

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

**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
(Ex Parte Motion For Banking Records)**

January 8, 2016

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TAB 1

**ONTARIO
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**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
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NOTICE OF MOTION

(*Ex Parte* Motion for Banking Records)

Paul Robert Appleton and Miles Andrew Benham in their capacity as Joint Liquidators and Foreign Representatives (the “**Joint Liquidators**”) of Banners Broker International Limited (“**BBIL**”), and msi Spergel inc., in its capacity as receiver of BBIL 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) Stellar Point Inc. (formerly o/a “7250037 Canada Inc.” and “Bannersbroker Limited”); (v) Dixit Holdings Inc. (formerly o/a “8163871 Canada Limited”); (vi) 8643989 Canada Inc. o/a Dixit Consortium Inc.; (vii) Dreamscape Ventures Ltd.; and (viii) any other entity operating under the business names “Bannersbroker”, “Banners Broker”, “Bannersbroker Limited”, “Bannersmobile”, “BannersMobile” or “Banners Broker Belize” (the “**Receiver**”) will make a motion to a Judge presiding over the Commercial List on January 13, 2016 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:

- (a) An order substantially in the form attached as Schedule “A” hereto, directing that the Canadian Imperial Bank of Commerce (“**CIBC**”) and the Royal Bank of Canada (“**RBC**”, with CIBC, collectively, “the “**Financial Institutions**”), provide the Receiver with transaction details in respect of 50 identified account transactions sufficient for the Receiver to trace the funds disbursed by BBIL, and/or the Associated Corporations (defined below), and/or the Additional Dixit Entities (defined below), and to locate BBIL assets and any proceeds thereof;
- (b) An order substantially in the form attached as Schedule “A” hereto directing CIBC to provide the Receiver with account statements for the VISA credit card accounts bearing numbers [REDACTED], [REDACTED], [REDACTED], and [REDACTED] (collectively, the “**Visa Cards**”); and
- (c) Such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

This Motion

- (a) The Receiver is seeking production of financial records in respect of certain limited and specifically identified Banners Broker account activity. The information sought should allow the Receiver to pursue its accounting analysis and, in doing so, advance efforts to locate assets and identify potential avenues of recovery.

Background

- (b) This is a foreign recognition and cross-border insolvency proceeding involving Canada and the Isle of Man. The debtor, BBIL, was an internet advertising business operating both directly and through related entities and agents around the world. The company is believed to have hundreds of thousands of individual unsecured creditors located around the world.
- (c) Winding up proceedings 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 “foreign proceedings” for the purposes of Part XIII of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended (the “**BIA**”).
- (d) msi Spergel inc. was appointed receiver of BBIL in Canada. The Receiver’s mandate was expanded in October 2014 to include certain investigatory authority in respect of five corporations (and six business names/styles)

believed to be closely associated with BBIL, and which had been identified by the Toronto Police Services Financial Crime Unit as being integral to an alleged criminal enterprise in which BBIL was a central part, namely (the **“Associated Corporations”**):

- (i) 2087360 Ontario Incorporated o/a Local Management Services (**“LMS”**);
 - (ii) Parrot Marketing Inc. (formerly o/a “8264554 Canada Limited”) (**“Parrot”**);
 - (iii) 2341620 Ontario Corporation (**“234”**);
 - (iv) Stellar Point Inc. (formerly o/a “7250037 Canada Inc.” and “Bannersbroker Limited”) (**“Stellar Point”**);
 - (v) Dixit Holdings Inc. (formerly o/a “8163871 Canada Limited”) (**“Dixit Holdings”**); and
 - (vi) Any other entity operating under the business names “Bannersbroker”, “Banners Broker”, “Bannersbroker Limited”, “Bannersmobile”, “BannersMobile” or “Banners Broker Belize”.
- (e) On August 7, 2015, the Receiver’s mandate was expanded to include additional investigational authority in respect of 8643989 Canada Inc. o/a Dixit Consortium Inc., and Dreamscape Ventures Ltd. (collectively, the **“Additional Dixit Entities”**).

