|
| Thur | 01/05/2017 | email exchange with GG and PA; email from Counsel; review [REDACTED]   | 1.50 | \$600.00 | \$900.00   |
| Fri  | 01/06/2017 | Email exchange with UK Joint Liquidator.   | 0.50 | \$600.00 | \$300.00   |
| Mon  | 01/09/2017 | T/C with Counsel;  | 0.50 | \$600.00 | \$300.00   |
| Tues | 01/10/2017 | Emails between Receiver and UK; Emails between receive and EPIQ; telephone discussion with GG regarding claims process.  | 1.00 | \$600.00 | \$600.00   |
| Wed  | 01/11/2017 | Review of POCs; emails with Counsel for Receiver; emails to and from EPIQ regarding transition of claims process.  | 1.00 | \$600.00 | \$600.00   |
| Thur | 01/12/2017 | Emails regarding [REDACTED] emails regarding POCs and file transition issues.  | 1.25 | \$600.00 | \$750.00   |
| Fri  | 01/13/2017 | Emails to and from EPIQ, email exchange with GG regarding transition issues;   | 1.00 | \$600.00 | \$600.00   |
| Mon  | 01/16/2017 | Email exchange with Counsel regarding [REDACTED] email exchange with DRP and EPIQ; email with Counsel regarding [REDACTED]   | 2.00 | \$600.00 | \$1,200.00 |
| Tues | 01/17/2017 | Email exchange with EPIQ; meeting with GG regarding claims process; email exchange with DRP; email exchange with Counsel for Receiver and [REDACTED]                 | 1.50 | \$600.00 | \$900.00   |
| Wed  | 01/18/2017 | Email exchange with Join Liquidators; teleconference with Counsel.   | 1.50 | \$600.00 | \$900.00   |
| Thur | 01/19/2017 | Review of outstanding Statements of Claim  | 2.00 | \$600.00 | \$1,200.00 |
| Fri  | 01/20/2017 | Meeting with Counsel   | 2.00 | \$600.00 | \$1,200.00 |
| Mon  | 01/23/2017 | General oversight of engagement.   | 1.75 | \$600.00 | \$1,050.00 |
| Tues | 01/24/2017 | Teleconference with UK.  | 1.00 | \$600.00 | \$600.00   |
| Wed  | 01/25/2017 | Email from JLs; Review of Creditor Claims Spreadsheet; Email exchange with UK; review of email from GG to Paul Appleton; general management of engagement.           | 3.50 | \$600.00 | \$2,100.00 |
| Thur | 01/26/2017 | Email exchange with UK; email exchange with EPIQ   | 0.25 | \$600.00 | \$150.00   |
| Fri  | 01/27/2017 | Review and execute Transition Services and Assignment Agreement; review email from Chris Webb  | 1.00 | \$600.00 | \$600.00   |
| Mon  | 01/30/2017 | Email and correspondence from Counsel [REDACTED]   | 0.50 | \$600.00 | \$300.00   |
| Tues | 01/31/2017 | Receipt and review of several emails regarding transition issues; review of advertisement in UK press; general oversight of engagement                               | 1.50 | \$600.00 | \$900.00   |
| Wed  | 02/01/2017 | Review incoming emails; meeting with GG and FK regarding claims process; review key documents regarding World E-Wallet in advance of meeting on February 2nd.        | 2.50 | \$650.00 | \$1,625.00 |
| Fri  | 02/03/2017 | Review various [REDACTED] telephone discussions with Counsel.  | 3.50 | \$650.00 | \$2,275.00 |
| Mon  | 02/06/2017 | Review email exchanges with UK; conference call with UK Joint Liquidators;   | 1.50 | \$650.00 | \$975.00   |
| Tues | 02/07/2017 | on-going review of issued and unissued Statements of Claim; receipt and review of various email correspondence; on-going oversight of engagement                     | 3.00 | \$650.00 | \$1,950.00 |
| Wed  | 02/08/2017 | On-going oversight of engagement; receipt and response to numerous emails.   | 2.50 | \$650.00 | \$1,625.00 |
| Mon  | 02/13/2017 | Telephone call with Counsel; review of letter to [REDACTED]  | 2.50 | \$650.00 | \$1,625.00 |
| Wed  | 02/15/2017 | On-going oversight of engagement.  | 3.50 | \$650.00 | \$2,275.00 |
| Thur | 02/16/2017 | Engagement Oversight.  | 1.25 | \$650.00 | \$812.50   |
| Tues | 02/21/2017 | Review Draft Ninth Report; review and execute retainer agreement with DRP; email exchange with DRP and Counsel regarding [REDACTED] general oversight of engagement. | 3.75 | \$650.00 | \$2,437.50 |

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- File ID: AABBIL-R: to AABBIL-R:

Detailed Time Dockets

Printed on: 5/08/2017

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File Name (ID): Banners Broker International Limited (AABBIL-R:)

| Day                    | Date | Memo | B-Hrs | B-Rate | Amount |
|------------------------|------|------|-------|--------|--------|
| Philip H. Gennis (PGE) |      |      |       |        |        |

|                         |            |  |               |          |                     |
|-------------------------|------------|--|---------------|----------|---------------------|
| Wed                     | 02/22/2017 | email exchanges with UK; email exchange with Counsel; general oversight of engagement.   | 2.50          | \$650.00 | \$1,625.00          |
| Thur                    | 02/23/2017 | Email exchange with Counsel; email exchange with UK; telephone discussion with Counsel   | 1.75          | \$650.00 | \$1,137.50          |
| Fri                     | 02/24/2017 | Telephone discussion with [REDACTED] telephone discussion with Counsel; review of fee affidavit.   | 1.50          | \$650.00 | \$975.00            |
| Mon                     | 02/27/2017 | Telephone discussion with Counsel regarding [REDACTED] receipt and review of counsel revisions to ninth report and [REDACTED] review and execution of report and fee affidavit.  | 2.00          | \$650.00 | \$1,300.00          |
| Tues                    | 02/28/2017 | Email exchange with Counsel for RM and Counsel for Christopher Smith; review of motion record; lengthy telephone discussion with Counsel for RM and Counsel for Smith.   | 2.50          | \$650.00 | \$1,625.00          |
| Wed                     | 03/01/2017 | Review Counsel memorandum  | 1.25          | \$650.00 | \$812.50            |
| Wed                     | 03/01/2017 | Email from GG; review of transactional summary.  | 0.75          | \$650.00 | \$487.50            |
| Wed                     | 03/01/2017 | Review Motion Record   | 2.50          | \$650.00 | \$1,625.00          |
| Thur                    | 03/02/2017 | Attendance at offices of Counsel for Receiver.   | 4.00          | \$650.00 | \$2,600.00          |
| Fri                     | 03/03/2017 | Attendance before HHJ Wilton-Siegel.   | 2.00          | \$650.00 | \$1,300.00          |
| Tues                    | 03/07/2017 | Telephone discussion with Counsel; email exchanges with Counsel and GG; review of memorandum regarding [REDACTED] general oversight of engagement.   | 3.50          | \$650.00 | \$2,275.00          |
| Wed                     | 03/08/2017 | Miscellaneous telephone discussions with Counsel; general oversight of engagement  | 3.50          | \$650.00 | \$2,275.00          |
| Thur                    | 03/09/2017 | Attend meeting at Counsel's office; document review.   | 2.50          | \$650.00 | \$1,625.00          |
| Mon                     | 03/13/2017 | On-going oversight of engagement.  | 1.75          | \$650.00 | \$1,137.50          |
| Tues                    | 03/14/2017 | Review of issues surrounding [REDACTED] general oversight of engagement.   | 2.50          | \$650.00 | \$1,625.00          |
| Thur                    | 03/16/2017 | Review [REDACTED] email exchange with Counsel; general oversight of engagement   | 2.50          | \$650.00 | \$1,625.00          |
| Fri                     | 03/17/2017 | General engagement oversight; review Statement of Defence filed; on-going discussions regarding [REDACTED]   | 2.50          | \$650.00 | \$1,625.00          |
| Tues                    | 03/21/2017 | Review correspondence from [REDACTED] internal discussions and discussions with Counsel.   | 1.25          | \$650.00 | \$812.50            |
| Wed                     | 03/22/2017 | Conference call with Lyndon Farrington and Counsel; telephone discussion with Counsel; review of proposed email to Lyndon Farrington; telephone discussion with Mark Ghobril.  | 1.00          | \$650.00 | \$650.00            |
| Thur                    | 03/23/2017 | On-going document review; telephone discussion with Counsel; general oversight of engagement.  | 2.25          | \$650.00 | \$1,462.50          |
| Fri                     | 03/24/2017 | On-going file administration; telephone discussions with Counsel; telephone discussions and correspondence with [REDACTED] telephone discussions with creditor regarding potential claims process; emails to and from UK Liquidator. | 2.75          | \$650.00 | \$1,787.50          |
| Mon                     | 03/27/2017 | Review creditor data provided by CS; review of AB settlement.  | 3.00          | \$650.00 | \$1,950.00          |
| Tues                    | 03/28/2017 | Conference call with Counsel   | 0.50          | \$650.00 | \$325.00            |
| Tues                    | 03/28/2017 | Email exchange with UK and Counsel.  | 0.50          | \$650.00 | \$325.00            |
| Wed                     | 03/29/2017 | Review files [REDACTED]  | 2.50          | \$650.00 | \$1,625.00          |
| Wed                     | 03/29/2017 | Email from Counsel regarding [REDACTED]  | 0.25          | \$650.00 | \$162.50            |
| Wed                     | 03/29/2017 | Review Kraemer Statement of Defence.   | 1.00          | \$650.00 | \$650.00            |
| Thur                    | 03/30/2017 | Review flow of funds   | 2.50          | \$650.00 | \$1,625.00          |
| Fri                     | 03/31/2017 | Continued review of flow of funds.   | 2.75          | \$650.00 | \$1,787.50          |
| Phillip H. Gennis (PGE) |            |  | <u>187.60</u> |          | <u>\$116,747.50</u> |

**Selwyn Postan (SPO)**

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**Detailed Time Dockets**

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**File Name (ID): Banners Broker International Limited (AABIL-R:)**

| Day                        | Date | Memo | B-Hrs | B-Rate | Amount |
|----------------------------|------|------|-------|--------|--------|
| <b>Selwyn Postan (SPO)</b> |      |      |       |        |        |

|                                   |            |  |               |          |                     |
|-----------------------------------|------------|--|---------------|----------|---------------------|
| Wed                               | 01/04/2017 | Mtg and discussion re assisting and revue of claims and emails etc from UK data and worldwide creditors; Review msi claim form and UK Proof of Debt and the need to,simplify and consolidate   | 0.75          | \$215.00 | \$161.25            |
| Mon                               | 01/09/2017 | meeting with GGO re: creditor claims from UK to Cdn Receiver and monitoring process; call with OK to discuss; Prepare and review draft claim form and consolidate with UK Proof of Debt; Call to Epiq re: website transition and redirection to Cdn Receiver website | 2.25          | \$215.00 | \$483.75            |
| Tues                              | 01/10/2017 | Prepare and review draft claim form and consolidate with UK Proof of Debt and prepare draft Notice to Creditors; Various calls from international creditors re status  | 2.50          | \$215.00 | \$537.50            |
| Wed                               | 01/11/2017 | Revise Proof of Claim form and Notice for review by GGO and PGE  | 1.25          | \$215.00 | \$268.75            |
| <b>Selwyn Postan (SPO)</b>        |            |  | <b>6.75</b>   |          | <b>\$1,451.25</b>   |
| <b>Total for File ID AABBI-R:</b> |            |  | <b>425.65</b> |          | <b>\$191,988.75</b> |
| <b>Grand Total:</b>               |            |  | <b>425.65</b> |          | <b>\$191,988.75</b> |

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED  
AND IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C-43  
AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE ISLE OF MAN WITH RESPECT TO BANNERS BROKER INTERNATIONAL  
LIMITED  
AND IN THE MATTER OF THE RECEIVERSHIP OF STELLAR POINT INC.  
APPLICATION OF MILES ANDREW BENHAM AND PAUL ROBERT APPLETON, IN THEIR CAPACITY AS JOINT LIQUIDATORS OF BANNERS  
BROKER INTERNATIONAL LIMITED, UNDER PART XIII OF THE BANKRUPTCY AND INSOLVENCY ACT (CROSS-BORDER INSOLVENCIES)

Court File No. CV-14-10663-00CL

|  |  |
|--|--|
| <b>ONTARIO</b><br><b>SUPERIOR COURT OF JUSTICE -COMMERCIAL LIST</b><br><br>PROCEEDING COMMENCED AT TORONTO                               |  |
| <b>AFFIDAVIT OF PHILIP H. GENNIS</b>   |  |
| <b>Cassels Brock &amp; Blackwell LLP</b><br>2100 Scotia Plaza<br>40 King Street West<br>Toronto, ON M5H 3C2                              | <b>David S. Ward LSUC#: 33541W</b><br>Tel: 416-869-5960<br>Fax: 416-640-3154<br>dward@casselsbrock.com     |
|  | <b>Erin Craddock LSUC#: 62828J</b><br>Tel: 416.860.6480<br>Fax: 416.644.9324<br>ecraddock@casselsbrock.com |
| Lawyers for msi Spergel inc., in its capacity as court-appointed receiver of Banners Broker International Limited and Stellar Point Inc. |  |

## APPENDIX “K”

Court File No. CV-14-10663-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
R.S.C. 1985, c. B-3, AS AMENDED**

**AND IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990,  
c. C-43**

**AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE ISLE OF MAN WITH  
RESPECT TO BANNERS BROKER INTERNATIONAL LIMITED**

**AND IN THE MATTER OF THE RECEIVERSHIP OF STELLAR POINT INC.**

**APPLICATION OF MILES ANDREW BENHAM AND PAUL ROBERT APPLETON, IN THEIR  
CAPACITY AS JOINT LIQUIDATORS OF BANNERS BROKER INTERNATIONAL LIMITED,  
UNDER PART XIII OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CROSS-BORDER  
INSOLVENCIES)**

**AFFIDAVIT OF LARRY ELLIS  
(sworn May 9, 2017)**

I, Larry Ellis, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a lawyer with Cassels Brock & Blackwell LLP ("**Cassels**"), counsel to the applicant, msi Spergel, inc. in its capacity as court-appointed receiver of Banners Broker International Limited ("**BBIL**") and Stellar Point Inc. ("**Stellar Point**") and court-appointed investigatory receiver of certain entities affiliated with BBIL. As such, I have knowledge of the matters to which I depose except where stated to be on information and belief, and where so stated, I verily believe it to be true.
2. On August 22, 2014, the Honourable Madam Justice Matheson issued an Order appointing msi Spergel inc. as the Receiver of all of the assets, undertakings and property of BBIL.



3. On April 8, 2016, the Honourable Mr. Justice Hainey issued an Order appointing msi Spergel inc. as the Receiver of all of the assets, undertakings and property of Stellar Point.

4. Between September 1, 2016 and March 31, 2017 Cassels charged fees and disbursements in the aggregate amount of \$944,188.93 plus applicable Harmonized Sales Tax. Attached as **Exhibit "A"** are true copies of these invoices.

5. Attached hereto and marked as **Exhibit "B"** is a summary of the lawyers whose services are reflected on the invoices, including year of call, hourly rate, and a summary of the total fees and hours billed.

6. Further, attached as **Exhibit "C"** is a summary of each invoice together with a calculation of the average hourly billing rates for the lawyers whose services are reflected thereon. The average hourly billed rate for this period of the engagement is \$579.45.

7. To the best of my knowledge, the rates charged by Cassels are comparable to the rates charged for the provision of similar services by other legal firms in the Toronto market.

8. This affidavit is made in support of a motion to, among other things, seek approval of the foregoing fees and disbursements as fair and reasonable.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, on the 8th day of May, 2017.



Commissioner for Taking Affidavits

*Erin Croadock*



LARRY ELLIS

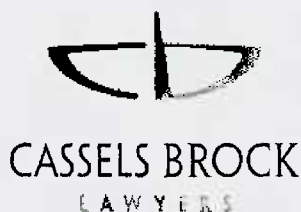
This is **Exhibit "A"** referred to in the affidavit  
of **LARRY ELLIS** sworn before me in the  
City of Toronto, in the Province of Ontario,  
this 9th day of May, 2017.

  
.....  
A Commissioner For Taking Affidavits

**EXHIBIT "A"**

**True Copy of Invoices issued by Cassels to Receiver.**

See attached.



MSI SPERGEL INC.  
ATTN: PHILIP H. GENNIS  
505 CONSUMERS ROAD  
SUITE 200  
TORONTO ON M2J 4V8

Date: 10/31/16  
Our File #: 045803-00002  
Invoice #: 1999084  
HST/GST #: R121379572

**Re: Banners Broker International Limited And 1587803 Ontario Limited**

TO PROFESSIONAL SERVICES RENDERED UP to and including SEPTEMBER 30, 2016 as described below:

| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 08/10/16 | Sophie Moher  | Read transcripts and receiver's report in preparation for [REDACTED]  | 4.00  |
| 08/11/16 | Sophie Moher  | Review of fifth report of MSI Spergel for [REDACTED] reviewed emails in Summation for upcoming meeting [REDACTED] | 4.80  |
| 08/12/16 | Sophie Moher  | Reviewed documents in Summation [REDACTED] met with E. Craddock to discuss [REDACTED]                             | 1.00  |
| 08/14/16 | Sophie Moher  | Reviewed cases for legal research on [REDACTED] for E. Craddock;  | 4.10  |
| 08/15/16 | Sophie Moher  | Met with E. Craddock regarding legal research [REDACTED] conducted further research [REDACTED]                    | 3.30  |
| 09/01/16 | Erin Craddock | Review documents in preparation for examination for discovery [REDACTED]  | 4.40  |

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.

**Cassels Brock & Blackwell LLP**

2100, Scotia Plaza, 40 King Street West, Toronto, Canada M5H 3C2  
Tel: 416.869.5300 Fax: 416.360.8877 www.casselsbrock.com



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| Date       | Lawyer        | Description   | Hours |
|------------|---------------|---|-------|
| 09/01/16   | David S. Ward | Review and finalize [REDACTED]<br>[REDACTED] revise and finalize correspondence to Aird & Berlis; emails with Receiver; receipt and review correspondence from Paul Appleton; review revised Confidentiality Agreement and revised Settlement Agreement and changes thereto; preparation of correspondence to Esmail Mehrabi;   | 1.90  |
| 09/01/16   | Jeremy Martin | Reviewing meeting agenda, [REDACTED]<br>[REDACTED]  | 0.60  |
| 09/01/16   | Larry Ellis   | Review draft of settlement terms sheet and [REDACTED] telephone conversation with client to discuss [REDACTED]<br>[REDACTED] review agenda for next weeks client meeting and [REDACTED] review letter from David Ward with respect to possible new litigation; review and consider email correspondence from client in connection with [REDACTED]; review correspondence from joint liquidators in connection with [REDACTED]<br>[REDACTED] consider [REDACTED]<br>[REDACTED]<br>[REDACTED] | 3.90  |
| 09/02/16   | Erin Craddock | Draft outline for examination for discovery [REDACTED]<br>[REDACTED] preparation for examination for discovery [REDACTED]<br>[REDACTED]   | 3.30  |
| [REDACTED] |               |   |       |
| 09/02/16   | David S. Ward | Correspondence from [REDACTED]<br>telephone discussion with Phil Gennis; meeting with and instructions to Erin Craddock regarding [REDACTED]<br>[REDACTED] discussion with Esmail Mehrabi;  | 1.20  |

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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 09/02/16 | Larry Ellis   | Telephone conversation with client to discuss [REDACTED]<br>[REDACTED]<br>review background information with respect to [REDACTED]<br>[REDACTED]   | 1.50  |
| 09/05/16 | Larry Ellis   | Consider email from the joint liquidators and discuss [REDACTED]<br>[REDACTED]; meeting with David Ward to [REDACTED]<br>[REDACTED] report back to the Isle of Man and the joint liquidators in connection with [REDACTED]<br>continue preparations for [REDACTED]<br>[REDACTED]   | 1.30  |
| 09/06/16 | David S. Ward | Call with Maxwell Morgan regarding production of outstanding documents; preparation of reply correspondence to Maxwell Morgan; discussion with Paul Appleton; receipt and review correspondence and blackline of Settlement Agreement and Confidentiality Agreement and review and revise correspondence with Esmail Mehrabi; preparation of correspondence to Chris Webb; meeting with Erin Craddock regarding [REDACTED] | 2.10  |
| 09/06/16 | Jeremy Martin | Reviewing [REDACTED]<br>[REDACTED]<br>[REDACTED]; review of draft<br>[REDACTED]  | 3.10  |



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| Date     | Lawyer                 | Description   | Hours |
|----------|------------------------|---|-------|
| 09/06/16 | Larry Ellis            | Consider communications with [REDACTED]<br>[REDACTED]<br>review and consider email correspondence with<br>attachments from the joint liquidators in<br>connection with [REDACTED]<br>respond to emails from the 20 liquidators in<br>connection with [REDACTED]<br>telephone conversation with the receiver to<br>[REDACTED]<br>[REDACTED] participate<br>in telephone call with Paul Appleton; review<br>updated settlement agreement and [REDACTED]<br>[REDACTED] review update to Isle of Man<br>counsel and consider [REDACTED]<br>[REDACTED]<br>[REDACTED]; meeting with David Ward to<br>[REDACTED] | 3.90  |
| 09/06/16 | Erin Craddock          | Review background materials in preparation for<br>[REDACTED]  | 5.40  |
| 09/07/16 | Erin Craddock          | Prepare for and attend BBIL team meeting<br>[REDACTED] draft letters to Paymaster<br>and First Data Canada;   | 6.00  |
| 09/07/16 | Jeremy Martin          | Attending team meeting; organizing priority<br>items;   | 2.10  |
| 09/07/16 | Jeremy Martin          | Reviewing Monetize and Vault Capital invoices;  | 0.20  |
| 09/07/16 | Christopher<br>Horkins | Prep for and attend BBIL team meeting and<br>discuss [REDACTED]<br>[REDACTED]<br>[REDACTED]   | 3.10  |
| 09/07/16 | Cathy Stallone         | Review [REDACTED] email to and from<br>Erin Craddock; instructions to J. Fish; upload<br>documents to FTP site; email to G. Glabholt;   | 1.10  |
| 09/07/16 | David S. Ward          | Emails and correspondence with Chris Webb<br>regarding [REDACTED]<br>preparation for and meeting with Canadian Team<br>[REDACTED]   | 2.10  |