- (f) The principal of LMS, Parrot and 234 is Christopher George Smith (“**Smith**”). Rajiv Dixit (“**Dixit**”) is the principal of Stellar Point, Dixit Holdings and the Additional Dixit Entities.
- (g) Smith and Dixit were arrested and charged on December 9, 2015, with violations of the *Criminal Code*, R.S.C. 1985, c. C-46 (the “**Criminal Code**”), and the *Competition Act*, RSC 1985, c. C-34 (the “**Competition Act**”). They were criminally charged 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.

Efforts to Secure Books, Records, Accounting

- (h) Securing the production of the records of BBIL, the Associated Corporations and the Additional Dixit Entities in accordance with the Receiver’s court ordered mandate has proven difficult and time-consuming. As detailed in the Third Report of the Receiver, dated July 30, 2015 (the “**Third Report**”):
 - (i) Banners Broker lacked a document management system and records retention system;

- (ii) receipts and pay-outs were frequently handled non-systematically. Inter-company transfers were not recorded properly, or at all. Other payments were made in cash;
 - (iii) the police executed eight search warrants in February 2015 to assist in their investigation. Thousands of documents and over one hundred electronic devices were seized and are currently not available to the Receiver for the purpose of its investigation; and
 - (iv) Banners Broker entities did not utilize a professional accounting firm or have an in-house accounting professional.
- (i) Since its appointment, and as further detailed in the Third Report, the Joint Liquidators and the Receiver have made inquiries of numerous financial institutions both in Canada and abroad. The Receiver pursued written documentary productions requests of all depository Schedule I, II, and III financial institutions in Canada. The productions requests were initially specific to BBIL, but were later expanded to include financial records and accounts in respect of the Associated Corporations and the Additional Dixit Entities.
- (j) To date, the Receiver has made written requests for productions to approximately 100 financial institutions, 9 payment processors, and 46 other third parties.

- (k) As of January 13, 2016, the Receiver has received financial records that are responsive to its inquiries from the following Canadian financial institutions:
 - (i) CIBC;
 - (ii) TD Canada Trust; and
 - (iii) RBC.

Unidentified Transactions

- (l) The financial information that has been produced to the Receiver is of varying degrees of completeness. Consequently, there remain some material gaps in the Receiver's ability to complete a reasonably detailed accounting of the receipt and disbursement of BBIL funds. For example, the Receiver has identified US\$1.7 million in disbursements made by Dixit or entities controlled by him from the Accounts, that the Receiver has been unable to trace, out of a total of US\$16.7 million in receipts by Dixit or entities controlled by him.
- (m) More particularly, the Receiver has reviewed account statements in respect of 7 bank accounts belonging to Parrot Marketing, Stellar Point, Dixit Holdings, and the Additional Dixit Entities (the "**Accounts**"). During the course of this review the Receiver has identified 50 transactions of interest, all over \$5,000 (the "**TOI**") in respect of which the Receiver has been unable to identify either the source of the credit to, or the recipient of the debit from,

the Accounts. The total value of these unidentified transactions is US\$1.7 million. This represents a gap in the Receiver's accounting.

- (n) Many of the TOIs appear to be electronic funds transfers or online banking transactions. Account statements produced do not contain any information regarding either the source of the funds in the case of a credit to the account, or the recipient of the funds in the case of a debit to the account.

Visa Cards

- (o) During the course of review of bank accounts belonging to Stellar Point and Dixit Holdings, the Receiver has identified three Visa Cards which received a total of over US\$2.2 million from the Stellar Point and Dixit Holdings bank accounts. Visa card [REDACTED] ("**Visa [REDACTED] 3**") alone received over US\$1.3 million in payments;
- (p) On May 13, 2015 counsel for the Receiver wrote to CIBC requesting additional information with respect to the Visa Cards, as well as 21 other bank or credit card accounts (the "**CIBC Request**"). CIBC responded on May 21, 2015 and agreed to provide account documents for six of the 24 accounts. However, CIBC declined to provide account documents for the remaining 18 accounts, including the Visa Cards, because the accounts "were not in the names of the parties identified in the order and therefore determined to not be a part of the order."

- (q) Earlier this fall, and subsequent to the CIBC Request, the Receiver reviewed documents relating to Stellar Point produced by Dixit. Included in those documents are an incomplete set of account statements for Visa [REDACTED] 3 that confirm that the card is in Dixit's name. Similarly, Visa [REDACTED] [REDACTED] is either in Dixit's name or linked to the Visa [REDACTED] 3 account in Dixit's name.
- (r) The Receiver has not been able to identify the account holder of Visa [REDACTED] [REDACTED].

Necessity for Relief Sought

- (s) The Receiver believes that the Financial Institutions would have additional and more detailed transaction information relating to the source and disposition of each TOI (the "**TOI Records**"). Such detail, to the extent it goes beyond the summary descriptions appearing on the account statements, will enable the Receiver to advance its mandate to locate and account for BBIL and related corporation assets.
- (t) To the same end, CIBC would have account statements (with the TOI Records, collectively, the "**Records**") for the Visa Cards which received over US\$2.2 million in payments from the US\$16.7 million in receipts by Dixit or entities controlled by him.
- (u) In cases where fraud has been alleged and a party seeks access to records in order to trace and preserve assets that in equity belong to the party, the

Court has jurisdiction to make orders designed to ascertain the whereabouts of that property, including bank records;

- (v) The Financial Institutions are the sole reliable and practicable source of the information sought. The Receiver's strong preference is to obtain "Banners Broker" related business and financial information from independent third party financial institutions and service providers rather than rely solely on the former principals of Banners Broker to produce records. Third party produced information can likely be more efficiently obtained and will be reliable and complete.
- (w) The production of the Records is necessary to enable the Receiver to advance its mandate. Without access to the Records, the Receiver cannot complete a reasonably detailed BBIL flow of funds analysis.
- (x) The Receiver is willing to indemnify the Financial Institutions for their reasonable costs of producing the required records.

Ex Parte to Smith and Dixit

- (y) Smith and Dixit stand charged of multiple criminal charges including fraud and money laundering. The Toronto Police Service has also alleged that "funds were funnelled to a number of offshore accounts in Belize, St. Lucia, Cyprus and others."
- (z) In these circumstances, the Receiver is concerned that if Smith, Dixit, BBIL, the Associated Corporations and the Additional Dixit Entities (the "**Parties**")

were provided with notice of the within motion they would have the opportunity to move any funds remaining in Canada beyond the reach of their creditors and the Receiver, and outside of the jurisdiction of this Court. The Parties have already demonstrated the capacity and inclination to systematically transfer funds abroad.

- (aa) In light of the criminal charges, the Parties' demonstrated capacity to move funds globally, and the Receiver's court-ordered mandate to identify and recover BBIL assets, the Receiver's interest in identifying and recovering BBIL assets outweighs any confidentiality interest that the Parties may have in the Records.
- (bb) Similarly, it would be impracticable to provide the Parties with notice of the within motion without compromising the efficacy of the relief sought. There is a risk that if the Parties were provided with notice of the motion they may move funds out of Canada and the jurisdiction of this Court.

Notice to Financial Institutions

- (cc) The Financial Institutions have cooperated with the Receiver to date and the Receiver intends to work cooperatively with them going forward. The Motion is intended to provide the Financial Institutions with such appropriate legal direction and certainty as they may require to address the Receiver's requests regarding the TOI and the Visa Cards. To the extent that the Financial Institutions have any issues with respect to what they are

being asked to do they will be served with these motion materials and will have an opportunity to bring such concerns forward.