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| Date     | Lawyer              | Description  | Hours |
|----------|---------------------|--|-------|
| 09/07/16 | Larry Ellis         | Review and consider email from Chris Webb in connection with [REDACTED]<br>[REDACTED] review communication from Harry Fogul in connection with updating and maintaining corporate status for certain banners related non-Canadian companies; review draft Confidentiality Agreement and [REDACTED]<br>[REDACTED] prepare for and participate in team meeting with respect to [REDACTED]<br>[REDACTED] work with Team to [REDACTED]<br>[REDACTED]<br>[REDACTED]; meeting with [REDACTED]<br>[REDACTED]; | 4.50  |
| 09/07/16 | Jeremy Martin       | Catching [REDACTED]<br>[REDACTED]  | 1.30  |
| 09/08/16 | Christopher Horkins | Prepare default materials to note Kuldip Josun in default on Mareva claim;   | 1.40  |
| 09/08/16 | Erin Craddock       | Review documents received from Scotiabank; instructions from David Ward regarding [REDACTED]<br>[REDACTED] prepare for examination for discovery of [REDACTED]   | 4.90  |
| 09/08/16 | David S. Ward       | Correspondence from [REDACTED]<br>preparation of correspondence to [REDACTED]<br>[REDACTED] discussion with Esmail Mehrabi and [REDACTED]<br>[REDACTED] telephone discussion with [REDACTED] meeting with Erin Craddock to [REDACTED]<br>[REDACTED]  | 1.40  |
| 09/08/16 | Jeremy Martin       | Preliminary research on [REDACTED]<br>[REDACTED]   | 2.00  |





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| Date     | Lawyer              | Description   | Hours |
|----------|---------------------|---|-------|
| 09/08/16 | Larry Ellis         | Review communication from [REDACTED]<br>[REDACTED]<br>review draft letter to paymaster and first data and<br>[REDACTED] review response from [REDACTED]<br>[REDACTED] work with Team [REDACTED]<br>[REDACTED]<br>[REDACTED] participate in team meeting to<br>[REDACTED] review affidavit of<br>service and requisition to note in default and<br>[REDACTED] multiple calls with client with<br>respect to [REDACTED]                                   | 4.10  |
| 09/09/16 | Christopher Horkins | Meet with D. Ward and E. Craddock [REDACTED]<br>[REDACTED] Finalize and submit requisition re noting<br>Josun in default;   | 1.90  |
| 09/09/16 | Erin Craddock       | Meeting with David Ward and Chris Horkins<br>regarding [REDACTED]<br>[REDACTED] [REDACTED] preparations for examination<br>[REDACTED]   | 5.20  |
| 09/09/16 | David S. Ward       | Draft and revise Settlement Agreement with dixit<br>defendants [REDACTED] draft and revise<br>Confidentiality Agreement Dixit Defendants;<br>receipt and review [REDACTED]<br>[REDACTED]<br>[REDACTED] conference call<br>with Joint Liquidators and Receiver regarding<br>[REDACTED] meeting with Erin Craddock<br>and Chris Horkins regarding [REDACTED]<br>[REDACTED] correspondence form<br>[REDACTED] telephone<br>discussion with Esmail Mehrabi; | 2.40  |
| 09/09/16 | Larry Ellis         | Review revised draft term settlement and<br>[REDACTED] meeting with David Ward to<br>[REDACTED] review<br>communication from counsel for joint liquidators<br>in connection with [REDACTED] review and<br>respond to correspondence from client in<br>connection with [REDACTED] review<br>updated letter from [REDACTED]<br>settlement meeting with [REDACTED]<br>[REDACTED]   | 2.90  |

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.



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| Date     | Lawyer              | Description   | Hours |
|----------|---------------------|---|-------|
| 09/10/16 | Larry Ellis         | Review [REDACTED]<br>[REDACTED]   | 1.00  |
| 09/12/16 | Christopher Horkins | Emails with D. Ward, Esmaeil Mehrabi and Delara Emami re [REDACTED] TC with Esmaeil Mehrabi; Revisions to [REDACTED]<br>[REDACTED]  | 1.20  |
| 09/12/16 | Jeremy Martin       | Reporting to client in respect of [REDACTED]<br>[REDACTED] compiling numbers and sources, requesting fact-check;  | 2.70  |
| 09/12/16 | Erin Craddock       | Review PPSA search results for [REDACTED]<br>review documents in preparation for [REDACTED]<br>[REDACTED]   | 5.50  |
| 09/12/16 | Olivia D'innocenzo  | Received and reviewed instructions; conducted an Ontario PPSA search; forwarded the results for review;   | 0.50  |
| 09/12/16 | David S. Ward       | Telephone discussion with Stephanie Schlacht; telephone discussion with Esmail Mehrabi regarding [REDACTED]<br>[REDACTED] correspondence from Stephanie Schlacht regarding [REDACTED] draft and revise [REDACTED]                                   | 1.70  |
| 09/12/16 | Larry Ellis         | Work with Team in connection with [REDACTED]<br>[REDACTED] work with Team to [REDACTED] like the calls during the day in connection with recovery of outstanding deliverables from Chris Smith; sistine in connection with [REDACTED]<br>[REDACTED] | 3.90  |
| 09/13/16 | Christopher Horkins | Prep for and attend meeting with D. Ward, E. Craddock and Esmaeil Mehrabi [REDACTED]<br>[REDACTED] Email to Phil Gennis [REDACTED]  | 2.30  |
| 09/13/16 | David S. Ward       | Meeting with Esmail Mehrabi at Cassels Bock to [REDACTED]<br>[REDACTED] finalize Settlement Agreement and draft Confidentiality Agreement; correspondence to Esmail Mehrabi; preparation [REDACTED]<br>[REDACTED]                                   | 2.20  |



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| Date     | Lawyer              | Description  | Hours |
|----------|---------------------|--|-------|
| 09/13/16 | Larry Ellis         | Review requisition regarding noting defendant in default with respect to freeze order; work with Team to finalize [REDACTED] participate in telephone call with client to [REDACTED] prepare for examinations next week; | 3.20  |
| 09/13/16 | Cathy Stallone      | Preparation of brief of documents; instructions to DPC; email Erin Craddock; call with Sophie Moher;   | 0.50  |
| 09/13/16 | Erin Craddock       | Review documents in [REDACTED]   | 6.00  |
| 09/13/16 | Jeremy Martin       | Reviewing draft settlement agreement and confidentiality agreements (no substantive comments);   | 2.50  |
| 09/14/16 | Christopher Horkins | Review and compile [REDACTED]  | 1.40  |
| 09/14/16 | Cathy Stallone      | Discussion with Sophie Moher regarding [REDACTED] prepare [REDACTED]   | 0.80  |
| 09/14/16 | Erin Craddock       | Review materials in preparation for [REDACTED]; compile list of all [REDACTED]   | 11.90 |
| 09/14/16 | Larry Ellis         | Continue preparations for [REDACTED] review and revise [REDACTED] telephone conversation with Harry Fogul in connection with [REDACTED]  | 2.50  |
| 09/14/16 | Jeremy Martin       | Very brief correspondence with client; reviewing source of inputs to GBFF to [REDACTED]  | 2.50  |
| 09/15/16 | Cathy Stallone      | Meeting with E. Craddock [REDACTED]; meet with student; arrange for printing of relevant documents; prepare index;   | 2.00  |
| 09/15/16 | Erin Craddock       | Preparations for meeting [REDACTED]  | 7.80  |
| 09/15/16 | David S. Ward       | Meeting with Erin Craddock to prepare for [REDACTED]   | 1.20  |

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.



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| Date     | Lawyer              | Description  | Hours |
|----------|---------------------|--|-------|
| 09/15/16 | Jeff Fish           | Load Summation Cases to Laptop for Discoveries   | 3.00  |
| 09/15/16 | Larry Ellis         | Review [REDACTED]<br>review agenda for [REDACTED]<br>[REDACTED] continue [REDACTED]<br>[REDACTED] telephone calls with receiver to discuss [REDACTED]<br>[REDACTED] meeting<br>with David Ward to discuss [REDACTED]<br>[REDACTED] | 3.00  |
| 09/16/16 | Christopher Horkins | Prepare letter to Esmail Mehrabi confirming [REDACTED]<br>[REDACTED]<br>Finalize and send [REDACTED]<br>Esmail Mehrabi with copy to Phil Gennis and Gillian Goldblatt;   | 2.40  |
| 09/16/16 | Jeremy Martin       | Reviewing correspondence to Mehrabi;   | 0.20  |
| 09/16/16 | Erin Craddock       | Meet with David Ward and instructions from David Ward regarding [REDACTED]<br>[REDACTED]   | 5.00  |
| 09/16/16 | David S. Ward       | Preparation of correspondence to [REDACTED]<br>[REDACTED] discussion with Paul Gennis [REDACTED]<br>[REDACTED]<br>instructions [REDACTED]<br>[REDACTED] preparation [REDACTED]<br>[REDACTED]                                       | 3.80  |
| 09/16/16 | Larry Ellis         | Work with Team [REDACTED]<br>[REDACTED]<br>[REDACTED]<br>continue preparation [REDACTED] meeting<br>with team [REDACTED]<br>[REDACTED]   | 3.80  |
| 09/19/16 | Cathy Stallone      | Follow up regarding laptop for interview; email to E. Craddock;  | 0.20  |
| 09/19/16 | Jeremy Martin       | Brief update, reviewing correspondence on related litigation by E. Craddock and C. Horkins;  | 1.50  |

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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 09/19/16 | Erin Craddock | Prepare [REDACTED]; review documents received from Maxwell Morgan;  | 5.20  |
| 09/19/16 | David S. Ward | Correspondence to and from counsel for Dixit to [REDACTED]<br>[REDACTED] receipt and [REDACTED]<br>[REDACTED] meeting with Erin Craddock [REDACTED]<br>receipt and brief review of Max Morgan correspondence (multiple emails) and instructions to Erin Craddock [REDACTED] | 2.60  |
| 09/19/16 | Larry Ellis   | Review and [REDACTED]<br>[REDACTED]<br>[REDACTED] review [REDACTED]<br>[REDACTED] prepare [REDACTED]<br>[REDACTED]<br>review agreement of service provider and provide [REDACTED]<br>review [REDACTED]<br>[REDACTED]  | 5.20  |
| 09/20/16 | Larry Ellis   | Prepare [REDACTED]<br>[REDACTED] travel to Vancouver for examinations;  | 7.00  |
| 09/20/16 | Erin Craddock | Prepare for meetings with [REDACTED]<br>[REDACTED] travel to Vancouver;   | 9.00  |
| 09/20/16 | David S. Ward | Arrangements regarding lift hold over joint accounts; emails and correspondence with Esmail Mehrabi regarding [REDACTED]<br>[REDACTED]  | 4.50  |
| 09/21/16 | Erin Craddock | Attend meeting with Rajiv Dixit, David Ward, Larry Ellis and Phil Gennis; email correspondence with Gillian Goldblatt [REDACTED]<br>[REDACTED]  | 7.50  |

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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 09/21/16 | Larry Ellis   | Review and respond to email communications from the Isle of Man in connection with [REDACTED]<br>[REDACTED] prepare for and participate in examination of former principal; follow-up meetings [REDACTED]   | 9.00  |
| 09/21/16 | David S. Ward | Preparation for and attend full day Dixit examinations;   | 4.50  |
| 09/22/16 | Erin Craddock | Attend meeting with Rajiv Dixit, Phil Gennis, David Ward, and Larry Ellis;  | 3.50  |
| 09/22/16 | David S. Ward | Prepare for and attend full day Dixit examinations;   | 6.80  |
| 09/22/16 | Larry Ellis   | Prepare for and participate in examination of former principal of banners; follow up meeting with Team [REDACTED]<br>review draft email prepared by Erin Craddock [REDACTED]  | 6.50  |
| 09/23/16 | Erin Craddock | Travel from Vancouver regarding meetings with Rajiv Dixit; correspondence with Phil Gennis regarding [REDACTED]   | 7.50  |
| 09/23/16 | Larry Ellis   | Assist team during the day in connection with [REDACTED]<br>[REDACTED] travel to Toronto from examination of former principal of banners;   | 8.00  |
| 09/25/16 | Larry Ellis   | Review and respond to email from Paul Appleton in connection with [REDACTED]<br>[REDACTED]  | 0.20  |
| 09/26/16 | David S. Ward | Telephone discussion with Esmail Mehrabi [REDACTED] receipt and review correspondence from [REDACTED]<br>[REDACTED] emails to and from Joint Liquidators and research regarding [REDACTED]; emails to Esmail Mehrabi and instructions to Erin Craddock regarding [REDACTED] | 0.90  |





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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 09/26/16 | Larry Ellis   | Meetings with Erin Craddock, David Ward and call with receiver to discuss [REDACTED]<br>[REDACTED] meeting with Erin Craddock to provide [REDACTED]<br>[REDACTED] call with Harry Fogul to discuss various outstanding issues;  | 3.70  |
| 09/26/16 | Erin Craddock | Meet with Esmaeil Mehrabi [REDACTED]<br>[REDACTED] review note from meeting with Dixit to [REDACTED] review responses to undertakings from Maxwell Morgan and [REDACTED]  | 5.00  |
| 09/27/16 | Larry Ellis   | Meeting with Erin Craddock to discuss [REDACTED]<br>[REDACTED] develop a list of [REDACTED]<br>[REDACTED] review [REDACTED]<br>[REDACTED] review and respond to email correspondence from Christopher Smith;<br>[REDACTED] review<br>draft letter to be sent by David Ward; | 3.90  |
| 09/27/16 | Erin Craddock | Instructions from Larry Ellis; draft correspondence to Choice Bank; correspondence with Larry Ellis [REDACTED]<br>[REDACTED]  | 1.50  |
| 09/28/16 | David S. Ward | Correspondence from [REDACTED]<br>[REDACTED] correspondence with Receiver; instructions to Erin Craddock [REDACTED]<br>[REDACTED]   | 1.10  |
| 09/28/16 | Larry Ellis   | Telephone calls with Harry Fogul with respect to information to be delivered by Christopher Smith; update to Team [REDACTED] telephone conversation with Christopher Horkins in connection with [REDACTED]<br>[REDACTED]  | 1.90  |



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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 09/29/16 | Larry Ellis   | Work with Harry Fogul during the day in connection with advancing all outstanding receivables to be delivered by Christopher Smith; multiple updates to Team [REDACTED] review draft of report to the Isle of Man [REDACTED] meetings with Erin Craddock to [REDACTED] review updated [REDACTED]; review email from Harry Fogul to counsel for Francis best and [REDACTED] review revised reporting letter to the joint liquidators; | 6.00  |
| 09/29/16 | Erin Craddock | Draft reporting letter for joint liquidators; instructions from Larry Ellis;   | 2.60  |
| 09/30/16 | David S. Ward | Discussion with Larry Ellis regarding [REDACTED] review, revise and finalize Joint Liquidator's Report;  | 1.20  |
| 09/30/16 | Larry Ellis   | Final review of report to join liquidators; additional correspondence with Harry Fogul, including a telephone conversation, with respect to delivering of various outstanding receivables; telephone call with David Ward to discuss [REDACTED]  | 3.00  |
| 09/30/16 | Erin Craddock | Telephone call with Gillian Goldblatt regarding [REDACTED] review undertaking responses received from Christopher Smith and [REDACTED]   | 2.60  |





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**Time Summary**

| <u>Timekeeper</u>   | <u>Hours</u> | <u>Rate</u> | <u>Fees</u> |
|---------------------|--------------|-------------|-------------|
| Cathy Stallone      | 4.60         | 300.00      | 1,380.00    |
| Christopher Horkins | 13.70        | 390.00      | 5,343.00    |
| David S. Ward       | 42.80        | 755.00      | 32,314.00   |
| Erin Craddock       | 109.80       | 480.00      | 52,704.00   |
| Jeff Fish           | 3.00         | 195.00      | 585.00      |
| Jeremy Martin       | 18.70        | 390.00      | 7,293.00    |
| Larry Ellis         | 93.90        | 625.00      | 58,687.50   |
| Olivia D'Innocenzo  | 0.50         | 250.00      | 125.00      |
| Sophie Moher        | 17.20        | 175.00      | 3,010.00    |
| Our Fee             |              |             | 161,441.50  |

**Disbursements**

Paid for long distance telephone, facsimile and delivery charges,  
Court and corporate searches and Certificates and filing fees,  
copies of documents, and special overtime services.

|                           |                  |
|---------------------------|------------------|
| Taxable Disbursements     | 11,515.21        |
| Non-Taxable Disbursements | <u>4,891.64</u>  |
| Total Disbursements       | <u>16,406.85</u> |

|                             |                  |
|-----------------------------|------------------|
| HST on Fees & Disbursements | <u>22,484.38</u> |
|-----------------------------|------------------|

**Total Fees, Disbursements & Tax** **\$ 200,332.73**

This is our account herein

**Cassels Brock & Blackwell LLP**

A handwritten signature in dark ink, appearing to be 'Larry Ellis', is written over a horizontal line.

Larry Ellis  
E&OE



MSI SPERGEL INC.  
ATTN: PHILIP H. GENNIS  
505 CONSUMERS ROAD  
SUITE 200  
TORONTO ON M2J 4V8

Date: 12/31/16  
Our File #: 045803-00002  
Invoice #: 2005558  
HST/GST #: R121379572

**Re: Banners Broker International Limited And 1587803 Ontario Limited**

TO PROFESSIONAL SERVICES RENDERED UP to and including DECEMBER 31, 2016 as described below:

| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 12/01/16 | Erin Craddock | Meeting with Gillian Goldblatt [REDACTED]<br>[REDACTED] meeting with Joe Sereda, Francis Best, David Ward, and Gillian Goldblatt;  | 5.10  |
| 12/01/16 | David S. Ward | Correspondence with Joint Liquidators regarding [REDACTED]<br>prepare for [REDACTED]<br>[REDACTED] half day meeting with Francis Best;   | 3.50  |
| 12/01/16 | Larry Ellis   | Review and consider [REDACTED]<br>[REDACTED] meeting to discuss [REDACTED]<br>[REDACTED] call with client to discuss [REDACTED] continue review of information provided for out of meetings in London; | 2.50  |

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**Cassels Brock & Blackwell LLP**

2100, Scotia Plaza, 40 King Street West, Toronto, Canada M5H 3C2  
Tel: 416.869.5300 Fax: 416.360.8877 www.casselsbrock.com

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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 12/02/16 | Erin Craddock | Review letters between Harry Fogul and Via Bank regarding [REDACTED] review Summation database and DMS for documents [REDACTED]<br>[REDACTED]  | 2.40  |
| 12/02/16 | Larry Ellis   | Call with client to discuss [REDACTED]<br>[REDACTED]; review email from client and [REDACTED]  | 0.60  |
| 12/04/16 | Jeremy Martin | Reviewing [REDACTED]<br>[REDACTED]   | 6.30  |
| 12/05/16 | Jeremy Martin | Following up on [REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED] finalizing draft Statement of Claim for review;   | 7.80  |
| 12/05/16 | David S. Ward | Correspondence to and from Joint Liquidators and Receiver regarding [REDACTED]<br>[REDACTED] meeting with and instructions to Erin Craddock regarding [REDACTED]<br>[REDACTED] meeting with Larry Ellis and Jeremy Martin to [REDACTED]<br>[REDACTED]    | 2.20  |
| 12/05/16 | Erin Craddock | Review draft order for [REDACTED]<br>[REDACTED] draft demand letter to Brea Hardowa;   | 2.70  |
| 12/05/16 | Larry Ellis   | Review email from Chris Webber in connection with [REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED] call with counsel for Chris Smith to request additional information; review email from counsel for Chris Smith including [REDACTED]<br>[REDACTED] | 1.70  |

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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 12/06/16 | Jeremy Martin | Meeting with E. Craddock and D. Ward; revising draft Statement of Claim [REDACTED]<br>[REDACTED] completing integration of [REDACTED]   | 14.30 |
| 12/06/16 | Erin Craddock | Meeting regarding [REDACTED] provide comments [REDACTED]  | 3.50  |
| 12/06/16 | David S. Ward | Receipt and review correspondence from Isle of Mann Court [REDACTED]<br>[REDACTED] emails from Paul Appleton;   | 0.50  |
| 12/06/16 | Larry Ellis   | Review and consider email from the Isle of Man counsel in connection [REDACTED]<br>[REDACTED] review draft statement of claim and follow up with David Ward to discuss [REDACTED] review draft freezing order receivers report and additional core material and consider [REDACTED] review draft order prepared by Chris Webb [REDACTED]    | 3.50  |
| 12/07/16 | David S. Ward | Brief review of correspondence from Harry Fogul [REDACTED]<br>[REDACTED] correspondence to and from Joint Liquidators [REDACTED] preparation of statement of claim [REDACTED] conference call with Canadian team regarding [REDACTED] with Erin Craddock and Jeremy Martin regarding [REDACTED] preparation of correspondence to [REDACTED] | 3.40  |



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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 12/07/16 | Larry Ellis   | Review email from Paul Appleton [REDACTED]<br>[REDACTED] review revised draft statement of claim and [REDACTED] review and consider email from David Ward in connection with [REDACTED] review email from David Ward in connection with [REDACTED]; review email from Chris Webb and respond; participate in telephone call at noon to discuss [REDACTED]<br>[REDACTED] review update regarding the draft statement of claim; telephone call with Harry Fogul to discuss [REDACTED]<br>[REDACTED] review and respond to emails internally regarding [REDACTED]<br>[REDACTED] exchange emails with Erin Craddock regarding [REDACTED]<br>review and respond to emails from Ian Driscoll regarding timing for next meeting; | 4.50  |
| 12/07/16 | Jeremy Martin | Telephone [REDACTED] with D. Ward and E. Craddock; revisions to claim and distribution;   | 6.80  |
| 12/07/16 | Erin Craddock | Review revised [REDACTED] provide comments [REDACTED] conference call [REDACTED]  | 6.90  |
| 12/08/16 | Jeremy Martin | Preparing for, meeting in advance of, attending, and [REDACTED]<br>[REDACTED]   | 2.10  |
| 12/08/16 | Jeremy Martin | Further research in respect of [REDACTED]<br>[REDACTED]<br>[REDACTED]   | 1.40  |
| 12/08/16 | Erin Craddock | Conference call with client regarding [REDACTED]<br>[REDACTED]; draft letter to Francis Best; review materials received from Ian Driscoll; review notes from meeting with Francis Best; meeting with David Ward regarding [REDACTED]<br>[REDACTED]  | 5.40  |