Sealing Order

- (dd) Confidential Appendix “B” to the Fourth Report documents the Receiver’s most up to date Flow of Funds Analysis. This accounting provides the Receiver’s best assessment of total funds received from Banners Broker affiliates, together with how such funds were utilized.
- (ee) Due to the sensitive and confidential nature of the Flow of Funds Analysis, the ongoing nature of this proceeding, and the previously court-ordered confidentiality obligations of the Receiver, it is necessary that the appendix be sealed in the public court file.

General

- (ff) The receivership appointment orders in these proceedings;
- (gg) Part XIII of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (sections 267 to 284) which govern cross-border insolvencies.
- (hh) Sections 96, 101, 137(2) of the *Courts of Justice Act*.
- (ii) Rules 1.04, 2.01, 2.03, 3, 30, 37, and 40 of the *Rules of Civil Procedure*.
- (jj) Such further and other grounds as the lawyers may advise.

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

- (a) The Fourth Report of the Receiver, dated January 8, 2016;
- (b) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

January 8, 2016

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

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

APPLICATION OF MILES ANDREW BENHAM AND PAUL ROBERT
APPLETON, IN THEIR CAPACITY AS JOINT LIQUIDATORS OF BANNERS
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BANKRUPTCY AND INSOLVENCY ACT (CROSS-BORDER INSOLVENCIES)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

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TAB 2

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

January 8, 2016

**ONTARIO
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UNDER PART XIII OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CROSS-BORDER
INSOLVENCIES)**

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

January 8, 2016

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I. Overview

1. This is the fourth report to court (the “**Fourth Report**”) of msi Spergel inc. in its capacity as court-appointed receiver (the “**Receiver**”) of Banners Broker International Limited (“**BBIL**”). This report is filed in support of the Receiver’s motion (the “**Motion**”) for an order substantially in the form attached at Tab “3” to the motion record:

- (a) directing that the Canadian Imperial Bank of Commerce (“**CIBC**”) and the Royal Bank of Canada (“**RBC**” with CIBC, collectively, the “**Financial Institutions**”) provide the Receiver with transaction details in respect of 50 identified account transactions sufficient for the Receiver to trace the funds disbursed by BBIL, and/or the Associated Corporations (defined below), and/or the Additional Dixit Entities (defined below), and to locate BBIL assets and any proceeds thereof;
- (b) directing CIBC to provide the Receiver with account statements for the VISA credit card accounts bearing numbers [REDACTED], [REDACTED], [REDACTED], and [REDACTED] (collectively, the “**Visa Cards**”); and
- (c) such further and other relief as this Honourable Court may deem just.

2. This Fourth Report addresses matters relevant to the Receiver’s request for the production of certain banking records from the Financial Institutions (the “**Production Request**”). The Receiver is in the process of preparing a further and more detailed report that will provide an update to the court on all matters that have transpired in the receivership proceeding since its third report to court dated July 30, 2015 (the “**Third Report**”).

3. The section of this report dealing with the Production Request begins at paragraph 27, page 7.

4. All court materials filed, including previous receiver's reports and court orders and endorsements issued in these proceedings are available on the Receiver's website at: www.spergel.ca/banners.

5. The following section of this report provides a high level summary of the receivership proceedings to date.

II. Background

Foreign Recognition Proceeding

6. Banners Broker International Limited ("**BBIL**") was central to a group of several related companies and service providers. Together they operated 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 BBIL ("**Banners Broker**").

7. Pursuant to an 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, BBIL was placed into liquidation under section 174 of the *Companies Act 1931* of the Isle of Man on February 26, 2014. Miles Andrew Benham and Paul Robert Appleton were appointed as joint liquidators ("**Joint Liquidators**", with the Receiver, the "**Court Officers**") of BBIL ("**Isle of Man Proceedings**").

9. 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 ("**Initial Recognition Order**"):

- (a) recognizing the Isle of Man Proceedings as a "foreign main proceeding" for the purposes of section 268 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 ("**BIA**");

- (b) recognizing the Joint Liquidators as the “foreign representative” (“**Foreign Representative**”) 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 Representative in the performance of its duties as the Foreign Representative 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 Representative of the Isle of Man Proceeding.

11. The Supplemental Order that appointed the Receiver 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 creditors. Consistent with the Model

Receivership Order, the Receiver's powers in respect of BBIL extend to accessing all manner of relevant information, and the taking of possession of assets.

Discovery of Criminal Investigation and Restraint Orders

12. 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, Christopher G. Smith ("**Smith**") and Rajiv Dixit ("**Dixit**").

13. Specifically, the Receiver obtained copies of several *ex parte* restraint orders ("**Criminal Restraint Orders**") obtained by the Ministry of the Attorney General, Crown Law Office-Criminal ("**Crown**"). The orders, issued pursuant to section 462.33 of the *Criminal Code*, R.S.C. 1985, c. C-46 (the "**Criminal Code**"), froze funds held by third party electronic payment processors for accounts associated with Banners Broker. The Criminal Restraint Orders statutorily expire six months after issuance.

14. The Receiver subsequently obtained copies of the affidavit evidence filed by the Crown in support of its application for the Criminal Restraint Orders. The evidence consisted of affidavits sworn by RCMP Constable Katie Judd on July 17, 2014 and July 28, 2014 ("**RCMP Affidavits**").

15. The RCMP Affidavits detail the basis for what the RCMP investigators state is their reasonable belief that Smith and Dixit, through their operation of Banners Broker, have committed criminal offences related to the operation of a "pyramid scheme", fraud, possession and laundering of the proceeds of crime, and criminal misrepresentations contrary to the *Competition Act*, R.S.C. 1985, c. C-34 (the "**Competition Act**").

16. Constable Judd identified a number of other Canadian incorporated entities believed to be operated by Smith and/or Dixit and associated with BBIL and the Banners Broker business.

The Joint Liquidators' independent investigations, conducted prior to the Receiver's review of the RCMP Affidavits, identified certain of the same parties as being associated with BBIL.

17. Specifically, the entities identified by the RCMP Affidavits include:

- (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 Inc. (formerly o/a "7250037 Canada Inc." and "Bannersbroker Limited") ("**Stellar Point**");
- (e) Dixit Holdings Inc. (formerly o/a "8163871 Canada Limited") ("**Dixit Holdings**");
- (f) Any other entity operating under the business names "Bannersbroker", "Banners Broker", "Bannersbroker Limited", "Bannersmobile", "BannersMobile" or "Banners Broker Belize"

(collectively, the "**Associated Corporations**")

Receiver's Motion for Additional Investigative Authority

18. In reliance in part on the RCMP Affidavits, the Receiver sought and obtained an order for, among other things, the grant of certain additional investigative authority in respect of the Associated Corporations ("**Further Supplemental Order**").

19. The Further Supplemental Order requires persons with notice thereof to advise the Receiver of any books, documents, or other records related to the Associated Corporations in the person's possession or control, and to provide the Receiver with or allow the Receiver to make copies of such documents.

Order for Continued Restraint of Payment Processor Monies

20. By early January 2015, the Receiver had formed the view that the source of the restrained funds held in the payment processor accounts very likely derived from deposits/investments made by Banners Broker affiliates. The Receiver further believed, and continues to believe, that there had been significant inter-company transfers of affiliate-contributed funds between BBIL and the Associated Corporations. Moreover, and as discussed in the Receiver's second report to court, dated January 12, 2015, roughly half of funds received by Banners Broker from affiliates were not used to fund withdrawal requests by affiliates, resulting in tens of thousands of individual creditors.

21. In these circumstances, the Receiver has reason to believe that monies restrained by the Criminal Restraint Orders are properly claimable by creditors of BBIL and/or the Associated Corporations.