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| Date     | Lawyer            | Description   | Hours      |
|----------|-------------------|---|------------|
| 12/08/16 | David S. Ward     | Engaged throughout the day in [REDACTED]<br>[REDACTED]<br>[REDACTED] telephone discussion with [REDACTED]<br>[REDACTED] discussion with Cassels Team; preparation of [REDACTED]<br>meeting with Erin Craddock; draft and revise Tara Josun mavera materials;  | 4.50       |
| 12/08/16 | Larry Ellis       | Review updated draft statement of claim; update team call to [REDACTED]<br>[REDACTED] review update email regarding [REDACTED]<br>[REDACTED] call with Team to discuss [REDACTED]<br>[REDACTED]<br>[REDACTED] call with Team to discuss [REDACTED]<br>[REDACTED] review draft letter regarding certain commitments made by Francis best to deliver information; | 2.40       |
| 12/09/16 | Robert D. Kligman | Meeting and discussion with E. Craddock re [REDACTED] preparation of material for E. Craddock; research including WLN;  | 0.30       |
| 12/09/16 | [REDACTED]        | [REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED]  | [REDACTED] |
| 12/09/16 | Erin Craddock     | Prepare exhibits for Tara Josun freezing order; prepare 9:30 request form; finalize Receiver's Report; research regarding [REDACTED]<br>[REDACTED]  | 6.30       |
| 12/09/16 | David S. Ward     | Preparation of factum from Tara Josun mareva motion; meeting with Erin Craddock regarding [REDACTED] receipt and review final issued Reasons for Decision of the First Master Deemster; correspondence with Commercial List Office;   | 1.80       |

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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 12/09/16 | Larry Ellis   | Review and respond to emails from client regarding [REDACTED]<br>[REDACTED] review draft of eighth report<br>[REDACTED]   | 1.60  |
| 12/10/16 | Jeremy Martin | [REDACTED]<br>[REDACTED] omnibus motion materials;<br>last Receiver's report, correspondence and<br>examination scripts, etc.;  | 4.40  |
| 12/12/16 | Jeremy Martin | Brainstorming [REDACTED]<br>[REDACTED]<br>reviewing facts and [REDACTED]<br>[REDACTED]  | 3.30  |
| 12/12/16 | David S. Ward | Preparation of statement of law/factum for<br>expansion of mareva; emails to and from [REDACTED]<br>[REDACTED]  | 1.90  |
| 12/12/16 | Erin Craddock | Prepare motion materials for motion for order<br>freezing bank accounts of Tara Josun;  | 6.20  |
| 12/12/16 | Larry Ellis   | Review and respond to multiple emails from the<br>Isle of Man joint liquidators; review update<br>regarding scheduling of court proceeding for<br>December 15;  | 0.40  |
| 12/13/16 | David S. Ward | Review case law and research [REDACTED]<br>[REDACTED]<br>[REDACTED] receipt and review correspondence<br>from Joint Liquidators IOM counsel regarding<br>[REDACTED] work regarding [REDACTED]<br>[REDACTED] discussion<br>with Jeremy Martin and telephone discussion<br>with [REDACTED] meeting with Erin<br>Craddock; preparation of Tara Josun Mareva;<br>report on [REDACTED] | 3.50  |
| 12/13/16 | Jeremy Martin | Further analysis of [REDACTED]<br>[REDACTED] compiling<br>recommendations for D. Ward and forwarding<br>[REDACTED]  | 2.70  |

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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 12/13/16 | Jeremy Martin | Discussion with D. Ward in respect of [REDACTED]<br>[REDACTED]   | 0.30  |
| 12/13/16 | Erin Craddock | Draft and revise statement of fact and law in support of motion for freezing order of Tara Josun's account;  | 5.50  |
| 12/13/16 | Larry Ellis   | Review email by Paul Appleton to Chris Webb in connection with [REDACTED]<br>[REDACTED] review of multiple responding emails<br>[REDACTED] review judgement issued by the Isle of Man court and [REDACTED]   | 1.10  |
| 12/14/16 | David S. Ward | Draft, revise and finalize factum; review all [REDACTED]<br>[REDACTED] correspondence from Crown Attorney regarding requests for information in relation to the Receivership;  | 2.20  |
| 12/14/16 | Erin Craddock | Finalize statement of fact and law in preparation for hearing of motion for freezing order; meeting with David Ward [REDACTED]   | 4.60  |
| 12/14/16 | Larry Ellis   | Review update email from David Ward and consider [REDACTED] exchange emails regarding [REDACTED]<br>[REDACTED]   | 0.50  |
| 12/15/16 | David S. Ward | Preparation for and attend Commercial List before Justice Newbould to argue mareva injunction motion; correspondence and instructions to Erin Craddock and all steps with respect to enforcing the mareva;   | 3.10  |
| 12/15/16 | Erin Craddock | Attend court for return of freezing order motion; cause order to be issued and entered; serve order on banks and ensure compliance therewith; prepare draft notice of motion for comeback date of freezing order; discussion with Larry Ellis regarding [REDACTED] | 6.10  |
| 12/15/16 | Larry Ellis   | Review and consider emails from criminal counsel to certain prior directors of banners broker and provide advice to client [REDACTED]<br>[REDACTED]  | 0.20  |



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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 12/16/16 | Erin Craddock | Serve motion materials on Tara Reeves and Kuldip Josun; telephone conversation with Tara Reeves regarding freezing order; draft letter and notice of motion regarding freezing order; draft service affidavit in connection with service of freezing order and related motion materials;   | 4.20  |
| 12/16/16 | Larry Ellis   | Review email update from Erin Craddock regarding an [REDACTED];  | 0.20  |
| 12/19/16 | David S. Ward | Discussion with [REDACTED] work with Erin Craddock to prepare motion materials to extend Tara Josun injunction including preparation of notice of motion, supporting affidavit and draft order to extend injunction; settlement emails and discussions throughout the day with Tara Josun; | 2.70  |
| 12/19/16 | Erin Craddock | Instructions from David Ward regarding [REDACTED] review materials in preparation for chambers hearing to continue freezing order; finalize and serve motion record for continuation hearing; correspondence with Ian Driscoll regarding [REDACTED]  | 4.40  |
| 12/19/16 | Larry Ellis   | Review and provide instruction to email from Erin Craddock; review and consider emails from receiver; meeting with Erin Craddock to discuss [REDACTED]   | 0.40  |
| 12/20/16 | David S. Ward | Receipt and brief review of account information for CIBC legal; correspondence with Helen Sung, prosecuting Crown; meeting with and instructions to Erin Craddock [REDACTED] revise draft order extending term of injunction; meeting with Tara Josun and her husband;                     | 3.40  |
| 12/20/16 | Larry Ellis   | Review and consider emails by David Ward; review email from Paul Appleton and follow up with client to [REDACTED]  | 0.30  |



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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 12/20/16 | Erin Craddock | Attend chambers appointment regarding continuation of freezing order; meet with Tara Reeves regarding [REDACTED]<br>[REDACTED] review bank account statements from Tara Reeves in connection with freezing order; correspondence with David Ward regarding [REDACTED] correspondence with Tara Reeves regarding continuation of freezing order; | 7.70  |
| 12/21/16 | David S. Ward | Emails and discussions throughout the day with Erin Craddock, Receiver and Tara Josun regarding [REDACTED]<br>[REDACTED]<br>[REDACTED]  | 1.90  |
| 12/21/16 | Erin Craddock | Review bank account statements received from CIBC and TD Bank; telephone call with Tara Reeves and Gillian Goldblatt regarding [REDACTED] discussions with Gillian Goldblatt regarding [REDACTED]   | 3.80  |
| 12/22/16 | David S. Ward | Conference call with Tara Josun; meetings with Erin Craddock; preparation for further attendance before Justice Newbould; co-ordinate lifting of improper mareva; preparation of correspondence, documents and agreements with Tara Josun;  | 2.40  |
| 12/22/16 | Erin Craddock | Prepare for and attend 9:30 chambers appointment regarding Tara Reeves freezing order; instructions from David Ward regarding [REDACTED]<br>[REDACTED] reporting email to client [REDACTED]<br>[REDACTED] correspondence with TD Bank regarding freezing order; correspondence with Tara Reeves regarding freezing order;                       | 3.00  |
| 12/22/16 | Larry Ellis   | Review update email from Erin Craddock regarding [REDACTED]<br>[REDACTED]<br>follow up with David Ward to [REDACTED]<br>[REDACTED]  | 1.00  |
| 12/23/16 | Jeremy Martin | Online research updating [REDACTED]<br>[REDACTED]   | 1.10  |



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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 12/23/16 | Erin Craddock | Instructions to Cathy Stallone regarding [REDACTED]<br>[REDACTED]       | 0.10  |
| 12/28/16 | Jeremy Martin | [REDACTED] reviewing<br>[REDACTED]<br>[REDACTED]<br>[REDACTED]          | 2.60  |
| 12/29/16 | David S. Ward | Preparation of correspondence to [REDACTED]<br>[REDACTED]<br>[REDACTED] | 0.40  |



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**Time Summary**

| <u>Timekeeper</u> | <u>Hours</u> | <u>Rate</u> | <u>Fees</u> |
|-------------------|--------------|-------------|-------------|
| David S. Ward     | 39.20        | 755.00      | 29,596.00   |
| Erin Craddock     | 77.90        | 480.00      | 37,392.00   |
| Jeremy Martin     | 53.10        | 390.00      | 20,709.00   |
| Larry Ellis       | 20.90        | 625.00      | 13,062.50   |
| Robert D. Kligman | 0.30         | 745.00      | 223.50      |
|                   |              |             | <hr/>       |
| Our Fee           |              |             | 100,983.00  |

**Disbursements**

Paid for long distance telephone, facsimile and delivery charges,  
Court and corporate searches and Certificates and filing fees,  
copies of documents, and special overtime services.

|  |                  |                  |
|--|------------------|------------------|
| Taxable Disbursements On or After July 1, 2010 | 2,049.06         |                  |
| Non-Taxable Disbursements                      | <u>17,202.33</u> |                  |
| Total Disbursements                            |                  | <u>19,251.39</u> |

|  |                  |
|--|------------------|
| HST/GST on Fees & Disbursements On or After July 1, 2010 | <u>13,394.17</u> |
|--|------------------|

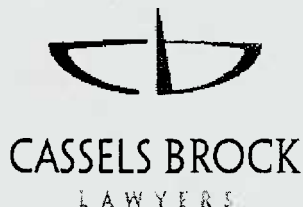
**Total Fees, Disbursements & Tax** **\$ 133,628.56**

This is our account herein

**Cassels Brock & Blackwell LLP**

A handwritten signature in dark ink, appearing to read 'Larry Ellis', is written over a horizontal line.

Larry Ellis  
E&OE



MSI SPERGEL INC.  
ATTN: PHILIP H. GENNIS  
505 CONSUMERS ROAD  
SUITE 200  
TORONTO ON M2J 4V8

Date: 04/18/17  
Our File #: 045803-00002  
Invoice #: 2012391  
HST/GST #: R121379572

Re: **Banners Broker International Limited And 1587803 Ontario Limited**

TO PROFESSIONAL SERVICES RENDERED up to and including MARCH 31, 2017 as described below:

| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 03/01/17 | Erin Craddock | Review Brea Hardowa document brief; prepare list of questions for Brea Hardowa; correspondence with court regarding judge hearing the matter; correspondence with Tara Reeves [REDACTED] correspondence with Laurel Hogg, counsel for Brea Hardowa, regarding appointment orders; correspondence with Gillian Goldblatt regarding [REDACTED] | 6.60  |
| 03/01/17 | Larry Ellis   | Work during the day with Erin Craddock in connection [REDACTED] review email in connection [REDACTED] provide direction to Erin Craddock [REDACTED] summary review of bank statements; review note from Ian Driscoll in connection with [REDACTED] with client to [REDACTED]   | 1.50  |

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.

**Cassels Brock & Blackwell LLP**

2100, Scotia Plaza, 40 King Street West, Toronto, Canada M5H 3C2  
Tel: 416.869.5300 Fax: 416.360.8877 www.casselsbrock.com



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| Date     | Lawyer              | Description  | Hours |
|----------|---------------------|--|-------|
| 03/02/17 | Christopher Horkins | Email to Gerry Borean re World eWallet claim;<br>Email to Patrick Kraemer re follow up on meeting and document requests in respect of World eWallet claim, request for delivery of defence;  | 1.70  |
| 03/02/17 | Erin Craddock       | Attend and conduct examination under oath of Brea Hardowa; amend court order based on discussions with counsel for Maxwell Morgan; correspondence with Harry Fogul regarding revised order;  | 8.00  |
| 03/02/17 | David S. Ward       | Preparation for continued examination of Brea Hardowa; discussion with Chris Horkins and correspondence and discussion with counsel for My Finance and Andy Geladavis; meeting regarding [REDACTED]<br>[REDACTED] full day examination of Brea Hardowa;  | 5.60  |
| 03/02/17 | Larry Ellis         | Review letter from counsel for Maxwell Morgan and discuss [REDACTED] Erin Craddock to [REDACTED] review attachments to be provided to counsel for Maxwell Morgan and direct Erin Craddock [REDACTED] three telephone conversations with counsel for Maxwell and Morgan [REDACTED]<br>[REDACTED] review follow-up correspondence from Brian Belmont, counsel for Maxwell Morgan and provide direction to Erin Craddock [REDACTED]<br>[REDACTED] | 1.70  |
| 03/03/17 | Erin Craddock       | Prepare for and attend hearing of motion regarding restrained funds; obtain issued and entered order; serve issued and entered order on service list; [REDACTED]<br>[REDACTED] instructions from David Ward<br>[REDACTED] review correspondence received from counsel for Maxwell Morgan; redact motion record for posting on Receiver's website;  | 5.50  |
| 03/03/17 | Jeremy Martin       | Correspondence review;   | 1.40  |



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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 03/03/17 | David S. Ward | Telephone discussion with Gerry Borear regarding My Finance and Andy Gelardis; discussion with Cassels team regarding [REDACTED] receipt and brief review of order and endorsement of Justice Wilton-Siegel; meeting with Erin Craddock;  | 1.00  |
| 03/03/17 | Larry Ellis   | Prepare for and attend in court for hearing to receive a variety of relief from the Ontario Superior Court of Justice - Toronto with client to [REDACTED] update call with David Ward to discuss [REDACTED]   | 3.20  |
| 03/06/17 | David S. Ward | Correspondence from Parente-Borear regarding Andy Geladaris; revise and finalize document production request of Hirsh Communications; preparation of [REDACTED] review correspondence regarding [REDACTED] receipt and review correspondence from counsel for Don River Inc.; instructions to Chris Horkins; emails to and from Receiver; | 2.70  |
| 03/06/17 | Erin Craddock | Telephone call and email correspondence with Gillian Goldblatt regarding [REDACTED] correspondence with Gillian Goldblatt regarding [REDACTED] revise and send letter to Hush mail regarding document production; correspondence with team regarding [REDACTED]   | 2.70  |
| 03/06/17 | Larry Ellis   | Review and respond to emails from Erin Craddock regarding [REDACTED] follow-up call with Erin Craddock to discuss [REDACTED] follow up emails and telephone conversation with Ian Driscoll to discuss [REDACTED] work with Ian Driscoll to [REDACTED] finalize [REDACTED]   | 1.60  |

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.



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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 03/07/17 | David S. Ward | Preparation [REDACTED]<br>[REDACTED] comment on [REDACTED]<br>[REDACTED]; receipt and consider<br>[REDACTED] and<br>meetings and discussions with Larry Ellis and<br>Erin Craddock;  | 1.10  |
| 03/07/17 | Erin Craddock | Correspondence with [REDACTED] r<br>[REDACTED] correspondence with Gillian<br>Goldblatt regarding [REDACTED]<br>[REDACTED] telephone call with Larry Ellis and<br>Gillian Goldblatt [REDACTED]<br>correspondence with Ian Driscoll [REDACTED]<br>[REDACTED] instructions to Patricia Wood regarding<br>[REDACTED] Instructions from<br>Larry Ellis [REDACTED] update [REDACTED]<br>[REDACTED]<br>telephone call with Gillian Goldblatt regarding<br>[REDACTED] | 5.70  |
| 03/07/17 | Patricia Wood | Review [REDACTED]  | 2.60  |
| 03/07/17 | Jeremy Martin | Correspondence with opposing counsel on the<br>Donriver Inc. file;   | 0.20  |





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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 03/07/17 | Larry Ellis   | Prepare for and participate in team meeting to discuss [REDACTED]<br>[REDACTED] participate in telephone conversation with [REDACTED]<br>[REDACTED] review spreadsheet<br>identify [REDACTED]<br>[REDACTED] review updated [REDACTED] comment to Erin Craddock [REDACTED]<br>[REDACTED] review memorandum prepared by the receiver in connection with [REDACTED]<br>[REDACTED] follow-up email communication with [REDACTED]<br>[REDACTED] work with Team regarding [REDACTED]; work with client to discuss [REDACTED]<br>[REDACTED] review draft email and provide direction to Erin Craddock; | 2.70  |
| 03/08/17 | Larry Ellis   | Review email from David Ward, [REDACTED]<br>[REDACTED] review follow-up communication with [REDACTED] and participate in telephone call with Erin Craddock [REDACTED] review draft provided and [REDACTED]<br>[REDACTED] review [REDACTED]<br>[REDACTED]; review updated draft [REDACTED]<br>[REDACTED]; review email [REDACTED]<br>[REDACTED]  | 1.40  |
| 03/08/17 | Patricia Wood | Review [REDACTED]   | 3.70  |
| 03/08/17 | Jeremy Martin | Correspondence with opposing counsel granting indulgence;   | 0.30  |
| 03/08/17 | David S. Ward | Emails and discussions regarding [REDACTED]<br>[REDACTED]; correspondence from counsel for [REDACTED]; report to Receiver; meeting with Erin Craddock and instructions to Erin Craddock [REDACTED]  | 0.90  |



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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 03/08/17 | Erin Craddock | Telephone call with [REDACTED]<br>[REDACTED] email correspondence [REDACTED]<br>[REDACTED] correspondence [REDACTED]<br>[REDACTED] correspondence with team regarding [REDACTED]<br>[REDACTED] correspondence with Patricia Wood regarding [REDACTED]<br>[REDACTED] update Smith undertakings chart;  | 6.30  |
| 03/09/17 | David S. Ward | Preparation for and meeting with Canadian team including Receiver's team;   | 1.50  |
| 03/09/17 | Patricia Wood | Review [REDACTED]   | 6.10  |
| 03/09/17 | Jeremy Martin | [REDACTED]  | 1.50  |
| 03/09/17 | Erin Craddock | Prepare for and attend BBIL team meeting regarding [REDACTED]<br>[REDACTED] correspondence with Ian Driscoll regarding [REDACTED]<br>instructions to Patricia Wood; correspondence with Gillian Goldblatt regarding [REDACTED]<br>[REDACTED]; draft and revise [REDACTED]<br>correspondence with Larry Ellis regarding [REDACTED]<br>[REDACTED]; correspondence with [REDACTED]<br>[REDACTED] | 6.60  |
| 03/09/17 | Larry Ellis   | Follow-up telephone call with [REDACTED]<br>[REDACTED]<br>[REDACTED] email to Harry Fogul requesting response to letter dated February 15, 2017; telephone call with Harry Fogul to discuss various outstanding issues; direction to Erin Craddock regarding [REDACTED]<br>[REDACTED];  | 1.10  |
| 03/10/17 | David S. Ward | Brief discussion with Erin Craddock regarding [REDACTED]<br>[REDACTED] correspondence from [REDACTED]<br>[REDACTED] review Erin Craddock memorandum and instructions<br>[REDACTED]<br>[REDACTED]<br>discussion with Larry Ellis regarding [REDACTED]<br>[REDACTED]  | 1.80  |



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| Date     | Lawyer         | Description  | Hours |
|----------|----------------|--|-------|
| 03/10/17 | Erin Craddock  | Review [REDACTED]<br>[REDACTED] review<br>transcript [REDACTED]<br>[REDACTED] correspondence with [REDACTED]<br>[REDACTED] provide [REDACTED]<br>[REDACTED] correspondence with Gillian Goldblatt [REDACTED]<br>[REDACTED] revise [REDACTED] [REDACTED] correspondence<br>with Harry Fogul and Larry Ellis regarding [REDACTED]<br>[REDACTED]  | 4.90  |
| 03/10/17 | Patricia Wood  | Discussion with E. Craddock; Draft order   | 1.20  |
| 03/10/17 | Larry Ellis    | Work with Team to [REDACTED]<br>[REDACTED] review [REDACTED]<br>[REDACTED] various emails<br>from Harry Fogul and a follow up call to discuss<br>delivery of outstanding deliverables; review [REDACTED]<br>[REDACTED] provide direction to Erin<br>Craddock regarding [REDACTED]<br>delivery of same to Harry Fogul; work with Harry<br>Fogul and Erin Craddock to finalize [REDACTED]<br>[REDACTED]                | 1.30  |
| 03/13/17 | Cathy Stallone | Receive new documents and load into database;<br>instructions to Jeff Fish;  | 0.30  |
| 03/13/17 | Jeremy Martin  | Preliminary review of [REDACTED]<br>[REDACTED]   | 0.40  |
| 03/13/17 | Erin Craddock  | Correspondence with [REDACTED]<br>[REDACTED]; correspondence with<br>Gillian Goldblatt regarding [REDACTED]<br>[REDACTED] correspondence with counsel for<br>Maxwell Morgan regarding undertakings;<br>correspondence with Larry Ellis regarding [REDACTED]<br>[REDACTED] telephone call with Harry Fogul regarding<br>[REDACTED] revise [REDACTED] email<br>correspondence with Harry Fogul regarding<br>[REDACTED] | 1.80  |



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| Date     | Lawyer         | Description  | Hours |
|----------|----------------|--|-------|
| 03/13/17 | Larry Ellis    | Multiple emails during the day to Erin Craddock regarding [REDACTED]<br>[REDACTED] review and respond to correspondence from Brian Belmont in connection with next steps for Maxwell Morgan answering undertakings; review and respond to multiple questions from Erin Craddock regarding [REDACTED] | 0.70  |
| 03/13/17 | David S. Ward  | Consider [REDACTED] review evidence and correspondence regarding [REDACTED] discussion with Erin Craddock as to steps to [REDACTED] correspondence to Harry Fogul regarding [REDACTED]   | 1.30  |
| 03/14/17 | Cathy Stallone | Review databases and code Hardowa documents loaded; discuss transfer to IPro;  | 0.40  |
| 03/14/17 | Jeremy Martin  | Full review of [REDACTED]  | 1.10  |
| 03/14/17 | Erin Craddock  | Correspondence with Gillian Goldblatt regarding [REDACTED] correspondence with [REDACTED]<br>correspondence with [REDACTED] and Gillian Goldblatt regarding [REDACTED]; draft [REDACTED]   | 3.30  |
| 03/14/17 | Larry Ellis    | Review and consider emails from David Ward in connection with [REDACTED] review file history to locate [REDACTED]<br>[REDACTED] follow-up communication can be issued to Harry Fogul to collect same;  | 1.50  |
| 03/15/17 | Cathy Stallone | Follow up regarding transfer to IPro;  | 0.20  |
| 03/15/17 | Jeremy Martin  | Forwarding [REDACTED]<br>[REDACTED]  | 0.30  |
| 03/15/17 | Patricia Wood  | Draft order  | 0.30  |



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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 03/15/17 | Erin Craddock | Telephone conference call with [REDACTED] and Gillian Goldblatt regarding [REDACTED] correspondence with Jeremy Martin regarding [REDACTED] correspondence with Gillian Goldblatt regarding [REDACTED] correspondence with Jeremy Martin regarding [REDACTED]                                 | 1.80  |
| 03/15/17 | David S. Ward | Preparation of correspondence to Harry Fogul regarding [REDACTED] receipt and review statement of defence of Max Morgan and Aramor; call with [REDACTED] report to Receiver;  | 1.10  |
| 03/16/17 | Erin Craddock | Review draft order [REDACTED] correspondence with [REDACTED] correspondence with [REDACTED] review correspondence with Hush Communications regarding document production request; draft [REDACTED]  | 1.20  |
| 03/16/17 | Larry Ellis   | Review letter from Brian Belmont in connection with Maxwell Morgan's denials to providing certain information; review email from Paul Appleton in connection with [REDACTED]; review update regarding [REDACTED]  | 1.50  |
| 03/16/17 | David S. Ward | Emails with Phil Gennis; discussion with Paul Appleton regarding [REDACTED] complete review of Aramor statement of defence; report to Receiver; review, revise and approve correspondence to [REDACTED] conference call with Phil Gennis and Gillian; several calls with Receiver; [REDACTED] | 1.80  |
| 03/16/17 | Jeremy Martin | Following up with [REDACTED]  | 0.50  |
| 03/17/17 | Jeremy Martin | [REDACTED]  | 1.10  |



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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 03/17/17 | Erin Craddock | Draft [REDACTED]<br>[REDACTED]; correspondence with Hush Communications regarding documentary production request; review correspondence folder regarding [REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED]   | 6.10  |
| 03/17/17 | Larry Ellis   | Review and consider email regarding disclosure of information from hush mail and provide direction [REDACTED]; review correspondence to [REDACTED] with telephone call to David Ward;   | 0.50  |
| 03/17/17 | David S. Ward | Discussion with Paul Appleton regarding [REDACTED]<br>[REDACTED] review record of [REDACTED]<br>[REDACTED]<br>[REDACTED] call with Gillian Goldblatt; review Hush Communications response; instructions to Erin Craddock; settlement discussion with [REDACTED]<br>correspondence from [REDACTED] | 2.20  |
| 03/19/17 | Erin Craddock | Draft and revise [REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED]   | 6.30  |
| 03/19/17 | Larry Ellis   | Review [REDACTED]<br>[REDACTED]<br>[REDACTED]   | 2.50  |
| 03/20/17 | Erin Craddock | Review Don River statement of defence; correspondence with [REDACTED]<br>[REDACTED]   | 0.60  |



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| Date     | Lawyer         | Description   | Hours |
|----------|----------------|---|-------|
| 03/20/17 | David S. Ward  | Correspondence to and from [REDACTED]<br>receipt and consider statement of defence of Don<br>River Inc. [REDACTED];<br>meeting with Erin Craddock regarding<br>[REDACTED]<br>discussion with Larry Ellis regarding [REDACTED]<br>[REDACTED]   | 1.80  |
| 03/20/17 | Larry Ellis    | Review Don River statement of defence and<br>[REDACTED]<br>[REDACTED] review note from David<br>Ward in connection with [REDACTED]<br>[REDACTED] multiple<br>emails to Paul Appleton to [REDACTED]<br>[REDACTED] multiple<br>emails with Ian Driscoll to [REDACTED]<br>[REDACTED]<br>follow-up call with Ian Driscoll [REDACTED]<br>[REDACTED] telephone conversation with<br>Harry Fogul to discuss various outstanding<br>issues: | 2.30  |
| 03/21/17 | Cathy Stallone | Meet with Jeff Fish regarding conversion of<br>database;  | 0.40  |
| 03/21/17 | Jeremy Martin  | Full review of DonRiver statement of defence;<br>correspondence with client; call with D. Ward;<br>preparing draft explanation of Request to Inspect<br>steps for client;   | 2.40  |
| 03/21/17 | Erin Craddock  | Research regarding [REDACTED] review [REDACTED]<br>[REDACTED]<br>[REDACTED]   | 1.20  |
| 03/21/17 | David S. Ward  | Review [REDACTED]<br>[REDACTED]<br>[REDACTED] correspondence to and from [REDACTED]<br>[REDACTED]; correspondence with Receiver<br>regarding [REDACTED] review<br>correspondence regarding [REDACTED]<br>[REDACTED] meeting with Erin Craddock and<br>preparation for [REDACTED]<br>[REDACTED]  | 2.20  |





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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 03/21/17 | Larry Ellis   | Review email from Gillian Goldblatt regarding the [REDACTED]<br>[REDACTED]<br>review multiple emails from David Ward in connection with [REDACTED] work with Team to finalize [REDACTED] with Chris Smith; follow-up conversations with Paul Appleton to consider and discuss a [REDACTED] telephone call with [REDACTED]<br>[REDACTED] multiple emails with Harry Fogul to finalize [REDACTED]  | 2.10  |
| 03/22/17 | David S. Ward | Correspondence from Receiver regarding [REDACTED]<br>[REDACTED] preparation of opinion to Receiver regarding [REDACTED]<br>[REDACTED] meeting with and instructions to Jeremy Martin; lengthy call with [REDACTED]<br>[REDACTED] follow up call with Phil and Gillian regarding [REDACTED] emails with Paul Appleton; meeting with Larry Ellis and correspondence to Harry Fogul regarding [REDACTED]<br>[REDACTED] call with Paul Appleton regarding [REDACTED] | 2.90  |
| 03/22/17 | Larry Ellis   | Work with Harry Fogul during the day to obtain [REDACTED]<br>[REDACTED]<br>[REDACTED] review finalized [REDACTED] and instruct Erin Craddock to circulate to Harry Fogul [REDACTED]<br>[REDACTED] calls with client to receive instruction on [REDACTED] multiple emails with [REDACTED] review [REDACTED]<br>[REDACTED]   | 3.20  |
| 03/23/17 | Erin Craddock | Correspondence with Court regarding availability; instructions from Larry Ellis regarding [REDACTED]<br>[REDACTED] revise [REDACTED]<br>[REDACTED]<br>correspondence with Harry Fogul regarding [REDACTED]<br>[REDACTED]   | 1.20  |





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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 03/23/17 | David S. Ward | Emails and discussions [REDACTED] with Phil Gennis; correspondence with Paul Appleton regarding [REDACTED] brief review of correspondence regarding [REDACTED] meeting with Erin Craddock [REDACTED] [REDACTED] review and revise Request to Inspect Documents; call with Joe Sereda (Francis Best);                 | 1.70  |
| 03/23/17 | Larry Ellis   | Numerous emails from Erin Craddock regarding [REDACTED] [REDACTED] [REDACTED] follow up telephone conversation with [REDACTED] review and respond to emails from Ian Driscoll regarding [REDACTED] [REDACTED]  | 1.40  |
| 03/23/17 | Jeremy Martin | Status update meeting with D. Ward [REDACTED] [REDACTED] receiving instructions; reviewing relevant documents and correspondence;  | 1.00  |
| 03/24/17 | Larry Ellis   | Multiple emails during the day to advance [REDACTED] review documentation in preparation for [REDACTED] [REDACTED] multiple emails during the day to advance [REDACTED] [REDACTED]; meeting with David Ward to discuss [REDACTED] [REDACTED] [REDACTED] [REDACTED] lengthy telephone call with [REDACTED] [REDACTED] | 2.70  |
| 03/24/17 | Erin Craddock | Revise [REDACTED] correspondence with Ian Driscoll regarding [REDACTED] [REDACTED]   | 4.20  |
| 03/24/17 | David S. Ward | Review correspondence from [REDACTED] [REDACTED] report to receiver;   | 0.80  |



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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 03/25/17 | Erin Craddock | Prepare for telephone call with Ian Driscoll; instructions from Larry Ellis; correspondence with [REDACTED] prepare list of [REDACTED]  | 1.50  |
| 03/25/17 | Larry Ellis   | Work with [REDACTED] and Erin Craddock during the day to [REDACTED] including multiple telephone calls;   | 1.50  |
| 03/26/17 | Erin Craddock | Research regarding [REDACTED]   | 0.90  |
| 03/26/17 | Larry Ellis   | Review and respond to emails from [REDACTED];   | 0.30  |
| 03/27/17 | Jeremy Martin | Preparing Request to Inspect Documents; communications with D. Ward and opposing counsel;   | 1.80  |
| 03/27/17 | David S. Ward | Follow up correspondence to Paul Appleton and Lynda Farrington; following up with Jeremy Martin regarding [REDACTED] review, revise and finalize Don River Inc. Request to Inspect; discussion with Rosemary Fisher re Don River Inc. litigation; instructions to Jeremy Martin; brief review of [REDACTED] review and comments to Erin Craddock [REDACTED] | 3.30  |
| 03/27/17 | Larry Ellis   | Participate in team call to discuss [REDACTED] [REDACTED] [REDACTED]; review and respond to multiple emails from Paul Appleton; review court material in connection with [REDACTED] provide additional direction to Erin Craddock; review and respond to emails from Erin Craddock in connection with [REDACTED]  | 2.10  |



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| Date     | Lawyer         | Description  | Hours |
|----------|----------------|--|-------|
| 03/27/17 | Erin Craddock  | Correspondence with Ian Driscoll regarding [REDACTED] correspondence with [REDACTED] draft and revise memorandum regarding [REDACTED]  | 4.80  |
| 03/28/17 | David S. Ward  | Discussion with Erin Craddock regarding [REDACTED]; conference call with Receiver and Canada team [REDACTED] emails to and from counsel for Brea Hardowa; consider Chris Smith [REDACTED] correspondence from Harry Fogul regarding [REDACTED] follow up with [REDACTED] receipt and consider [REDACTED] | 1.90  |
| 03/28/17 | Erin Craddock  | Prepare for [REDACTED] [REDACTED] correspondence with Ian Driscoll and Stephen Hafer regarding [REDACTED]  | 2.30  |
| 03/28/17 | Larry Ellis    | Call with client to discuss [REDACTED] meeting with Erin to discuss [REDACTED] call with Stephen Hafer to consider [REDACTED] emails to Ian Driscoll to consider [REDACTED] review [REDACTED] review email from Chris Horkins and statement of defence filed by Kraemer;                                 | 2.80  |
| 03/29/17 | Cathy Stallone | Review conversion of case; discuss with Marlon Hylton and Jeff Fish; review transcript notes and links;  | 0.80  |



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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 03/29/17 | David S. Ward | Receipt and review correspondence from Michael Kraemer; receipt and consider statement of defence of Patrick Kraemer; correspondence to Michael Kraemer; instructions to Chris Horkins; discussion with and instructions to Cathy Stallone regarding [REDACTED]<br>[REDACTED]<br>prepare for Hafer interview;  | 2.10  |
| 03/29/17 | Erin Craddock | Review document databases regarding documents relating to [REDACTED]<br>[REDACTED] incorporate [REDACTED]<br>[REDACTED]<br>[REDACTED] correspondence with Ian Driscoll regarding conference call; conference call with Gillian Goldblatt regarding [REDACTED]<br>[REDACTED]  | 7.20  |
| 03/29/17 | Larry Ellis   | Review comments on the Kraemer statement of defence and meet with David Ward [REDACTED]<br>[REDACTED] review updated information [REDACTED]<br>[REDACTED] call with Phil Gennis to discuss [REDACTED]<br>[REDACTED]<br>[REDACTED]<br>review draft court material and [REDACTED]<br>[REDACTED] follow up with Stephen Hafer; follow up with Ian Driscoll regarding [REDACTED] | 3.10  |
| 03/30/17 | Erin Craddock | Finalize background memorandums for [REDACTED]<br>[REDACTED]<br>[REDACTED] correspondence with [REDACTED]<br>correspondence with Phil Gennis regarding [REDACTED]<br>[REDACTED]  | 4.00  |
| 03/30/17 | David S. Ward | Correspondence from [REDACTED]<br>[REDACTED] email with Phil Gennis; review, revise and finalize [REDACTED]<br>[REDACTED] prepare for [REDACTED]<br>[REDACTED]   | 1.60  |

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| Date     | Lawyer      | Description   | Hours |
|----------|-------------|---|-------|
| 03/30/17 | Larry Ellis | Work during the day with [REDACTED]<br>[REDACTED]<br>[REDACTED] review correspondence regarding [REDACTED]<br>[REDACTED] review [REDACTED]<br>[REDACTED]<br>[REDACTED]; review memoranda in preparation for trip to Geneva;                         | 3.50  |
| 03/31/17 | Larry Ellis | Work during the day in preparation for [REDACTED]<br>[REDACTED]; call with Harry Fogul to discuss timing for delivery of additional information regarding undertakings; review court material in connection with additional information memorandum; | 3.50  |

#### Time Summary

| <u>Timekeeper</u>                         | <u>Hours</u> | <u>Rate</u> | <u>Fees</u>       |
|---|--------------|-------------|-------------------|
| Cathy Stallone                            | 2.10         | 310.00      | 651.00            |
| Christopher Horkins                       | 1.70         | 500.00      | 850.00            |
| David S. Ward                             | 39.30        | 845.00      | 33,208.50         |
| Erin Craddock                             | 94.70        | 575.00      | 54,452.50         |
| Jeremy Martin                             | 12.00        | 500.00      | 6,000.00          |
| Larry Ellis                               | 49.70        | 740.00      | 36,778.00         |
| Patricia Wood                             | 13.90        | 175.00      | 2,432.50          |
| Our Fee                                   |              |             | 134,372.50        |
| Legal Data Management Value-Added Service |              |             | <u>1,230.00</u>   |
| <b>Total Fee</b>                          |              |             | <b>135,602.50</b> |



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**Disbursements**

Paid for long distance telephone, facsimile and delivery charges,  
Court and corporate searches and Certificates and filing fees,  
copies of documents, and special overtime services.

|                           |                  |                  |
|---------------------------|------------------|------------------|
| Taxable Disbursements     | 12,081.31        |                  |
| Non-Taxable Disbursements | <u>15,977.63</u> |                  |
| Total Disbursements       |                  | <u>28,058.94</u> |

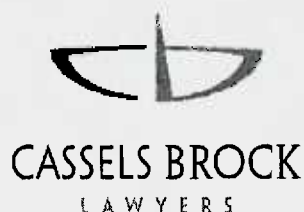
|                                 |  |                  |
|---------------------------------|--|------------------|
| HST/GST on Fees & Disbursements |  | <u>19,198.90</u> |
|---------------------------------|--|------------------|

|  |  |                             |
|--|--|-----------------------------|
| <b>Total Fees, Disbursements &amp; Tax</b> |  | <b><u>\$ 182,860.34</u></b> |
|--|--|-----------------------------|

This is our account herein  
**Cassels Brock & Blackwell LLP**

A handwritten signature in dark ink, appearing to be "Larry Ellis", written over a horizontal line.

Larry Ellis  
E&OE



MSI SPERGEL INC.  
ATTN: PHILIP H. GENNIS  
505 CONSUMERS ROAD  
SUITE 200  
TORONTO ON M2J 4V8

Date: 03/28/17  
Our File #: 045803-00002  
Invoice #: 2010597  
HST/GST #: R121379572

**Re: Banners Broker International Limited And 1587803 Ontario Limited**

**TO PROFESSIONAL SERVICES RENDERED UP for the period ending FEBRUARY 28, 2017 as described below:**

| Date     | Lawyer              | Description   | Hours |
|----------|---------------------|---|-------|
| 02/01/17 | Christopher Horkins | Preparation meeting with Patrick and Michael Kraemer including [REDACTED]<br>[REDACTED]<br>[REDACTED]   | 3.20  |
| 02/01/17 | Jeremy Martin       | Reviewing call from G. Browne; internal discussions [REDACTED]  | 0.40  |
| 02/01/17 | Erin Craddock       | Correspondence with [REDACTED]<br>[REDACTED] telephone call with Gillian Goldblatt regarding [REDACTED]<br>revise Ninth Report of the Receiver;       | 5.70  |
| 02/01/17 | David S. Ward       | Correspondence and instructions regarding [REDACTED]  | 0.30  |
| 02/01/17 | Larry Ellis         | Review email communication from Jeremy Martin in connection with [REDACTED]<br>[REDACTED] review draft of court material and [REDACTED]<br>[REDACTED] | 1.30  |

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.

**Cassels Brock & Blackwell LLP**

2100, Scotia Plaza, 40 King Street West, Toronto, Canada M5H 3C2  
Tel: 416.869.5300 Fax: 416.360.8877 www.casselsbrock.com



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| Date     | Lawyer              | Description  | Hours |
|----------|---------------------|--|-------|
| 02/02/17 | Christopher Horkins | Prep for and attend meeting with Patrick Kraemer and Mike Kraemer, D. Ward, Phil Gennis and Gillian Goldblatt; Meet with CBB and Spergel teams to discuss [REDACTED]<br>[REDACTED]   | 4.80  |
| 02/02/17 | Erin Craddock       | Revise Ninth Report of the Receiver; correspondence with [REDACTED]<br>correspondence with Tara Reeves regarding undertakings; discussion regarding [REDACTED]<br>[REDACTED]   | 6.40  |
| 02/02/17 | David S. Ward       | Review [REDACTED]<br>[REDACTED]<br>[REDACTED]<br>prepare for continued examination of Brea Hardowa; correspondence to and from Receiver regarding [REDACTED] discussion with Erin Craddock regarding [REDACTED]<br>[REDACTED] discovery of Michael Kramer; telephone discussion with Tara Josun; | 2.40  |
| 02/02/17 | Larry Ellis         | Review email from David Ward in connection with [REDACTED]<br>[REDACTED] review draft ninth report prepared by Erin Craddock and [REDACTED]<br>[REDACTED] meeting to discuss [REDACTED]<br>[REDACTED]<br>[REDACTED]  | 2.20  |
| 02/03/17 | Erin Craddock       | Revise Ninth Report of receiver; draft notice of motion and order regarding mini motion; telephone call with Tara Reeves;  | 5.60  |
| 02/03/17 | Jeremy Martin       | Telephone conversation with G. Browne; preparing correspondence granting indulgence for filing defence; arranging off-record interview; advising of right to ILA;  | 1.60  |
| 02/03/17 | Jeremy Martin       | Preparing report for team in respect of [REDACTED]<br>[REDACTED] telephone call with process server to gather information and provide [REDACTED]<br>[REDACTED]   | 1.90  |





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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 02/03/17 | David S. Ward | Correspondence from Brian McNeely and [REDACTED]<br>[REDACTED]<br>[REDACTED] review status of [REDACTED]<br>follow up correspondence to [REDACTED];<br>meeting with Jeremy Martin regarding [REDACTED]<br>[REDACTED]<br>[REDACTED] preparation of Restrained<br>funds section of draft Receiver's report; planning<br>for [REDACTED]   | 2.30  |
| 02/03/17 | Larry Ellis   | Review email from counsel for crown in<br>connection with pending motion and [REDACTED]<br>[REDACTED] meeting with<br>David Ward to discuss [REDACTED]<br>[REDACTED] review draft of<br>court material in connection with February court<br>hearing; review email from Jeremy Martin in<br>connection with [REDACTED]<br>[REDACTED] meeting with David Ward to discuss<br>[REDACTED] follow-up call with<br>Harry Fogul to discuss and consider [REDACTED]<br>[REDACTED] meeting with Erin Craddock<br>to discuss [REDACTED]<br>[REDACTED]<br>[REDACTED] | 3.50  |
| 02/05/17 | Erin Craddock | Review Parrot Marketing banking records in<br>preparation for examination of Brea Hardowa;   | 1.00  |
| 02/06/17 | Jeremy Martin | Communications with Glenroy Browne; internal<br>discussions [REDACTED]   | 1.10  |
| 02/06/17 | David S. Ward | Brief review of Restrained funds section of Ninth<br>Report; meeting with Erin Craddock regarding [REDACTED]<br>[REDACTED] preparation of correspondence to<br>Tara Josun regarding [REDACTED]<br>preparation of correspondence to Crown; review<br>draft claims process notification and<br>correspondence from Receiver;   | 1.70  |



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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 02/06/17 | Erin Craddock | Correspondence with Tara Reeves regarding [REDACTED] review and revise proposed notice to creditors; correspondence with Jeremy Martin regarding [REDACTED] preparations regarding [REDACTED]   | 3.50  |
| 02/06/17 | Larry Ellis   | Review email from Jeremy Martin in connection with [REDACTED] review draft [REDACTED] review communication from receiver in connection with [REDACTED] follow up with David Ward to discuss [REDACTED] review note from Erin Craddock in connection with [REDACTED] | 2.30  |
| 02/07/17 | Jeremy Martin | [REDACTED] meeting with E. Craddock; reviewing documentation and preparing for G. Browne interview;   | 3.40  |
| 02/07/17 | David S. Ward | Brief review of Hardowa transcript and [REDACTED] correspondence to all from Brea Hardowa;  | 0.70  |
| 02/07/17 | Erin Craddock | Correspondence with Team and Brea Hardowa regarding rescheduling examination; correspondence with Gillian Goldblatt regarding [REDACTED] telephone call with Gillian Goldblatt [REDACTED] prepare fee affidavit;  | 3.00  |



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| Date     | Lawyer              | Description  | Hours |
|----------|---------------------|--|-------|
| 02/07/17 | Larry Ellis         | Review [REDACTED]<br>[REDACTED]<br>review update on information to be reviewed with witness who is appearing this Thursday; email to Paul Appleton in connection with [REDACTED]<br>[REDACTED] email to Ian Driscoll regarding [REDACTED]<br>[REDACTED]<br>email to Harry Fogul in connection with various outstanding issues, including his clients deliverables to the receiver; | 1.70  |
| 02/08/17 | Cathy Stallone      | Receive transcript of Tara Reeves and load into case;  | 0.30  |
| 02/08/17 | Jeremy Martin       | Preparing for, conducting, compiling documents from and [REDACTED] meeting with G. Browne;   | 5.50  |
| 02/08/17 | Christopher Horkins | Emails with E. Craddock [REDACTED]<br>[REDACTED] Review [REDACTED]<br>[REDACTED]<br>[REDACTED]   | 0.60  |
| 02/08/17 | David S. Ward       | Meeting with Glenroy Brown; call with Joe Sereda regarding Francis Best litigation; correspondence to Sereda and Sereda; preparation of correspondence to [REDACTED]<br>[REDACTED];  | 0.80  |
| 02/08/17 | Erin Craddock       | Prepare for and attend meeting with Glenroy Browne; retain [REDACTED]<br>[REDACTED] prepare list of outstanding items for Chris Smith; correspondence with Chris Horkins and Jeremy Martin regarding [REDACTED]<br>[REDACTED]<br>[REDACTED];   | 6.90  |
| 02/08/17 | Jeremy Martin       | Further research on [REDACTED]<br>[REDACTED]<br>[REDACTED]   | 0.60  |



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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 02/08/17 | Larry Ellis   | Review and respond to information and Communications provided by us to client in connection with [REDACTED] review lengthy communication from Paul Appleton in connection with [REDACTED] [REDACTED] review information in connection with [REDACTED] provide direction to Jeremy Martin; | 1.40  |
| 02/09/17 | Kellye Walker | Conduct corporate profile search for [REDACTED] [REDACTED] obtain and finalize report; report to E. Craddock;   | 0.20  |
| 02/09/17 | Erin Craddock | Finalize list of outstanding items for Smith; telephone call with Gillian Goldblatt [REDACTED] [REDACTED] attend to service of third party claims;  | 4.80  |
| 02/09/17 | David S. Ward | Correspondence to Brian McNeely regarding Crown position on Restrained Funds; review updated [REDACTED] [REDACTED];   | 1.10  |
| 02/09/17 | Jane Oliveira | Obtained and forwarded PIN re [REDACTED] [REDACTED]   | 0.30  |
| 02/09/17 | Jeremy Martin | Preparing [REDACTED] [REDACTED] reviewing [REDACTED] [REDACTED] [REDACTED]  | 3.50  |
| 02/09/17 | Larry Ellis   | Continue to prepare for examination of witnesses; review draft letter to Harry Fogul prepared by Erin Craddock and [REDACTED] [REDACTED] meeting with David Ward to discuss [REDACTED]  | 2.00  |
| 02/10/17 | Erin Craddock | Attend to service of statement of claim on Maxwell Morgan entity;   | 0.10  |
| 02/10/17 | David S. Ward | Correspondence to and from Joe Sereda regarding Francis Best litigation; complete review of Hardowa transcript;   | 0.90  |
| 02/10/17 | Jeremy Martin | Communications with Glenroy Browne;   | 0.20  |
| 02/10/17 | Jeremy Martin | Reviewing [REDACTED] [REDACTED]   | 1.60  |

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.