22. As the Criminal Restraint Orders were set to expire, the Receiver brought a motion returnable January 14, 2015, for an order that all monies held pursuant to the terms of the Criminal Restraint Orders continue to be held pursuant to the terms of the Criminal Restraint Orders, and not be released without the written consent of the Receiver or further order of the court on notice to the Receiver. The motion was granted by order of the Honourable Mr. Justice Newbould dated January 14, 2015 ("**Order: Restraint of Funds**").

23. The Order: Restraint of Funds provides that, effective as of the expiry date of each underlying Criminal Restraint Order, all money or credits held pursuant to such Criminal Restraint Order(s), be transferred to msi Spergel inc., in its capacity as court officer, to be held in a separate interest-bearing trust account, separate and apart from the receivership of BBIL, pending further order of this court.

Receiver's Motion for Additional Investigatory Authority Over the Additional Dixit Entities

24. As detailed in the Third Report, the Receiver prepared a global "Flow of Funds Analysis" in an effort to understand how affiliate contributions were received and disbursed over the period of Banners Broker's global operations (the "**Flow of Funds Analysis**"). In the course of this work effort, it was determined that two additional companies had significant Banners Broker related dealings: 8643989 Canada Inc. o/a Dixit Consortium Inc. ("**Dixit Consortium**") and Dreamscape Ventures Ltd. ("**Dreamscape**", with Dixit Consortium, collectively the "**Additional Dixit Entities**"). The companies are believed to be controlled by Dixit.

25. By order dated August 8, 2015, the Receiver was granted investigative authority in respect of the Additional Dixit Entities (the "**Additional Authority Order**").

26. The Additional Authority Order requires persons with notice thereof to produce to the Receiver books, documents, or other records related to the Additional Dixit Entities.

III. Developments Since Last Report Relevant to this Motion

A. Dixit's Cease and Desist Demand

27. On or about August 12, 2015, the Receiver, the Joint Liquidators, and lawyers at Cassels Brock and Blackwell LLP, counsel to the Receiver and Joint Liquidators, received notices to "Cease and Desist" from Dixit (the "**Cease and Desist Notices**").

28. The Cease and Desist Notices purport to provide notice to cease and desist "grievous trespass creating great harm to the man master rajiv of the family dixit [*sic*], known to you and other third party interlopers as Mr. Rajiv Dixit." A copy of one of the Cease and Desist Notices is attached hereto as **Appendix "A"**.

29. The Cease and Desist Notices further state that if the Court Officers and their counsel do not cease and desist "all actions and claims against Mr. Rajiv Dixit and or Rajiv Dixit forthwith" Dixit will invoice them \$47,304,000.00 silver dollars "[p]lus, for each second starting at 12:00:01

AM until the cease and desist is complied with, each Respondent will be charged an additional \$36.00 per second.”

30. After receiving the Cease and Desist Notices, counsel for the Court Officers contacted Dixit’s counsel regarding retracting the notices. The notices remain outstanding.

31. The Receiver considers the Cease and Desist Notices to be in violation of the automatic stay. Further, the fact they were delivered and not retracted is, in the Receiver’s view, indicative of a lack of respect for the process and an unwillingness to cooperate fully with the Receiver on some levels. In the interests of full disclosure, counsel for Dixit has been responsive to requests of the Receiver as far as his instructions permit. This, as indicated, did not extend to explaining and addressing the Cease and Desist Notices to the Receiver’s satisfaction.

32. The Receiver intends to provide additional details regarding the Cease and Desist Notices in its next and more comprehensive report to court.

B. Dixit Moves to British Columbia

33. The Receiver was advised by Dixit’s counsel in mid-August 2015 that Dixit was moving from Ontario to Vancouver, British Columbia. The Receiver obtained a parcel register for Dixit’s Toronto area residence shortly thereafter. The parcel register indicated that Dixit sold his house on July 20, 2015 for \$575,000. The sale proceeds have been accounted for and the Receiver understands that at least a portion of the sale proceeds were paid to Dixit (\$11,110.66).