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| Date     | Lawyer              | Description   | Hours |
|----------|---------------------|---|-------|
| 02/10/17 | Larry Ellis         | Review draft engagement letter and [REDACTED]<br>[REDACTED] review Harry Fogul<br>communication and [REDACTED]<br>[REDACTED] review updated Court material;   | 2.10  |
| 02/12/17 | Erin Craddock       | Redact invoices for inclusion in fee affidavit;   | 2.00  |
| 02/13/17 | Christopher Horkins | Emails with M. Mascherin and CBB team re<br>[REDACTED] [REDACTED] [REDACTED] [REDACTED]<br>[REDACTED] [REDACTED] [REDACTED] [REDACTED]  | 0.30  |
| 02/13/17 | Jeremy Martin       | Discussions with [REDACTED]<br>[REDACTED] reporting to senior<br>counsel; receiving and reviewing Notice of Intent<br>to Defend and correspondence from Don River<br>Inc.; research [REDACTED]  | 2.90  |
| 02/13/17 | Erin Craddock       | Correspondence with Court regarding court time;<br>correspondence with Larry Ellis regarding [REDACTED]<br>[REDACTED] revise letter to A&B;   | 1.00  |
| 02/13/17 | David S. Ward       | Brief review of correspondence from Joint<br>Liquidator including [REDACTED]<br>[REDACTED] discussion with L. Ellis regarding [REDACTED]<br>[REDACTED]<br>[REDACTED] receive correspondence regarding [REDACTED]<br>[REDACTED] follow<br>up regarding [REDACTED]<br>[REDACTED], call with Joe Sereda;<br>correspondence to [REDACTED] | 2.10  |



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| Date     | Lawyer              | Description  | Hours |
|----------|---------------------|--|-------|
| 02/13/17 | Larry Ellis         | Finalize comment on Harry Fogul communication and instruct Erin Craddock [REDACTED] follow up telephone conversation with Ian Driscoll [REDACTED]; follow-up communication to Ian Driscoll [REDACTED] attempts to contact Paul McCarthy in connection with [REDACTED] review and respond to Communications from team in connection with [REDACTED] Draft email to Paul McCarthy regarding [REDACTED] telephone calls to Paul McCarthy and leave voicemail; review and respond to numerous emails from team, including Erin Craddock and Paul Appleton regarding [REDACTED] | 4.00  |
| 02/14/17 | Erin Craddock       | Instructions from Larry Ellis; correspondence with Harry Fogul regarding [REDACTED] address service issues related to statement of claim;  | 0.60  |
| 02/14/17 | David S. Ward       | Correspondence with Joe Sereda; call to Joe Sereda; follow up to Aman Patel; meeting with and interest to Erin Craddock regarding [REDACTED]   | 1.70  |
| 02/14/17 | Larry Ellis         | Review draft email prepared by Erin Craddock to be delivered to Harry Fogul in connection with [REDACTED] review update in connection with [REDACTED] Follow up with Ian Driscoll regarding [REDACTED] review email from counsel for certain defendants in connection with agreement to accept service; review draft [REDACTED] and discussing with David Ward;  | 1.40  |
| 02/14/17 | Jeremy Martin       | Preparing response to DonRiver Inc.; [REDACTED] discussion with E. Craddock; seeking further instructions;   | 1.00  |
| 02/15/17 | Christopher Horkins | Emails with M. Mascherin and E. Craddock confirming service of Geladaris and My Finance with WeW Claim;  | 0.20  |

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.



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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 02/15/17 | Erin Craddock | Correspondence with counsel with Francis Best regarding acceptance of service; correspondence with Chris Horkins regarding [REDACTED] research regarding [REDACTED] draft [REDACTED] review letter from Harry Fogul;  | 3.50  |
| 02/15/17 | Larry Ellis   | Multiple communications with Ian Driscoll in connection with [REDACTED] work with Erin Craddock to advance [REDACTED] review and respond to emails from Erin Craddock in connection with [REDACTED] review responding communication from Harry Fogul in connection with core material and requested revisions thereto; develop [REDACTED] | 2.80  |
| 02/16/17 | Jeremy Martin | Receiving and reviewing affidavits of service in respect of Glenroy Browne and DonRiver Inc.; arranging for filing;   | 0.40  |
| 02/16/17 | Larry Ellis   | Lengthy telephone conversation with Harry Fogul to advance court material; meeting with Erin Craddock to provide direction on [REDACTED] review and respond to multiple communications from Paul Appleton in connection with [REDACTED] multiple communications with Ian Driscoll in connection with [REDACTED]                           | 1.90  |
| 02/17/17 | Jeremy Martin | Commencing work on [REDACTED] seeking instructions on DonRiver Inc.;  | 3.00  |
| 02/17/17 | Larry Ellis   | Review communication from receiver in connection with [REDACTED] update call with client in connection with [REDACTED]  | 0.40  |



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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 02/20/17 | Erin Craddock | Revise Ninth Report [REDACTED]<br>[REDACTED] draft [REDACTED]   | 2.50  |
| 02/20/17 | David S. Ward | Correspondence to and from Adam Sharma;<br>correspondence to and from Lyndon Farrington<br>and Ian Discoll regarding [REDACTED]<br>[REDACTED]   | 1.10  |
| 02/20/17 | Larry Ellis   | Review email communication from David Ward in<br>connection with [REDACTED]<br>[REDACTED] review updated report to<br>reflect comment from Harry Fogul; review<br>[REDACTED]<br>[REDACTED] cross<br>reference the [REDACTED]<br>[REDACTED] follow-up call with Erin Craddock to<br>provide instruction; | 1.60  |
| 02/21/17 | Jeremy Martin | [REDACTED] meeting with D. Ward; preparing<br>correspondence to DonRiver Inc.'s counsel;<br>completing [REDACTED]   | 0.80  |
| 02/21/17 | David S. Ward | Emails and correspondence regarding [REDACTED]<br>receive and review Corporation from counsel to<br>Chris Smith [REDACTED]<br>consider [REDACTED] brief<br>review of Ninth Report; further emails and call<br>with Paul Appleton regarding [REDACTED]<br>[REDACTED] follow up;                          | 1.90  |
| 02/21/17 | Jeremy Martin | [REDACTED]  | 1.90  |
| 02/21/17 | Erin Craddock | Coordinate service of statement of claim;<br>meeting with David Ward regarding [REDACTED]<br>[REDACTED] telephone call with Gillian Goldblatt<br>regarding [REDACTED]<br>research regarding [REDACTED]<br>revise Ninth Report; [REDACTED]<br>[REDACTED]   | 11.30 |





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| Date     | Lawyer         | Description   | Hours |
|----------|----------------|---|-------|
| 02/21/17 | Larry Ellis    | Review communication to David Ward by the joint liquidators and discuss [REDACTED] work with Team to [REDACTED] review note from receiver [REDACTED] Erin Craddock, including providing direction for [REDACTED]                            | 1.50  |
| 02/22/17 | David S. Ward  | Review and comment on Ninth Report; discussion with Joe Sereda regarding demand for defence and document production; advice to Receiver regarding [REDACTED] follow up with Tara Reeves; instructions to Jeremy Martin regarding [REDACTED] | 1.60  |
| 02/22/17 | Erin Craddock  | Revise Ninth Report; draft and revise [REDACTED] follow up with Tara Reeves regarding [REDACTED] arrange for service of statement of claim on Tricia Edwards;   | 3.90  |
| 02/22/17 | Larry Ellis    | Review rough draft [REDACTED] review and respond to multiple emails from Phil Gennis in connection with [REDACTED] review and respond to request [REDACTED]   | 2.00  |
| 02/22/17 | Cathy Stallone | Email from and to Erin Craddock; email to Jeff Fish;  | 0.20  |
| 02/22/17 | Jeremy Martin  | Reviewing materials and [REDACTED]  | 4.60  |
| 02/22/17 | Jeremy Martin  | Banking inquiries in respect of [REDACTED]  | 1.00  |
| 02/23/17 | Jeremy Martin  | Completing [REDACTED]   | 1.30  |



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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 02/23/17 | David S. Ward | Receive and consider correspondence from Aman Patel regarding [REDACTED] report to Receiver regarding [REDACTED] correspondence and pleading from Joseph Sereda; correspondence from Joint Liquidators in relation to [REDACTED] call to Paul Appleton; call to Receiver regarding [REDACTED] meeting with Erin Craddock regarding [REDACTED] | 1.90  |
| 02/23/17 | Erin Craddock | Draft and revise fee affidavits including redaction of accounts; call [REDACTED] correspondence with Gillian Goldblatt regarding [REDACTED]   | 2.10  |
| 02/23/17 | Larry Ellis   | Review email from David Ward, including responding correspondence from counsel for criminal lawyer and [REDACTED] review email from witness in London, England and [REDACTED] telephone call with client to discuss [REDACTED] follow-up call to David Ward to discuss [REDACTED]   | 1.90  |
| 02/24/17 | Erin Craddock | Compile reports for Ninth Report; review and prepare document brief for examination of Brea Hardowa; prepare redacted fee affidavit for MSI Spergel inc.; instructions from Larry Ellis;  | 4.60  |
| 02/24/17 | David S. Ward | Receipt and brief review of fee affidavit and evidence in support of Ninth Report; preparation of Brea Hardowa examinations; receipt and consider memorandum regarding [REDACTED] review [REDACTED]   | 3.20  |
| 02/24/17 | Larry Ellis   | [REDACTED] updated draft ninth report and [REDACTED] with Erin Craddock; review and respond to multiple emails from Erin Craddock regarding [REDACTED]; review draft memo from Jeremy Martin and [REDACTED] review draft email to Harry Fogul and provide comments;   | 1.40  |

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.



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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 02/24/17 | Jeremy Martin | Revising, completing and distributing [REDACTED]<br>[REDACTED]  | 2.00  |
| 02/25/17 | David S. Ward | Complete review of [REDACTED]<br>[REDACTED]; complete review<br>of [REDACTED] and<br>instructions to Jeremy Martin;   | 0.80  |
| 02/26/17 | Erin Craddock | Correspondence regarding adjournment of<br>examination of Brea Hardowa;   | 0.30  |
| 02/26/17 | David S. Ward | Emails and correspondence with Laurel D. Hogg<br>and Cassels team and Receiver regarding [REDACTED]<br>[REDACTED]   | 0.30  |
| 02/26/17 | Larry Ellis   | Review communication from David Ward in<br>connection with [REDACTED]<br>[REDACTED]; review emails from the receiver<br>and David Ward in connection with the [REDACTED]<br>[REDACTED]  | 0.50  |
| 02/27/17 | David S. Ward | Calls and discussions with counsel for Brea<br>Hardowa regarding document production;<br>meeting and discussion with Larry Ellis and Erin<br>Craddock regarding [REDACTED]<br>discussions with Phil Gennis and emails on<br>[REDACTED]<br>[REDACTED] meeting with and<br>instructions to Jeremy Martin regarding [REDACTED]<br>[REDACTED]; call to Paul Appleton; | 2.10  |
| 02/27/17 | Erin Craddock | Revise Ninth Report, Notice of Motion and Draft<br>Order; service of the same;  | 8.30  |



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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 02/27/17 | Larry Ellis   | Complete [REDACTED] and provide instruction to Erin Craddock regarding [REDACTED] meeting with Erin Craddock to discuss [REDACTED] review version of report to be circulated to client and participate in telephone conversation with client to [REDACTED] [REDACTED] review and respond to multiple emails from David Ward and Erin Craddock in connection with [REDACTED] [REDACTED] review [REDACTED] and provide direction to Erin Craddock; | 3.50  |
| 02/28/17 | David S. Ward | [REDACTED]<br>[REDACTED]<br>[REDACTED] preparation of correspondence to Hush Mail; preparation of correspondence to counsel for Brea Hardowa; consider how to address [REDACTED]<br>[REDACTED] meeting with Erin Craddock regarding [REDACTED]   | 1.40  |
| 02/28/17 | Jeremy Martin | Forwarding [REDACTED] reviewing possible strategies for [REDACTED]<br>[REDACTED]   | 2.60  |
| 02/28/17 | Erin Craddock | Preparations for examination for discovery for Brea Hardowa; [REDACTED]<br>[REDACTED]  | 6.00  |
| 02/28/17 | Larry Ellis   | Review email from Harry Fogul in connection with draft court order being sought at court hearing; review update memo from Erin Craddock in connection with [REDACTED] [REDACTED] multiple emails with Harry Fogul to advance warning in court order; telephone conversation with Harry Fogul and the receiver to [REDACTED]  | 3.20  |



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**Time Summary**

| <u>Timekeeper</u>   | <u>Hours</u> | <u>Rate</u> | <u>Fees</u> |
|---------------------|--------------|-------------|-------------|
| Cathy Stallone      | 0.50         | 310.00      | 155.00      |
| Christopher Horkins | 9.10         | 500.00      | 4,550.00    |
| David S. Ward       | 28.30        | 845.00      | 23,913.50   |
| Erin Craddock       | 83.10        | 575.00      | 47,782.50   |
| Jane Oliveira       | 0.30         | 160.00      | 48.00       |
| Jeremy Martin       | 41.30        | 500.00      | 20,650.00   |
| Kellye Walker       | 0.20         | 255.00      | 51.00       |
| Larry Ellis         | 42.60        | 740.00      | 31,524.00   |

Our Fee 128,674.00

**Disbursements**

Paid for long distance telephone, facsimile and delivery charges,  
Court and corporate searches and Certificates and filing fees,  
copies of documents, and special overtime services.

|                           |               |
|---------------------------|---------------|
| Taxable Disbursements     | 5,997.73      |
| Non-Taxable Disbursements | <u>537.25</u> |

Total Disbursements 6,534.98

HST/GST on Fees & Disbursements On or After July 1, 2010 17,507.32

**Total Fees, Disbursements & Tax \$ 152,716.30**

This is our account herein  
**Cassels Brock & Blackwell LLP**

Larry Ellis  
E&OE



MSI SPERGEL INC.  
ATTN: PHILIP H. GENNIS  
505 CONSUMERS ROAD  
SUITE 200  
TORONTO ON M2J 4V8

Date: 02/09/17  
Our File #: 045803-00002  
Invoice #: 2007313  
HST/GST #: R121379572

**Re: Banners Broker International Limited And 1587803 Ontario Limited**

**TO PROFESSIONAL SERVICES RENDERED UP for the period up to and including JANUARY 31, 2017, as described below:**

| Date     | Lawyer              | Description   | Hours |
|----------|---------------------|---|-------|
| 01/03/17 | Erin Craddock       | Review documents received from Paul Appleton in connection with [REDACTED]  | 2.60  |
| 01/03/17 | David S. Ward       | Discussions with [REDACTED]<br>[REDACTED]<br>preparation of memorandum to file; meeting with Erin Craddock regarding [REDACTED]   | 1.50  |
| 01/03/17 | Larry Ellis         | Review and consider correspondence with Ian Driscoll regarding [REDACTED]<br>[REDACTED] review notes from Driscoll meeting and disclosure made to the Joint Liquidators. [REDACTED]<br>[REDACTED] | 1.50  |
| 01/04/17 | Christopher Horkins | Prepare draft cover letter for service of World eWallet Claim; Consider [REDACTED]<br>[REDACTED] Send draft letter to D. Ward<br>[REDACTED]   | 1.60  |

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.

**Cassels Brock & Blackwell LLP**

2100, Scotia Plaza, 40 King Street West, Toronto, Canada M5H 3C2  
Tel: 416.869.5300 Fax: 416.360.8877 www.casselsbrock.com



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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 01/04/17 | Erin Craddock | Email to Ian Driscoll regarding [REDACTED]<br>[REDACTED] review documents received from Paul Appleton in connection with [REDACTED]  | 6.50  |
| 01/04/17 | David S. Ward | Instructions to Erin Craddock regarding [REDACTED]<br>[REDACTED] prepare material for [REDACTED]<br>[REDACTED] preparation of correspondence to Mr. Balwinder, counsel for Josen regarding contempt aspects of Mareva; follow up with Tara Josun regarding obtaining her evidence; | 2.40  |
| 01/04/17 | Jeremy Martin | [REDACTED] reviewing World eWallet claims;   | 1.10  |
| 01/04/17 | Larry Ellis   | Review correspondence from Ian Driscoll and responding correspondence from Erin Craddock regarding [REDACTED]<br>[REDACTED] consider [REDACTED]<br>[REDACTED] review draft service letter to Patrick Kraemer regarding service and email from Chris Horkins [REDACTED]             | 0.30  |
| 01/05/17 | Erin Craddock | Review documents received from Paul Appleton in connection with [REDACTED]<br>[REDACTED]   | 6.00  |
| 01/05/17 | David S. Ward | Meeting with Erin Craddock to [REDACTED]<br>[REDACTED] consider issues regarding [REDACTED]<br>[REDACTED] report to Receiver on issues relating to [REDACTED]<br>[REDACTED]  | 1.90  |
| 01/05/17 | Larry Ellis   | Review correspondence from David Ward regarding [REDACTED]<br>[REDACTED] consider [REDACTED]<br>[REDACTED] review memorandum regarding [REDACTED]<br>[REDACTED] review draft [REDACTED]<br>[REDACTED]<br>[REDACTED]  | 1.40  |

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| Date     | Lawyer              | Description   | Hours |
|----------|---------------------|---|-------|
| 01/06/17 | Erin Craddock       | Review documents received from Paul Appleton<br>[REDACTED]  | 3.30  |
| 01/06/17 | Larry Ellis         | Review letter to [REDACTED]<br>[REDACTED]   | 0.20  |
| 01/06/17 | Christopher Horkins | Finalize and send letter to Patrick Kraemer re accepting service of World e Wallet claim;<br>Arrange for service of World e Wallet claim on addresses identified in Statement of Claim; | 0.80  |
| 01/06/17 | David S. Ward       | Review [REDACTED]<br>[REDACTED] preparation of correspondence to Balwinder;   | 1.10  |
| 01/10/17 | David S. Ward       | Brief review of correspondence from Rajiv Dixit; meeting with L. Ellis regarding [REDACTED]<br>[REDACTED]   | 1.10  |
| 01/10/17 | Larry Ellis         | Prepare for meeting tomorrow to discuss [REDACTED]<br>[REDACTED] review<br>update regarding [REDACTED]<br>[REDACTED]  | 1.10  |
| 01/10/17 | Erin Craddock       | Revise [REDACTED]<br>[REDACTED]   | 0.20  |
| 01/11/17 | Erin Craddock       | Meeting with Larry Ellis and David Ward regarding [REDACTED]  | 1.70  |
| 01/11/17 | David S. Ward       | Revise and finalize correspondence from [REDACTED]<br>[REDACTED] preparation for and meeting with Erin Craddock and Larry Ellis regarding [REDACTED]<br>[REDACTED]                      | 1.80  |





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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 01/11/17 | Larry Ellis   | Review and consider note from David Ward regarding [REDACTED] continue preparation for meeting with team to discuss [REDACTED] review and consider [REDACTED] attend meeting with David and Erin to discuss and consider [REDACTED] reporting note to client to recommend [REDACTED] | 3.60  |
| 01/12/17 | Erin Craddock | Correspondence with Gillian Goldblatt and David Ward regarding [REDACTED] correspondence with Gillian Goldblatt regarding [REDACTED]   | 0.60  |
| 01/12/17 | David S. Ward | Brief review of [REDACTED] arrangements regarding Tara Josun cross-examination by way of Mareva enforcements including correspondence with Josun and receiver; preparation of [REDACTED] meeting and instructions to Erin Craddock;  | 2.40  |
| 01/12/17 | Jeremy Martin | [REDACTED]   | 0.40  |
| 01/12/17 | Larry Ellis   | Review updated R&D and consider [REDACTED] continue working on [REDACTED]; continue consider [REDACTED]  | 1.70  |
| 01/13/17 | Erin Craddock | Telephone call with Gillian Goldblatt regarding [REDACTED] instructions from Larry Ellis regarding [REDACTED]  | 1.80  |
| 01/13/17 | David S. Ward | Meeting with Erin Craddock regarding [REDACTED] call from [REDACTED] finalize [REDACTED] consider [REDACTED] instructions to Jeremy Martin; further revisions to [REDACTED]  | 2.10  |



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| Date     | Lawyer            | Description   | Hours |
|----------|-------------------|---|-------|
| 01/13/17 | Larry Ellis       | Review and consider email from Patrick Kraemer and discuss [REDACTED] call with client to discuss [REDACTED]<br>[REDACTED] review material in connection with frozen funds; review court orders from J [REDACTED]<br>[REDACTED]; meeting with Erin Craddock to discuss [REDACTED]<br>[REDACTED]   | 2.30  |
| 01/16/17 | Stephanie Kerzner | Conduct document review for E. Craddock;  | 1.40  |
| 01/16/17 | David S. Ward     | Receipt and review correspondence to and from Patrick J. Kraemer regarding WorldeWallet Inc., Michael Kraemer and Commercial Bridge Group;<br>[REDACTED]<br>[REDACTED] instructions to Chris Horkins regarding [REDACTED] meeting with Jeremy Martin and revisions to correspondence [REDACTED] advice to Receiver regarding [REDACTED]<br>revise correspondence to Brea Hardowa; consider [REDACTED] preparation of correspondence to Crown counsel; | 3.40  |
| 01/16/17 | Jeremy Martin     | Reviewing, revising and reporting on [REDACTED]<br>[REDACTED]   | 0.80  |
| 01/16/17 | Jeremy Martin     | Reviewing [REDACTED]  | 0.20  |
| 01/16/17 | Erin Craddock     | Draft correspondence to Brea Hardowa regarding examination under oath; serve notice of examination of Brea Hardowa; correspondence regarding [REDACTED] correspondence with Tara Reeves regarding examination under oath; review file regarding [REDACTED]<br>[REDACTED]  | 2.10  |



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| Date     | Lawyer              | Description   | Hours |
|----------|---------------------|---|-------|
| 01/16/17 | Larry Ellis         | Emails and a meeting today to discuss<br>[REDACTED]<br>review and consider [REDACTED]<br>[REDACTED] review draft notice of<br>examination and consider [REDACTED]<br>review and consider [REDACTED]<br>[REDACTED]<br>[REDACTED] review final note to crown [REDACTED]<br>[REDACTED] work with team to develop framework for<br>Omnibus motion and provide correspondence to<br>David Ward [REDACTED]                      | 2.10  |
| 01/17/17 | Christopher Horkins | Emails with Patrick Kraemer and Fiona Snyder re<br>arranging meeting at CBB to discuss World<br>eWallet claim;  | 0.70  |
| 01/17/17 | Stephanie Kerzner   | Document review for C. Craddock;  | 1.20  |
| 01/17/17 | David S. Ward       | Discussion with Brian McNeely regarding<br>Receiver's request and crown consideration of<br>action; finalize correspondence to Aman Patel;<br>lengthy discussion with Harry Fogul regarding<br>[REDACTED]<br>[REDACTED] report to Receiver; correspondence<br>from Joint Liquidators regarding [REDACTED]<br>[REDACTED]<br>[REDACTED] arrangements regarding [REDACTED]<br>[REDACTED] correspondence from Harry<br>Fogul; | 3.40  |
| 01/17/17 | Erin Craddock       | Correspondence with Tara Reeves regarding<br>examination under oath; draft ninth receiver's<br>report including [REDACTED]<br>[REDACTED]  | 6.80  |
| 01/17/17 | Larry Ellis         | Review letter to [REDACTED]<br>[REDACTED] review update from<br>David Ward regarding the [REDACTED]<br>[REDACTED]<br>[REDACTED]; consider [REDACTED]<br>[REDACTED]<br>[REDACTED]  | 1.50  |



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| Date     | Lawyer            | Description  | Hours |
|----------|-------------------|--|-------|
| 01/18/17 | David S. Ward     | Draft and revise Transition motion component of February Motion to Ontario Court of Justice; correspondence from Harry Fogul; correspondence from [REDACTED]   | 1.60  |
| 01/18/17 | Erin Craddock     | Draft and revise ninth report of receiver including amending report to include transition update materials; correspondence with Ian Driscoll regarding [REDACTED]<br>[REDACTED]  | 5.40  |
| 01/18/17 | Larry Ellis       | Review draft of court report prepared by Erin Craddock and [REDACTED]<br>review material prepared by David Ward to be inserted into the February motion and provide direction to Erin Craddock regarding [REDACTED]<br>[REDACTED] review<br>lengthy note from Ian Driscoll [REDACTED]<br>[REDACTED]  | 4.10  |
| 01/18/17 | Stephanie Kerzner | Document review for E. Craddock;   | 2.60  |
| 01/19/17 | Cathy Stallone    | Call with Erin Craddock; tag documents in database and prepare printed sets;   | 0.60  |
| 01/19/17 | Chad Podolsky     | Creating fee affidavit for E. Craddock;  | 1.00  |
| 01/19/17 | Stephanie Kerzner | Document review for E. Craddock;   | 1.70  |
| 01/19/17 | David S. Ward     | Meeting with Erin Craddock regarding [REDACTED]<br>[REDACTED] brief review of correspondence regarding Ian Driscoll; telephone discussion with Brea Hardowa; advance [REDACTED]<br>[REDACTED] correspondence with Receiver; telephone discussion with defendants counsel; instructions to Chris Horkins regarding [REDACTED]<br>[REDACTED] | 2.70  |



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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 01/19/17 | Erin Craddock | Telephone conversation with Brea Hardowa regarding notice of examination; revise ninth report of receiver; instructions to Cathy Stallone regarding [REDACTED]<br>[REDACTED] review transition services agreement, Ontario court order and IOM court order regarding [REDACTED]<br>[REDACTED] | 2.60  |
| 01/19/17 | Larry Ellis   | Review revised court report and [REDACTED]<br>[REDACTED] review update from Erin Craddock regarding [REDACTED]<br>[REDACTED] review file for Brea Hardowa's information to [REDACTED]<br>[REDACTED] review outline prepared by David Ward and continue [REDACTED]<br>[REDACTED]               | 2.00  |
| 01/20/17 | Erin Craddock | Prepare for and attend meeting with Gillian Goldblatt, Phil Gennis, David Ward, Larry Ellis regarding [REDACTED]<br>instructions to Kellye Walker regarding [REDACTED]<br>correspondence with team regarding [REDACTED]<br>revise ninth report of receiver;                                   | 5.30  |
| 01/20/17 | Larry Ellis   | Prepare for and meet with client and team to discuss [REDACTED]<br>follow up meeting with client to discuss and consider [REDACTED]   | 2.50  |
| 01/20/17 | Chad Podolsky | Drafting fee affidavit for E. Craddock;   | 1.20  |
| 01/20/17 | Kellye Walker | Conduct Federal Insolvency search against [REDACTED] obtain and finalize report; report to E. Craddock;   | 0.30  |
| 01/20/17 | David S. Ward | Correspondence from [REDACTED]<br>preparation for and meeting with Canada team;<br>follow up meeting with Erin Craddock;  | 2.20  |
| 01/21/17 | David S. Ward | Brief review of Receiver's Eighth Report in preparation for cross-examination of Tara Josun;  | 0.70  |



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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 01/23/17 | David S. Ward | Correspondence from Tara Reeves regarding cancellation of scheduled Mareva cross-examination; discussion with Erin Craddock and [REDACTED] follow-up with Crown regarding restrained funds; discussion with Brian McNeely; follow-up with Aman Patel; review [REDACTED]<br>[REDACTED]   | 3.40  |
| 01/23/17 | Erin Craddock | Review documents received from Ian Driscoll; correspondence with Tara Reeves regarding examination under oath regarding contents of Eighth Report;  | 4.70  |
| 01/23/17 | Larry Ellis   | Review communication from third party refusing to cooperate and make themselves available for examination and consider [REDACTED]<br>[REDACTED] review draft notes to third party and consider in context of [REDACTED]<br>[REDACTED] review and consider email from Brian McNeely and [REDACTED]<br>[REDACTED] meeting with team to [REDACTED]<br>[REDACTED] | 1.50  |
| 01/24/17 | David S. Ward | Correspondence from Aman Patel; report to receiver; receipt and review correspondence from Brian McNeely, counsel for Attorney General to criminal proceedings regarding funds; correspondence to and from Tara Josun regarding terms of her appearance at cross-examination; [REDACTED]<br>[REDACTED] preparation for cross-examination of Tara Reeves;      | 2.10  |
| 01/24/17 | Erin Craddock | Prepare outline for examination of Tara Reeves regarding contents of Eighth Report; review documents relating to Brea Hardowa in [REDACTED] prepare outline for examination under oath of Brea Hardowa;   | 5.00  |



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| Date     | Lawyer            | Description  | Hours |
|----------|-------------------|--|-------|
| 01/24/17 | Larry Ellis       | Review note from [REDACTED]<br>[REDACTED] review draft court report<br>and [REDACTED]  | 0.30  |
| 01/25/17 | Stephanie Kerzner | Document review for E. Craddock;   | 0.30  |
| 01/25/17 | David S. Ward     | Meeting with Erin Craddock; review documentary<br>productions and prepare for examinations of<br>Tara Josun; review documentary productions<br>and prepare for examination for discovery of<br>Brea Hardowa; attend Tara Josun discovery in<br>North York regarding [REDACTED]<br>[REDACTED]   | 4.90  |
| 01/25/17 | Erin Craddock     | Meeting with David Ward regarding [REDACTED]<br>[REDACTED] attend examination under oath of Tara Reeves;   | 6.30  |
| 01/25/17 | Jeremy Martin     | Final research into [REDACTED]<br>[REDACTED] preparation of service memorandum and service<br>protocol; drafting and executing cover letters;<br>instructing process servers;  | 5.30  |
| 01/25/17 | Larry Ellis       | Review note from Erin Craddock regarding [REDACTED]<br>[REDACTED] meeting with Erin<br>Craddock to further discuss [REDACTED]<br>[REDACTED] review draft court material and [REDACTED]<br>[REDACTED] meeting with [REDACTED]<br>[REDACTED] review and respond to emails from JL's in<br>connection with [REDACTED]<br>[REDACTED] call with client to<br>discuss [REDACTED]<br>[REDACTED] | 1.70  |
| 01/26/17 | Stephanie Kerzner | Document review for E. Craddock;   | 0.60  |



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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 01/26/17 | Erin Craddock | Prepare for and attend examination under oath of Brea Hardowa; meeting with Gillian Goldblatt regarding [REDACTED]<br>[REDACTED]   | 5.70  |
| 01/26/17 | Larry Ellis   | Review letter to Balwinder Sran and discuss [REDACTED] David Ward; review note from David Ward regarding [REDACTED] review, in detail, correspondence and documentation provided for by Ian Discoll and [REDACTED]<br>[REDACTED] | 2.40  |
| 01/26/17 | David S. Ward | Prepare for and attend discovery of Brea Hardowa;  | 5.00  |
| 01/27/17 | David S. Ward | Follow-up with Crown law office regarding restrained funds; instructions to Erin Craddock [REDACTED] preparation of Receiver's Eighth report;  | 1.50  |
| 01/27/17 | Erin Craddock | Correspondence regarding [REDACTED] [REDACTED] correspondence with Brea Hardowa and Canadian team regarding continued examination of Brea Hardowa;   | 0.80  |
| 01/30/17 | David S. Ward | Correspondence from Brian McNeely; meeting with Larry Ellis and Erin Craddock regarding [REDACTED] instructions to Erin Craddock and preparation of correspondence to Tara Josun;  | 1.60  |
| 01/30/17 | Erin Craddock | Meeting with David Ward and Larry Ellis [REDACTED] revise ninth report of receiver;  | 2.80  |





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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 01/30/17 | Larry Ellis   | Review note from Brian McNeely regarding the frozen funds [REDACTED] Erin Craddock and David Ward in terms of [REDACTED] [REDACTED] meeting with team to discuss [REDACTED] follow up with Ian Driscoll; follow with Harry Fogul to discuss next steps to complete final transfers; revise language for David Ward's draft email; | 2.00  |
| 01/31/17 | David S. Ward | Meeting with Erin Craddock; revise and finalize correspondence and lists of undertakings and authorization and direction for Tara Josun; [REDACTED]   | 1.30  |
| 01/31/17 | Erin Craddock | Correspondence with Tara Josun regarding undertakings and authorization; draft [REDACTED] research [REDACTED]; revise ninth report of receiver including review of Receiver's activities from May to August 2016;   | 5.30  |
| 01/31/17 | Larry Ellis   | Review draft court material and [REDACTED] [REDACTED] call with client to discuss [REDACTED] [REDACTED]   | 0.70  |



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**Time Summary**

| <u>Timekeeper</u>   | <u>Hours</u> | <u>Rate</u> | <u>Fees</u> |
|---------------------|--------------|-------------|-------------|
| Cathy Stallone      | 0.60         | 310.00      | 186.00      |
| Chad Podolsky       | 2.20         | 175.00      | 385.00      |
| Christopher Horkins | 3.10         | 500.00      | 1,550.00    |
| David S. Ward       | 48.10        | 845.00      | 40,644.50   |
| Erin Craddock       | 75.50        | 575.00      | 43,412.50   |
| Jeremy Martin       | 7.80         | 500.00      | 3,900.00    |
| Kellye Walker       | 0.30         | 255.00      | 76.50       |
| Larry Ellis         | 32.90        | 740.00      | 24,346.00   |
| Stephanie Kerzner   | 7.80         | 175.00      | 1,365.00    |
| Our Fee             |              |             | 115,865.50  |

**Disbursements**

Paid for long distance telephone, facsimile and delivery charges,  
Court and corporate searches and Certificates and filing fees,  
copies of documents, and special overtime services.

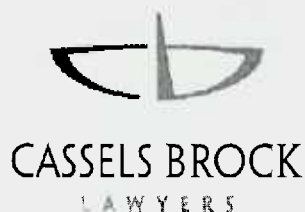
|                             |                  |
|-----------------------------|------------------|
| Taxable Disbursements       | 1,029.06         |
| Non-Taxable Disbursements   | <u>23,219.22</u> |
| Total Disbursements         | <u>24,248.28</u> |
| HST on Fees & Disbursements | <u>15,196.30</u> |

**Total Fees, Disbursements & Tax****\$ 155,310.08**

This is our account herein  
**Cassels Brock & Blackwell LLP**

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

Larry Ellis  
E&OE



MSI SPERGEL INC.  
ATTN: PHILIP H. GENNIS  
505 CONSUMERS ROAD  
SUITE 200  
TORONTO ON M2J 4V8

Date: 12/20/16  
Our File #: 045803-00002  
Invoice #: 2002781  
HST/GST #: R121379572

**Re: Banners Broker International Limited And 1587803 Ontario Limited**

**TO PROFESSIONAL SERVICES RENDERED UP to and including November 30, 2016, described below:**

| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 09/09/16 | Sophie Moher  | Reviewed list of [REDACTED]<br>[REDACTED]<br>[REDACTED]   | 0.40  |
| 09/13/16 | Sophie Moher  | Pulled and reviewed [REDACTED]<br>[REDACTED] for E.<br>Craddock;  | 3.50  |
| 09/14/16 | Sophie Moher  | Searched for and organized [REDACTED]<br>[REDACTED] for E. Craddock;  | 3.10  |
| 09/15/16 | Sophie Moher  | Meeting with Erin Craddock regarding<br>[REDACTED]<br>[REDACTED];   | 1.90  |
| 11/01/16 | Jeremy Martin | Update meeting with E. Craddock in respect of<br>[REDACTED] reviewing notes from [REDACTED]<br>[REDACTED] further<br>searches relating to [REDACTED]; | 2.30  |
| 11/01/16 | David S. Ward | Review Cassels Team Meeting agenda;   | 0.40  |

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**Cassels Brock & Blackwell LLP**

2100, Scotia Plaza, 40 King Street West, Toronto, Canada M5H 3C2  
Tel: 416.869.5300 Fax: 416.360.8877 www.casselsbrock.com

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| Date     | Lawyer              | Description  | Hours |
|----------|---------------------|--|-------|
| 11/01/16 | Erin Craddock       | Circulate [REDACTED]; circulate draft receiver's report for freezing order; correspondence with Chris Horkins and Jeremy Martin [REDACTED] research regarding [REDACTED];  | 4.20  |
| 11/01/16 | Larry Ellis         | Review and [REDACTED]<br>[REDACTED]; review draft court material and [REDACTED]<br>[REDACTED]; review draft agenda and [REDACTED]<br>[REDACTED] review updated agenda for meeting with [REDACTED]<br>[REDACTED] review background information in connection [REDACTED]<br>[REDACTED] | 3.30  |
| 11/02/16 | Christopher Horkins | Attend BBIL Canadian team meeting with J. Martin, E. Craddock, L. Ellis, D. Ward, Phil Gennis and Gillian Goldblatt;   | 1.70  |
| 11/02/16 | David S. Ward       | Canadian Team Meeting; preparation for [REDACTED]<br>[REDACTED] further revisions to Tara Josun freeze materials;  | 2.10  |
| 11/02/16 | Jeremy Martin       | Preparing for and attending team meeting;  | 1.80  |
| 11/02/16 | Erin Craddock       | Attend Canadian team update meeting; finalize [REDACTED] draft memorandum regarding research [REDACTED]  | 5.50  |
| 11/02/16 | Larry Ellis         | Work with team to establish [REDACTED]<br>[REDACTED] meeting with David Ward to discuss [REDACTED]<br>[REDACTED] prepare for [REDACTED]<br>[REDACTED]  | 1.20  |
| 11/03/16 | Jeremy Martin       | Reviewing [REDACTED]<br>[REDACTED] library review of [REDACTED]<br>[REDACTED]  | 3.30  |
| 11/03/16 | Erin Craddock       | Draft memorandum [REDACTED]<br>[REDACTED]  | 4.20  |
| 11/03/16 | David S. Ward       | Preparation for [REDACTED]; meeting with Erin Craddock to [REDACTED]<br>[REDACTED]   | 1.70  |

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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 11/03/16 | Larry Ellis   | Calls with Phil Gennis to discuss [REDACTED]<br>[REDACTED]; review court material filed in<br>the Isle of Man case to [REDACTED]<br>[REDACTED]  | 2.00  |
| 11/04/16 | Erin Craddock | Finalize memorandum regarding [REDACTED]<br>draft memorandum regarding [REDACTED]<br>review documents and transcripts regarding<br>[REDACTED];  | 4.00  |
| 11/04/16 | Larry Ellis   | Review and consider correspondence from client;<br>review and consider correspondence from the<br>Joint Liquidators in connection [REDACTED]<br>[REDACTED]; work on [REDACTED]<br>[REDACTED]        | 1.40  |
| 11/05/16 | Larry Ellis   | Review and respond to emails from client in<br>connection with [REDACTED]<br>[REDACTED]; review and respond to email from client<br>in connection with [REDACTED]<br>[REDACTED]                     | 0.40  |
| 11/07/16 | Larry Ellis   | Preparation for [REDACTED]<br>begin review of memorandums prepared by Erin<br>Craddock; review and consider emails related to<br>[REDACTED]<br>call with client to discuss [REDACTED]<br>[REDACTED] | 4.00  |
| 11/07/16 | David S. Ward | Meeting with Erin Craddock; correspondence<br>with Chris Web; correspondence with Receiver;<br>review [REDACTED];   | 1.40  |
| 11/07/16 | Erin Craddock | Finalize memorandums on [REDACTED]<br>[REDACTED]  | 3.70  |
| 11/08/16 | Erin Craddock | Draft [REDACTED];   | 0.50  |
| 11/08/16 | Larry Ellis   | Preparation for [REDACTED]<br>[REDACTED]; review and respond to<br>communications from Joint Liquidators; meeting<br>with [REDACTED]<br>[REDACTED]  | 4.50  |
| 11/09/16 | David S. Ward | Preparation for [REDACTED] including meetings<br>with Erin Craddock and Larry Ellis and review<br>[REDACTED]<br>[REDACTED]  | 3.80  |

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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 11/09/16 | Erin Craddock | Instructions to Laura Cyprus regarding [REDACTED];  | 0.50  |
| 11/09/16 | Larry Ellis   | Prepare for [REDACTED], including calls with client and review of [REDACTED]  | 4.10  |
| 11/10/16 | Erin Craddock | Finalize letter to CIBC; correspondence with Laura Cyprus regarding [REDACTED]  | 0.40  |
| 11/10/16 | Larry Ellis   | Travel to London Heathrow; meetings with David Ward to [REDACTED]   | 8.50  |
| 11/11/16 | Larry Ellis   | Meeting with David Ward to discuss [REDACTED]   | 2.00  |
| 11/13/16 | Larry Ellis   | Review and respond to numerous emails regarding [REDACTED]; prepare for court hearing tomorrow;   | 3.00  |
| 11/14/16 | Erin Craddock | Correspondence with CIBC regarding supporting Parrot Marketing cheques; review documents [REDACTED];  | 3.40  |
| 11/14/16 | David S. Ward | Preparation for and attend at hearing in Isle of Man Court before First Deemster Doyle in respect of preparation and stay of IDM proceedings; [REDACTED] meeting with Chris Webb and Miles Benham before and after Court hearing; | 12.00 |
| 11/14/16 | Larry Ellis   | Review and respond to numerous emails during the day regarding the [REDACTED] discussion with team regarding [REDACTED]   | 2.00  |
| 11/15/16 | David S. Ward | Preparation for and meet with Paul Appleton regarding [REDACTED]; preparation for and meeting with Neil Farrington and Ian Driscoll;  | 3.50  |

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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 11/15/16 | Larry Ellis   | Prepare for and attend examinations of Lyndon Farrington and Ian Driscoll; follow up meeting with David Ward and Phil Gennis to discuss [REDACTED]<br>[REDACTED]   | 7.50  |
| 11/16/16 | Jeremy Martin | Reviewing [REDACTED]<br>[REDACTED]   | 1.30  |
| 11/16/16 | Erin Craddock | Correspondence from Rajiv Dixit regarding [REDACTED] research [REDACTED]<br>[REDACTED] correspondence with UK team regarding [REDACTED]<br>[REDACTED]  | 0.40  |
| 11/16/16 | Larry Ellis   | Prepare note summarizing examinations for the Joint Liquidators and respond to [REDACTED]<br>[REDACTED] review information obtained at examinations and [REDACTED]<br>[REDACTED] travel to Toronto from London Heathrow; | 8.00  |
| 11/17/16 | Jeremy Martin | Reviewing [REDACTED]<br>[REDACTED]<br>[REDACTED]   | 1.70  |
| 11/17/16 | Erin Craddock | Update from Larry Ellis regarding [REDACTED]<br>[REDACTED]   | 0.30  |
| 11/17/16 | David S. Ward | Discussion with Erin Craddock [REDACTED]<br>[REDACTED]<br>[REDACTED];  | 1.40  |
| 11/17/16 | Larry Ellis   | Develop [REDACTED]<br>[REDACTED];<br>respond to email from Joint Liquidators regarding [REDACTED]<br>[REDACTED];   | 1.10  |
| 11/18/16 | Jeremy Martin | Reviewing record; drafting skeleton Statement of Claim [REDACTED];   | 2.00  |
| 11/18/16 | David S. Ward | Instructions to Jeremy Martin regarding [REDACTED]<br>[REDACTED] receipt and consider correspondence from Chris Webb including [REDACTED]<br>[REDACTED] follow up with Jeremy Martin;                                    | 0.90  |



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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 11/18/16 | Larry Ellis   | Review findings from cross examinations and [REDACTED]<br>[REDACTED]; review and respond to numerous emails from the Receiver and team regarding the [REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED];                             | 3.40  |
| 11/20/16 | Jeremy Martin | Drafting statement of claim;   | 2.20  |
| 11/21/16 | Jeremy Martin | Legal research [REDACTED]<br>[REDACTED]<br>[REDACTED];   | 6.50  |
| 11/22/16 | Jeremy Martin | Reviewing [REDACTED]<br>[REDACTED] reviewing E. Craddock analysis;<br>[REDACTED] meeting with E. Craddock; [REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED] correspondence searches;<br>[REDACTED] drafting<br>Statement of Claim; | 10.90 |
| 11/22/16 | Erin Craddock | Discussion with Jeremy Martin regarding [REDACTED]<br>[REDACTED]; consider [REDACTED]<br>[REDACTED];   | 1.20  |
| 11/23/16 | Jeremy Martin | Drafting statement of claim [REDACTED]   | 3.10  |
| 11/24/16 | Erin Craddock | Correspondence regarding [REDACTED]<br>[REDACTED];   | 0.30  |
| 11/24/16 | David S. Ward | Review and revise Tara Josun Mareva motion materials; brief review of correspondence regarding [REDACTED]<br>instructions to Jeremy Martin regarding [REDACTED]<br>[REDACTED]  | 1.60  |





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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 11/24/16 | Larry Ellis   | Review correspondence from Chris Webb and [REDACTED]<br>[REDACTED]; telephone call with Phil Gennis to discuss [REDACTED]<br>correspondence to Harry Fogul regarding various outstanding issues; correspondence to Joe Sereda regarding various outstanding issues; draft [REDACTED]<br>[REDACTED]; call with Harry Fogul to discuss delivery of certain information connected with recovering assets; | 3.10  |
| 11/25/16 | David S. Ward | Correspondence to and from Joint Liquidators and Receiver regarding [REDACTED]<br>[REDACTED] receipt and brief review of [REDACTED]<br>[REDACTED]; review [REDACTED] and instructions to Jeremy Martin;  | 1.10  |
| 11/25/16 | Larry Ellis   | Receive email form Paul Appleton and begin [REDACTED]<br>[REDACTED]<br>[REDACTED] numerous emails with the Receiver regarding [REDACTED] call<br>with the Receiver to discuss [REDACTED]<br>[REDACTED]   | 4.00  |
| 11/25/16 | Erin Craddock | Correspondence [REDACTED]<br>Best; [REDACTED]<br>[REDACTED]  | 0.40  |
| 11/28/16 | Jeremy Martin | Meeting with D. Ward; adjusting [REDACTED]<br>[REDACTED]<br>working out skeleton and organizational draft; arranging for [REDACTED]<br>[REDACTED];   | 3.30  |



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| Date     | Lawyer         | Description  | Hours |
|----------|----------------|--|-------|
| 11/28/16 | David S. Ward  | Instructions to Erin Craddock [REDACTED]<br>[REDACTED];<br>meeting with Jeremy Martin regarding [REDACTED]<br>[REDACTED]; instructions to Erin<br>Craddock regarding [REDACTED]<br>and prepare for meeting with [REDACTED] | 2.20  |
| 11/28/16 | Erin Craddock  | Review and consider [REDACTED]<br>[REDACTED] instructions from David Ward;<br>review file materials [REDACTED]<br>[REDACTED];  | 1.50  |
| 11/28/16 | Cathy Stallone | Email from Erin Craddock; review dropbox and<br>instructions to J. Fish to retrieve documents; call<br>with Erin Craddock;   | 0.50  |
| 11/29/16 | David S. Ward  | Review [REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED] meeting with and<br>instructions to Jeremy Martin; attend Canadian<br>team meeting;  | 1.60  |
| 11/29/16 | Jeremy Martin  | Meeting with D. Ward, L. Ellis and E. Craddock;<br>reviewing [REDACTED]<br>[REDACTED]<br>[REDACTED]  | 3.30  |
| 11/29/16 | Erin Craddock  | Meeting regarding [REDACTED]<br>[REDACTED] meeting with Larry regarding<br>correspondence with Harry Fogul;  | 2.90  |
| 11/30/16 | David S. Ward  | Prepare for Best examination;  | 1.20  |
| 11/30/16 | Erin Craddock  | Telephone call to Brea Hardowa; draft and revise<br>memorandum regarding [REDACTED] prepare<br>for meeting with Francis Best and counsel;  | 3.30  |



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**Time Summary**

| <u>Timekeeper</u>   | <u>Hours</u> | <u>Rate</u> | <u>Fees</u> |
|---------------------|--------------|-------------|-------------|
| Cathy Stallone      | 0.50         | 300.00      | 150.00      |
| Christopher Horkins | 1.70         | 390.00      | 663.00      |
| David S. Ward       | 34.90        | 755.00      | 26,349.50   |
| Erin Craddock       | 36.70        | 480.00      | 17,616.00   |
| Jeremy Martin       | 41.70        | 390.00      | 16,263.00   |
| Larry Ellis         | 63.50        | 625.00      | 39,687.50   |
| Sophie Moher        | 8.90         | 175.00      | 1,557.50    |

Our Fee 102,286.50

**Disbursements**

Paid for long distance telephone, facsimile and delivery charges,  
Court and corporate searches and Certificates and filing fees,  
copies of documents, and special overtime services.

|                       |        |        |
|-----------------------|--------|--------|
| Taxable Disbursements | 668.57 |        |
| Total Disbursements   |        | 668.57 |

|                             |           |
|-----------------------------|-----------|
| HST on Fees & Disbursements | 13,384.16 |
|-----------------------------|-----------|

**Total Fees, Disbursements & Tax** **\$ 116,339.23**

This is our account herein

**Cassels Brock & Blackwell LLP**

A handwritten signature in dark ink, appearing to read 'Larry Ellis', is written over a horizontal line.

Larry Ellis  
E&OE



MSI SPERGEL INC.  
ATTN: PHILIP H. GENNIS  
505 CONSUMERS ROAD  
SUITE 200  
TORONTO ON M2J 4V8

Date: 11/21/16  
Our File #: 045803-00002  
Invoice #: 2000700  
HST/GST #: R121379572

**Re: Banners Broker International Limited and 1587803 Ontario Limited**

**TO PROFESSIONAL SERVICES RENDERED for the period ending OCTOBER 31, 2016 as described below:**

| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 10/01/16 | Larry Ellis   | Review and respond to emails from Paul Appleton regarding [REDACTED]<br>[REDACTED]<br>[REDACTED]  | 0.30  |
| 10/03/16 | Erin Craddock | Review responses received from Christopher Smith and [REDACTED] draft letter to Harry Fogul regarding [REDACTED]<br>[REDACTED]  | 3.40  |
| 10/03/16 | David S. Ward | Correspondence to and from Chris Webb; draft and revise Report including [REDACTED]<br>[REDACTED]; correspondence and discussion with Joint Liquidators and Receiver regarding [REDACTED] | 0.70  |

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.

**Cassels Brock & Blackwell LLP**

2100, Scotia Plaza, 40 King Street West, Toronto, Canada M5H 3C2  
Tel: 416.869.5300 Fax: 416.360.8877 www.casselsbrock.com



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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 10/03/16 | Larry Ellis   | Review and consider emails from Paul Appleton regarding [REDACTED]<br>[REDACTED]<br>[REDACTED] review update regarding [REDACTED]<br>[REDACTED]<br>[REDACTED] review revised letter/report and [REDACTED]<br>[REDACTED]<br>[REDACTED]; review Brea Hardowa emails and [REDACTED]<br>[REDACTED] | 4.00  |
| 10/04/16 | Erin Craddock | Meeting with David Ward regarding [REDACTED]   | 0.80  |
| 10/04/16 | David S. Ward | Meeting with Erin Craddock [REDACTED]<br>[REDACTED] preparation of memorandum to file;   | 1.40  |
| 10/04/16 | Jeremy Martin | Updating on correspondence, file status and report to joint liquidators;   | 1.40  |
| 10/04/16 | Larry Ellis   | Review list of action items prepared by David Ward and me to [REDACTED]; review record to understand [REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED] review epic website to [REDACTED]<br>[REDACTED]<br>[REDACTED] review draft claim and [REDACTED]; review status of [REDACTED]         | 3.50  |
| 10/05/16 | Erin Craddock | Draft Receiver's report regarding freezing Tara Josun's account;   | 3.00  |
| 10/05/16 | David S. Ward | Correspondence from [REDACTED]; arrange meeting regarding [REDACTED]<br>[REDACTED]<br>meeting with Larry Ellis regarding [REDACTED]<br>[REDACTED];   | 2.10  |



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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 10/05/16 | Larry Ellis   | Lengthy meeting with David Ward to discuss<br>[REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED] telephone<br>conversation with client to receive instruction on<br>[REDACTED]; begin review of<br>material to prepare for [REDACTED]<br>telephone call with counter party to settlement to<br>[REDACTED];   | 3.80  |
| 10/06/16 | Erin Craddock | Draft receiver's report regarding freezing Tara<br>Josun's bank account;   | 5.30  |
| 10/06/16 | David S. Ward | Emails to and from [REDACTED]; mails with<br>Chris Webb regarding [REDACTED]; meeting<br>with Larry Ellis and Erin Craddock regarding [REDACTED]<br>[REDACTED]   | 1.20  |
| 10/06/16 | Larry Ellis   | Review and consider [REDACTED]<br>[REDACTED]<br>[REDACTED] review response from David<br>Ward; review and reply to Paul Appleton in<br>connection with [REDACTED]<br>[REDACTED] review and<br>respond to emails from the joint liquidators in<br>connection with [REDACTED]<br>[REDACTED]; review and respond to requests from<br>witness in connection with [REDACTED]<br>[REDACTED]<br>[REDACTED] review list of action items in connection with<br>[REDACTED]<br>[REDACTED] participate in meeting with<br>Team to discuss [REDACTED]<br>email to witness requesting copies of certain<br>correspondence with Harry Fogul; review<br>updated list of undertakings and draft<br>correspondence to Harry Fogul in connection<br>with follow up items; discuss strategy for [REDACTED]<br>[REDACTED] | 4.50  |



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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 10/07/16 | Larry Ellis   | Review and respond to numerous emails in connection with [REDACTED]<br>[REDACTED]; lengthy telephone conversation with counsel for [REDACTED]<br>[REDACTED]; review background information on [REDACTED]<br>meeting with David Ward to discuss [REDACTED]<br>[REDACTED]<br>[REDACTED]; | 3.10  |
| 10/07/16 | Erin Craddock | Draft receiver's report regarding freezing Tara Josun account;   | 2.40  |
| 10/07/16 | David S. Ward | Correspondence to Chris Webb; telephone discussion Phil Gennis; instructions to Erin Craddock;   | 0.60  |
| 10/08/16 | Larry Ellis   | Review epic agreement documentation and consider [REDACTED]  | 1.10  |
| 10/10/16 | Larry Ellis   | Review order of Judge Doyle and [REDACTED]<br>[REDACTED] continue preparation of [REDACTED]<br>[REDACTED]  | 2.40  |
| 10/11/16 | Erin Craddock | Draft and revise Eighth report to court; draft notice of motion and draft order regarding the same;  | 5.70  |
| 10/11/16 | David S. Ward | Emails and correspondence with Receiver regarding [REDACTED] brief review of correspondence regarding Chris Smith and outstanding undertakings; preparation of draft Receiver's report to freeze Josun accounts;   | 1.30  |



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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 10/11/16 | Larry Ellis   | Review email update from David Ward in connection with [REDACTED]<br>[REDACTED]; internal meeting to consider [REDACTED]<br>[REDACTED]; follow-up correspondence with Harry Fogul; follow-up correspondence with Francis best lawyer; review and respond to emails from counsel for Francis Best; review and respond to emails from witness in connection with [REDACTED]<br>[REDACTED]; review draft freezing order report and [REDACTED]<br>[REDACTED]; review email correspondence from Harry Fogul; review draft notice of motion and order prepared by Erin Craddock and meet with David Ward to [REDACTED]; review update regarding [REDACTED]<br>[REDACTED]; | 5.10  |
| 10/12/16 | David S. Ward | Draft and revise motion for Tara Josun injunction; meeting with Erin Craddock   | 1.70  |
| 10/12/16 | Erin Craddock | Draft and revise receiver's report regarding freezing bank accounts of Tara Josun;  | 4.00  |
| 10/12/16 | Larry Ellis   | Continue to work with Team to establish [REDACTED]; lengthy telephone conversation with counsel for Francis best to discuss next steps for examination;   | 0.90  |
| 10/13/16 | Erin Craddock | Draft and revise receiver's report regarding freezing Tara Josun bank accounts;   | 0.60  |
| 10/13/16 | Larry Ellis   | Review email from counsel for the joint liquidators in connection with [REDACTED]<br>[REDACTED]<br>[REDACTED]; review [REDACTED]<br>[REDACTED]<br>[REDACTED] continue preparation for examination of witness and review of file to [REDACTED]<br>[REDACTED]<br>[REDACTED];  | 2.90  |





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| Date     | Lawyer         | Description   | Hours |
|----------|----------------|---|-------|
| 10/14/16 | Cathy Stallone | Emails from E. Craddock regarding [REDACTED]<br>[REDACTED]  | 0.40  |
| 10/14/16 | David S. Ward  | Receipt and review correspondence from Chris Webb [REDACTED]<br>[REDACTED]<br>conference call with Joint Liquidator and Receiver; follow up call with Larry Ellis and Receiver; instructions to Erin Craddock; correspondence to and from Miles Benham;   | 2.90  |
| 10/14/16 | Erin Craddock  | Draft receiver's report regarding Isle of Man proceedings and power of receiver;  | 5.00  |
| 10/14/16 | Jeff Fish      | Process and import new documents into Case database   | 1.00  |
| 10/14/16 | Jeremy Martin  | Reviewing secondary sources and existing research in respect of [REDACTED]<br>[REDACTED]<br>[REDACTED]; research in respect of [REDACTED]<br>[REDACTED]<br>[REDACTED];  | 3.90  |
| 10/14/16 | Larry Ellis    | Participate in telephone conversation with the receiver and the joint liquidators to [REDACTED]<br>[REDACTED]; follow-up internal meeting to [REDACTED]<br>[REDACTED] review updated motion material and [REDACTED];<br>review email correspondence from Harry Fogul regarding [REDACTED]<br>[REDACTED] review email from Harry Fogul setting out hundreds of documents in connection with information request and commence review of all emails provided for there in; | 4.00  |



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| Date     | Lawyer         | Description   | Hours |
|----------|----------------|---|-------|
| 10/15/16 | Larry Ellis    | Continue review of information provided for by Harry Fogul; review and respond to emails from the joint liquidator in connection with [REDACTED]<br>[REDACTED]<br>[REDACTED]  | 2.00  |
| 10/17/16 | David S. Ward  | Preparation of Receiver's report to IOM Court; meeting with and instructions to Erin Craddock; correspondence to and from Harry Fogul; further drafting and revisions to Receiver's report;   | 2.80  |
| 10/17/16 | Cathy Stallone | Email to and from E. Craddock; arrange to scan documents; instructions to J. Fish to load documents from Dropbox; instructions to DPC to code documents; instructions to J. Fish to load scanned documents;   | 1.00  |
| 10/17/16 | Larry Ellis    | Review and respond to email from joint liquidator in connection with [REDACTED]<br>[REDACTED]; review email correspondence connected to [REDACTED]<br>[REDACTED]; continue review of information relayed by Harry Fogul and focus in on emails from former employee of banners; | 2.40  |
| 10/17/16 | Jeff Fish      | Process and import new documents into Case database   | 1.00  |
| 10/17/16 | Erin Craddock  | Draft and revise receiver's report to Isle of Man court;  | 5.00  |
| 10/18/16 | David S. Ward  | Preparation of Receiver's Third Report to IOM Court;  | 2.30  |
| 10/18/16 | Erin Craddock  | Research regarding [REDACTED]<br>[REDACTED] review documents regarding [REDACTED]<br>[REDACTED] review emails received from Brea Hardowa; revise and report to Isle of Man Court;   | 8.00  |
| 10/18/16 | Larry Ellis    | Draft second report to the Isle of Man and [REDACTED]; continue review of information prepared and provided for by Harry Fogul;   | 2.50  |



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| Date     | Lawyer         | Description   | Hours |
|----------|----------------|---|-------|
| 10/19/16 | David S. Ward  | Correspondence to and from Receiver and also to and from Joint Liquidators [REDACTED]; obtain and review case law for IOM Report; further drafting and revisions to Report;                                   | 2.30  |
| 10/19/16 | Larry Ellis    | Review and respond to emails from the joint liquidator in connection with [REDACTED]; review revised draft report and [REDACTED]; continue review of emails provided for by Harry Fogul and begin [REDACTED]; | 1.90  |
| 10/19/16 | Erin Craddock  | Revise Receiver's report to Isle of Man Court; compile appendices to the same;  | 2.60  |
| 10/20/16 | David S. Ward  | Correspondence to and from Chris Webb regarding [REDACTED] correspondence with Joint Liquidator and Receiver [REDACTED]   | 2.20  |
| 10/20/16 | Cathy Stallone | Review new documents received in answer to undertakings; documents have been loaded into our database and coded; email to Erin Craddock;  | 1.20  |
| 10/20/16 | Erin Craddock  | Finalize and send receiver's report to Chris Webb; correspondence with receiver and Larry Ellis regarding [REDACTED]  | 0.30  |
| 10/20/16 | Larry Ellis    | Review numerous emails from the joint liquidators in connection with [REDACTED]; review revised draft report and [REDACTED]; review emails in connection with [REDACTED];                                     | 1.50  |
| 10/21/16 | Erin Craddock  | Instructions from David Ward regarding [REDACTED]; correspondence [REDACTED]; correspondence [REDACTED]   | 0.20  |



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| Date     | Lawyer         | Description   | Hours |
|----------|----------------|---|-------|
| 10/21/16 | Larry Ellis    | Review and respond to numerous emails in connection with [REDACTED]; review updated agenda for [REDACTED]   | 1.30  |
| 10/24/16 | Larry Ellis    | Review and respond to emails from former employee of Banners with respect to [REDACTED]; follow up telephone call with the client to discuss [REDACTED]; follow up with counsel for Francis Best to schedule interview; meeting with David Ward to discuss [REDACTED]; call with Harry Fogul to request additional information; meeting to discuss [REDACTED]; meeting with Erin Craddock to discuss [REDACTED] | 3.70  |
| 10/25/16 | Cathy Stallone | Email from and to Erin Craddock; prepare brief of [REDACTED]  | 1.40  |
| 10/25/16 | David S. Ward  | Correspondence throughout the day with Joint Liquidators; draft and revise Tara Josun Mareva application materials; instructions to Erin Craddock;  | 2.30  |
| 10/25/16 | Erin Craddock  | Review Brea Hardowa emails;   | 5.80  |
| 10/25/16 | Larry Ellis    | Work with team to [REDACTED]; review and respond to emails from Paul Appleton regarding [REDACTED]; call with Erin Craddock and follow up with emails regarding [REDACTED]; review [REDACTED] identified by Erin Craddock in connection with [REDACTED]; continue preparation for [REDACTED]  | 2.50  |



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| Date     | Lawyer        | Description  | Hours |
|----------|---------------|--|-------|
| 10/26/16 | David S. Ward | Correspondence with Joint Liquidators; review status of [REDACTED];  | 0.90  |
| 10/26/16 | Erin Craddock | Review [REDACTED];   | 2.60  |
| 10/26/16 | Larry Ellis   | Review and respond to emails from Joint Liquidators in connection with [REDACTED]; review court materials from the Isle of Man proceeding [REDACTED]; review additional information's provided for by Harry Fogul; meeting with David Ward to discuss [REDACTED] ings; | 2.70  |
| 10/27/16 | David S. Ward | Review and revise Tara Josun materials; prepare for meeting with [REDACTED];   | 0.80  |
| 10/27/16 | Erin Craddock | Revise letter to Harry Fogul regarding outstanding undertakings;   | 4.60  |
| 10/27/16 | Larry Ellis   | Review draft letter to Harry Fogul and [REDACTED] attend meeting with team to discuss [REDACTED] calls with Phil Gennis to discuss [REDACTED] continue review of information provided for by Harry Fogul;  | 3.10  |
| 10/28/16 | Jeremy Martin | Keeping advised of developments through correspondence review;   | 0.70  |
| 10/28/16 | David S. Ward | Consider draft correspondence to H. Fogul of October 27, 2016 and [REDACTED] meeting with Erin Craddock regarding [REDACTED]; call to [REDACTED];  | 2.20  |



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| Date     | Lawyer        | Description   | Hours |
|----------|---------------|---|-------|
| 10/28/16 | Erin Craddock | Meeting with David Ward [REDACTED]<br>[REDACTED] discussion with<br>Larry Ellis [REDACTED] correspondence<br>with client regarding [REDACTED] revisions to<br>receiver's report and motion materials for<br>freezing order; instructions from David Ward<br>regarding [REDACTED]  | 5.00  |
| 10/28/16 | Larry Ellis   | Meeting with team to discuss [REDACTED]<br>[REDACTED]<br>[REDACTED] follow<br>up with counsel for Francis Best and discuss<br>possible dates for in-person interview and<br>agenda for same; review court material filed in<br>Isle of Man [REDACTED]<br>[REDACTED] telephone calls with client to discuss<br>[REDACTED]; meeting with David Ward to<br>[REDACTED]<br>[REDACTED]; | 3.70  |
| 10/31/16 | Erin Craddock | Draft follow up letters to Capital One and CIBC<br>regarding banking records; revise letter to Harry;<br>[REDACTED];  | 2.80  |
| 10/31/16 | Larry Ellis   | Work with team to [REDACTED]<br>[REDACTED]<br>[REDACTED] review draft letter to<br>Harry Fogul regarding outstanding missing<br>information [REDACTED] discuss [REDACTED]<br>[REDACTED]<br>[REDACTED]<br>team meeting to consider [REDACTED]<br>[REDACTED]; out of<br>office meeting with [REDACTED]<br>[REDACTED];   | 3.30  |
| 10/31/16 | David S. Ward | Correspondence with [REDACTED]<br>correspondence with Miles Benham;   | 0.40  |



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**Time Summary**

| <u>Timekeeper</u> | <u>Hours</u> | <u>Rate</u> | <u>Fees</u> |
|-------------------|--------------|-------------|-------------|
| Cathy Stallone    | 4.00         | 300.00      | 1,200.00    |
| David S. Ward     | 28.10        | 755.00      | 21,215.50   |
| Erin Craddock     | 67.10        | 480.00      | 32,208.00   |
| Jeff Fish         | 2.00         | 195.00      | 390.00      |
| Jeremy Martin     | 6.00         | 390.00      | 2,340.00    |
| Larry Ellis       | 66.20        | 625.00      | 41,375.00   |

Our Fee 98,728.50

**Disbursements**

Paid for long distance telephone, facsimile and delivery charges,  
Court and corporate searches and Certificates and filing fees,  
copies of documents, and special overtime services.

|                           |                 |
|---------------------------|-----------------|
| Taxable Disbursements     | 826.66          |
| Non-Taxable Disbursements | 4,611.76        |
| Total Disbursements       | <u>5,438.42</u> |

HST on Fees & Disbursements 12,942.18

**Total Fees, Disbursements & Tax** **\$ 117,109.10**

This is our account herein  
**Cassels Brock & Blackwell LLP**

FOR<sup>o</sup> David Ward  
Larry Ellis  
E&OE

This is **Exhibit "B"** referred to in the affidavit of **LARRY ELLIS** sworn before me in the City of Toronto, in the Province of Ontario, this *9<sup>th</sup>* day of May, 2017.



.....  
A Commissioner For Taking Affidavits



## EXHIBIT "B"

## Summary of Lawyers Services per Invoice Issued

Invoice No. 1999084 (for the period from August 10, 2016 – September 30, 2016)

| Year of Call                      | Lawyer              | Billed Rate (\$) | Fees Billed (\$)    | Hours Worked |
|-----------------------------------|---------------------|------------------|---------------------|--------------|
| 1992                              | David S. Ward       | \$755.00         | \$32,314.00         | 42.8         |
| 2004                              | Larry Ellis         | \$625.00         | \$58,687.50         | 93.9         |
| 2012                              | Erin Craddock       | \$480.00         | \$52,704.00         | 109.8        |
| 2012                              | Jeremy Martin       | \$390.00         | \$7,293.00          | 18.7         |
| 2012                              | Christopher Horkins | \$390.00         | \$5,343.00          | 13.7         |
| Law Clerk                         | Jeff Fish           | \$195.00         | \$585.00            | 3            |
| Law Clerk                         | Cathy Stallone      | \$300.00         | \$1,380.00          | 4.6          |
| Law Clerk                         | Olivia D'Innocenzo  | \$250.00         | \$125.00            | 0.5          |
| Student                           | Sophie Moher        | \$175.00         | \$3,010.00          | 17.2         |
| Actual Fees Incurred              |                     |                  | \$161,441.50        |              |
| <b>Total Fees Billed with HST</b> |                     |                  | <b>\$182,428.90</b> | <b>304.2</b> |

Invoice No. 2000700 (for the period from October 1, 2016 – October 31, 2016)

| Year of Call                      | Lawyer         | Billed Rate (\$) | Fees Billed (\$)    | Hours Worked |
|-----------------------------------|----------------|------------------|---------------------|--------------|
| 1992                              | David S. Ward  | \$755.00         | \$21,215.50         | 28.1         |
| 2004                              | Larry Ellis    | \$625.00         | \$41,375.00         | 66.2         |
| 2012                              | Erin Craddock  | \$480.00         | \$32,208.00         | 67.1         |
| 2012                              | Jeremy Martin  | \$390.00         | \$2,340.00          | 6.0          |
| Law Clerk                         | Jeff Fish      | \$195.00         | \$390.00            | 2            |
| Law Clerk                         | Cathy Stallone | \$300.00         | \$1,200.00          | 4.0          |
| Actual Fees Incurred              |                |                  | \$98,728.50         |              |
| <b>Total Fees Billed with HST</b> |                |                  | <b>\$111,563.21</b> | <b>173.4</b> |

**Invoice No. 2002781 (for the period from September 9, 2016 – November 30, 2016)**

| <b>Year of Call</b>               | <b>Lawyer</b>       | <b>Billed Rate (\$)</b> | <b>Fees Billed (\$)</b> | <b>Hours Worked</b> |
|-----------------------------------|---------------------|-------------------------|-------------------------|---------------------|
| 1992                              | David S. Ward       | \$755.00                | \$26,349.50             | 34.9                |
| 2004                              | Larry Ellis         | \$625.00                | \$39,687.50             | 63.5                |
| 2012                              | Erin Craddock       | \$480.00                | \$17,616.00             | 36.7                |
| 2012                              | Jeremy Martin       | \$390.00                | \$16,263.00             | 41.7                |
| 2012                              | Christopher Horkins | \$390.00                | \$663.00                | 1.7                 |
| Law Clerk                         | Cathy Stallone      | \$300.00                | \$150.00                | 0.5                 |
| Student                           | Sophie Moher        | \$175.00                | \$1,557.00              | 8.9                 |
| Actual Fees Incurred              |                     |                         | \$102,286.50            |                     |
| <b>Total Fees Billed with HST</b> |                     |                         | <b>\$115,583.18</b>     | <b>187.9</b>        |

**Invoice No. 2005558 (for the period from December 1-31,2016)**

| <b>Year of Call</b>               | <b>Lawyer</b>     | <b>Billed Rate (\$)</b> | <b>Fees Billed (\$)</b> | <b>Hours Worked</b> |
|-----------------------------------|-------------------|-------------------------|-------------------------|---------------------|
| 1980                              | Robert D. Kilgman | \$745.00                | \$223.50                | 0.3                 |
| 1992                              | David S. Ward     | \$755.00                | \$29,596.00             | 39.2                |
| 2004                              | Larry Ellis       | \$625.00                | \$13,062.50             | 20.9                |
| 2012                              | Erin Craddock     | \$480.00                | \$37,392.00             | 77.9                |
| 2012                              | Jeremy Martin     | \$390.00                | \$20,709.00             | 53.1                |
| Actual Fees Incurred              |                   |                         | \$100,983.00            |                     |
| <b>Total Fees Billed with HST</b> |                   |                         | <b>\$114,110.79</b>     | <b>191.4</b>        |

**Invoice No. 2007313 (for the period from January 1-31,2017)**

| <b>Year of Call</b>               | <b>Lawyer</b>       | <b>Billed Rate (\$)</b> | <b>Fees Billed (\$)</b> | <b>Hours Worked</b> |
|-----------------------------------|---------------------|-------------------------|-------------------------|---------------------|
| 1992                              | David S. Ward       | \$845.00                | \$40,644.50             | 48.10               |
| 2004                              | Larry Ellis         | \$740.00                | \$24,346.00             | 32.9                |
| 2012                              | Erin Craddock       | \$575.00                | \$43,412.00             | 75.5                |
| 2012                              | Jeremy Martin       | \$500.00                | \$3,900.00              | 7.8                 |
| 2012                              | Christopher Horkins | \$500.00                | \$1,550.00              | 3.1                 |
| Student                           | Chad Podolsky       | \$175.00                | \$385.00                | 2.2                 |
| Student                           | Stephanie Kerzner   | \$175.00                | \$1,365.00              | 7.8                 |
| Law Clerk                         | Kellye Walker       | \$255.00                | \$76.50                 | 0.3                 |
| Law Clerk                         | Cathy Stallone      | \$310.00                | \$186.00                | 0.3                 |
| Actual Fees Incurred              |                     |                         | \$115,865.50            |                     |
| <b>Total Fees Billed with HST</b> |                     |                         | <b>\$130,938.02</b>     | <b>178.0</b>        |

**Invoice No. 2010597 (for the period from February 1-28, 2017)**

| <b>Year of Call</b>               | <b>Lawyer</b>       | <b>Billed Rate (\$)</b> | <b>Fees Billed (\$)</b> | <b>Hours Worked</b> |
|-----------------------------------|---------------------|-------------------------|-------------------------|---------------------|
| 1992                              | David S. Ward       | \$845.00                | \$23,913.50             | 28.3                |
| 2004                              | Larry Ellis         | \$740.00                | \$31,524.00             | 42.6                |
| 2012                              | Erin Craddock       | \$575.00                | \$47,782.50             | 83.1                |
| 2012                              | Jeremy Martin       | \$500.00                | \$20,650.00             | 41.3                |
| 2012                              | Christopher Horkins | \$500.00                | \$4,550.00              | 9.1                 |
| Law Clerk                         | Jane Oliveira       | \$160.00                | \$48.00                 | 0.3                 |
| Law Clerk                         | Kellye Walker       | \$255.00                | \$51.00                 | 0.2                 |
| Law Clerk                         | Cathy Stallone      | \$310.00                | \$155.00                | 0.5                 |
| Actual Fees Incurred              |                     |                         | \$128,674.00            |                     |
| <b>Total Fees Billed with HST</b> |                     |                         | <b>\$145,401.62</b>     | <b>205.4</b>        |

**Invoice No. 2012391 (for the period from March 1-31, 2017)**

| <b>Year of Call</b>               | <b>Lawyer</b>       | <b>Billed Rate (\$)</b> | <b>Fees Billed (\$)</b> | <b>Hours Worked</b> |
|-----------------------------------|---------------------|-------------------------|-------------------------|---------------------|
| 1992                              | David S. Ward       | \$845.00                | \$33,208.50             | 39.3                |
| 2004                              | Larry Ellis         | \$740.00                | \$36,778.00             | 49.7                |
| 2012                              | Erin Craddock       | \$575.00                | \$54,452.50             | 94.7                |
| 2012                              | Jeremy Martin       | \$500.00                | \$6,000.00              | 12.0                |
| 2012                              | Christopher Horkins | \$500.00                | \$850.00                | 1.7                 |
| Student                           | Patricia Wood       | \$175.00                | \$2,432.50              | 13.9                |
| Law Clerk                         | Cathy Stallone      | \$310.00                | \$651.00                | 2.1                 |
| Actual Fees Incurred              |                     |                         | \$134,372.50            |                     |
| <b>Total Fees Billed with HST</b> |                     |                         | <b>\$151,840.93</b>     | <b>213.4</b>        |

This is **Exhibit "C"** referred to in the affidavit  
of **LARRY ELLIS** sworn before me in the  
City of Toronto, in the Province of Ontario,  
this 9<sup>th</sup> day of May, 2017.

  
A Commissioner For Taking Affidavits

**EXHIBIT "C"**

**Calculation of Average Hourly Billing Rates of  
Cassels Brock & Blackwell LLP  
For the period August 10, 2016 to March 31, 2017**

| <b>Invoice No./ Period</b>                                       | <b>Fees (\$)</b>    | <b>Disbursements (\$)</b> | <b>HST (\$)</b>     | <b>Total Fees, Disbursements and HST (\$)</b> | <b>Hours Billed</b> | <b>Average Billed Rate (\$)</b> |
|--|---------------------|---------------------------|---------------------|---|---------------------|---------------------------------|
| <b>Inv. # 1999084</b><br>(August 10-September 30, 2016)          | \$161,441.50        | \$16,406.85               | \$22,484.38         | \$200,332.73                                  | 304.2               | \$530.71                        |
| <b>Inv. # 2000700</b><br>(October 1-31, 2016)                    | \$98,728.50         | \$5,438.42                | \$12,942.18         | \$117,109.10                                  | 173.4               | \$569.37                        |
| <b>Inv. # 2002781</b><br>(September 9, 2016 – November 30, 2016) | \$102,286.50        | \$668.57                  | \$13,384.16         | \$116,339.23                                  | 187.9               | \$544.37                        |
| <b>Inv. # 2005558</b><br>(December 1-31, 2016)                   | \$100,983.00        | \$1,9251.39               | \$13,394.17         | \$133,628.56                                  | 191.4               | \$527.60                        |
| <b>Inv. # 2007313</b><br>(January 1-31, 2017)                    | \$115,865.50        | \$24,248.28               | \$15,196.30         | \$155,310.08                                  | 178.0               | \$650.93                        |
| <b>Inv. # 2010597</b><br>(February 1-28, 2017)                   | \$128,674.00        | \$6,534.98                | \$17,507.32         | \$152,716.30                                  | 205.4               | \$626.46                        |
| <b>Inv. #2012391</b><br>(March 1-31, 2017)                       | \$134,372.50        | \$29,288.94               | \$19,198.90         | \$182,860.34                                  | 213.4               | \$629.67                        |
| <b>TOTAL</b>   | <b>\$842,351.50</b> | <b>\$101,837.43</b>       | <b>\$114,107.41</b> | <b>\$1,058,296.34</b>                         | <b>1,453.7</b>      | <b>\$579.45</b>                 |

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
R.S.C. 1992, c. 27, s.2, AS AMENDED

Court File No CV-14-10663-00C

APPLICATION OF MILES ANDREW BENHAM AND PAUL ROBERT  
APPLETON, IN THEIR CAPACITY AS JOINT LIQUIDATORS OF BANNERS  
BROKER INTERNATIONAL LIMITED, UNDER PART XIII OF THE  
*BANKRUPTCY AND INSOLVENCY ACT* (CROSS-BORDER INSOLVENCIES)

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

Proceeding commenced at TORONTO

**AFFIDAVIT OF LARRY ELLIS**

**Cassels Brock & Blackwell LLP**

2100 Scotia Plaza  
40 King Street West  
Toronto, Ontario M5H 3C2

**David S. Ward LSUC #: 33541W**

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Lawyers for the msi Spergel Inc. in its capacity as court-  
appointed receiver of Banners Broker International Limited  
and Stellar Point Inc.

## APPENDIX “L”



Court File No. CV-14-10663-00CL

**In the Matter of the Receivership of  
Banners Broker International Limited  
Receiver's Interim Statement of Receipts and Disbursements  
as at May 9, 2017**

**Receipts**

|    |                          |    |              |               |
|----|--------------------------|----|--------------|---------------|
| 1. | Return of Legal Retainer | \$ | 300,000.00   |               |
| 2. | Advance From Liquidators |    | 284,548.10   |               |
| 3. | Bayview Proceeds         |    | 2,374,345.40 |               |
| 4. | Allied Wallet Funds      |    | 2,829,076.93 |               |
| 5. | ViaBank Funds            |    | 1,510,963.90 |               |
| 6. | Interest Allocation      |    | 29,522.05    |               |
| 7. | Other Asset Realizations |    | 5,950.00     | <b>Note 1</b> |

**Total Receipts**

|           |                     |
|-----------|---------------------|
| <b>\$</b> | <b>7,334,406.38</b> |
|-----------|---------------------|

**Disbursements**

|     |                             |    |              |               |
|-----|-----------------------------|----|--------------|---------------|
| 1.  | Receiver's Fees             | \$ | 891,485.56   | <b>Note 2</b> |
| 2.  | Legal Fees                  |    | 3,279,654.91 | <b>Note 3</b> |
| 3.  | Joint Liquidators Fees      |    | 642,734.70   | <b>Note 4</b> |
| 4.  | Advertising                 |    | 16,753.20    |               |
| 5.  | Appraisal Fees              |    | 6,790.00     |               |
| 6.  | Search Fees                 |    | 1,031.87     |               |
| 7.  | Miscellaneous Disbursements |    | 44,596.00    |               |
| 8.  | HST on Receiver's Fees      |    | 115,894.32   |               |
| 9.  | HST on Legal Fees           |    | 407,412.20   |               |
| 10. | HST on Disbursements        |    | 3,780.85     |               |

**Total Disbursements**

|           |                     |
|-----------|---------------------|
| <b>\$</b> | <b>5,410,133.61</b> |
|-----------|---------------------|

**Total Receipts less Disbursements**

|               |                     |                 |
|---------------|---------------------|-----------------|
| <b>CAD \$</b> | <b>1,924,272.77</b> | <b>E&amp;OE</b> |
|---------------|---------------------|-----------------|

Prepared without audit

**Monies Held In Trust\*\*****RESTRAINED FUNDS (CAD):**

|                 |           |
|-----------------|-----------|
| Use My Services | 93,336.70 |
| Payza           | 33,374.80 |

|               |                   |
|---------------|-------------------|
| <b>CAD \$</b> | <b>126,711.50</b> |
|---------------|-------------------|

**RESTRAINED FUNDS (USD):**

|                 |            |
|-----------------|------------|
| Beanstream      | 537,576.31 |
| Solid Trust Pay | 104,260.51 |

|               |                   |
|---------------|-------------------|
| <b>USD \$</b> | <b>641,836.82</b> |
|---------------|-------------------|

Dated the 9th day of May, 2017

**msi Spergel Inc.**

Court-appointed Receiver of  
Banners Broker International Limited



Per: Philip H. Gennis, J.D., CIRP, LIT

\*\* The Receiver will bring these funds into the BBIL estate once the Term Deposits mature.

**Note 1** Realization on Dixit assets.**Note 2** Receiver's Fees taken to December 31, 2016**Note 3** Legal Fees paid to January 31, 2017**Note 4** Joint Liquidators' Fees paid to February 28, 2017 for David Rubin & Partners and to December 9, 2016 for MannBenham Advocates

# TAB 3

Court File No. CV-14-10663-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

|                    |   |                       |
|--------------------|---|-----------------------|
| THE HONOURABLE MR. | ) | TUESDAY, THE          |
|                    | ) |                       |
| JUSTICE NEWBOULD   | ) | 16TH DAY OF MAY, 2017 |

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
R.S.C. 1992, c. 27, s.2, AS AMENDED**

**AND IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O.  
1990, C. c-43**

**AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE ISLE OF MAN  
WITH RESPECT TO BANNERS BROKER INTERNATIONAL LIMITED**

**AND IN THE MATTER OF THE RECEIVERSHIP OF STELLAR POINT INC.**

**APPLICATION OF MILES ANDREW BENHAM AND PAUL ROBERT APPLETON, IN  
THEIR CAPACITY AS JOINT LIQUIDATORS OF BANNERS BROKER  
INTERNATIONAL LIMITED, UNDER PART XIII OF THE  
*BANKRUPTCY AND INSOLVENCY ACT* (CROSS-BORDER INSOLVENCIES)**

**ORDER**

**(Approval of Certain Receiver's Reports  
and Activities, Fees and Disbursements)**

**THIS MOTION**, made by msi Spergel inc. in its capacity as receiver of Banners Broker International Limited ("**BBIL**") and Stellar Point Inc. ("**Stellar Point**") and investigatory receiver of (i) 2087360 Ontario Incorporated o/a Local Management Services; (ii) Parrot Marketing Inc. (formerly o/a "8264554 Canada Limited"); (iii) 2341620 Ontario Corporation; (iv) Dixit Holdings Inc. (formerly o/a "8163871 Canada Limited"); (v) 8643989 Canada Inc. o/a Dixit Consortium Inc.; (vi) Dreamscape Ventures Ltd.; and (vii)

any other entity operating under the business names “Bannersbroker”, “Banners Broker”, “Bannersbroker Limited”, “Bannersmobile”, “BannersMobile” or “Banners Broker Belize” (the “**Receiver**”) for an Order (i) approving the Eighth Report of the Receiver, dated December 9, 2016 (“**Eighth Report**”), the Tenth Report of the Receiver dated May 9, 2017 (“**Tenth Report**”) and the Receiver’s conduct and activities as described in those reports; (ii) approving the Receiver’s conduct and activities from September 1, 2016 to May 9, 2017; (iii) approving the Receiver’s interim statement of receipts and disbursements, as at May 9, 2017; and (iv) approving the fees and disbursements of the Receiver and its counsel, was heard this day at the Court House at 330 University Avenue, Toronto, Ontario

**ON READING** the notice of motion of the Receiver and the Tenth Report, filed, and on hearing submissions from counsel for the Receiver:

#### **Service**

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

#### **Approval of Receiver’s Activities, Fees and Disbursements**

2. **THIS COURT ORDERS** that the Eighth Report and Tenth Report of the Receiver and the conduct and activities of the Receiver as described therein be and are hereby approved.

3. **THIS COURT ORDERS** that the Receiver's conduct and activities from September 1, 2016 to May 9, 2017, as described in the Tenth Report be and are hereby approved.

4. **THIS COURT ORDERS** that the Receiver's interim statement of receipts and disbursements, as at May 9, 2017, as appended to the Tenth Report, be and is hereby approved.

5. **THIS COURT FURTHER ORDERS** that the fees and disbursements of the Receiver and its counsel, Cassels Brock and Blackwell LLP, for services rendered from September 1, 2016 to March 30, 2017, as particularized in the affidavits of Philip Gennis, sworn May 9, 2017 and Larry Ellis, sworn May 9, 2017, appended to the Tenth Report, be and are hereby approved.

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IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1992, c. 27, s.2, AS AMENDED  
 AND IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C-43  
 AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE ISLE OF MAN WITH RESPECT TO BANNERS BROKER INTERNATIONAL LIMITED  
 AND IN THE MATTER OF STELLAR POINT INC.  
 APPLICATION OF MILES ANDREW BENHAM AND PAUL ROBERT APPLETON, IN THEIR CAPACITY AS JOINT LIQUIDATORS OF BANNERS BROKER INTERNATIONAL LIMITED, UNDER PART XIII OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CROSS-BORDER INSOLVENCIES)

Court File No. CV-14-10663-00CL

**ONTARIO  
 SUPERIOR COURT OF JUSTICE  
 COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
 TORONTO

**ORDER**

**Cassels Brock & Blackwell LLP**

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Lawyers for msi Spergel inc., in its capacity as court appointed receiver of Banners Broker International Limited and Stellar Point Inc.

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1992, c. 27, s.2, AS AMENDED

APPLICATION OF MILES ANDREW BENHAM AND PAUL ROBERT APPLETON, IN THEIR CAPACITY AS JOINT LIQUIDATORS OF BANNERS BROKER INTERNATIONAL LIMITED, UNDER PART XIII OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CROSS-BORDER INSOLVENCIES)

Court File No CV-14-10663-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

Proceeding commenced at TORONTO

**MOTION RECORD  
(Approval of Certain Receiver's Reports  
and Activities, Fees and Disbursements)**  
returnable May 16, 2017

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