C. Dixit Produces Certain Documents to the Receiver

34. Dixit’s former counsel, MSM, provided the Receiver with certain books and records relating to BBIL, the Associated Corporations and the Additional Dixit Entities in September 2015. MSM produced a total of seven boxes containing over 1,600 documents to the Receiver (the “**MSM Documents**”). The Receiver was advised at the time that Dixit waived privilege over the documents.

35. Additionally, on or about September 11, 2015, Dixit produced nine boxes of Stellar Point records, containing over 7,500 documents (the “**Stellar Point Documents**”) to the Receiver.

36. The Receiver and its counsel are in the process of reviewing and analyzing the (over 9,000) documents received from MSM and Dixit. The Receiver is also in the process of incorporating these documents into the Flow of Funds Analysis. The most recent version of the Flow of Funds Analysis prepared by the Receiver is attached hereto as **Confidential Appendix “B”**.

37. The Flow of Funds analysis attached at Confidential Appendix “B” was prepared in part based on Smith Confidential Information. For this reason, and consistent with the terms of the October 23, 2014 Confidentiality Order, the Receiver respectfully requests that the appendix be treated as confidential and sealed. A copy of the Confidentiality Order is attached as **Appendix “C”**.

38. The fact that this document production was made by Dixit is reported in the interests of providing full disclosure and in recognition of the *ex parte* nature of this motion.

D. Criminal Charges Against Dixit and Smith

39. Dixit and Smith were arrested and charged with violations of the Criminal Code and the Competition Act on December 9, 2015. 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 charged under the Competition Act with (i) operating a pyramid scheme; and (ii) making false or misleading statements. A copy of the press release from the Toronto Police Service detailing the charges against Dixit and Smith is attached hereto as **Appendix “D”**.

40. The Toronto Police have alleged, among other things, that:

- (a) “between October 2010 and March 2013, a pyramid scheme known as ‘Banners Broker’ was operated out of a Church Street address in Toronto”;
- (b) “by the end of 2012, over \$93 million US was obtained from thousands of participants, of which approximately \$45 million was paid back to participants in the scheme”; and
- (c) “the remaining funds were funneled to a number of offshore accounts in Belize, St. Lucia, Cyprus, and others.”

41. The Receiver attended the show cause hearing which was held the same date as the arrests of Dixit and Smith. Dixit and Smith were released on bail. The show cause hearing itself is subject to a publication ban.

IV. Evidence Directly Relevant to the Production Request

A. Difficulties Obtaining Documents and Records

42. Securing the production of the records of BBIL, the Associated Corporations and the Additional Dixit Entities has continued to prove difficult and time-consuming. This is because, among other reasons:

- (a) Banners Broker lacked a document management system and records retention system;
- (b) receipts and pay-outs, including affiliate debits and credits, were frequently handled non-systematically. Inter-company transfers were not recorded properly, or at all. Other payments were made in cash. Although transaction records exist at the financial institution end, there is no single source of Banners Broker maintained financial records or support documentation;
- (c) Banners Broker wound down operations after the commencement of the Isle of Man Proceedings and the Receiver is advised by Smith that Banners Broker

ceased operating on August 6, 2014. Employees were laid off, office space was vacated and such records as did exist became more difficult to locate and retrieve as a result;

- (d) Banners Broker's main service provider, Stellar Point, ceased operating in or about October 2013. Such Stellar Point records as existed at that time became less accessible as a result;
- (e) the police executed eight search warrants in February 2015 to assist in their investigation. Thousands of documents and over one hundred electronic devices were seized and are currently not available to the Receiver for the purposes of its investigation; and
- (f) Banners Broker entities did not utilize a professional accounting firm or have an in-house accounting professional. Neither BBIL nor many of the Associated Corporations and Additional Dixit Entities filed tax returns as may have been required during the period that is of interest to the Receiver.

43. The Receiver has pursued written documentary production requests of all depository Schedule I, II and III financial institutions in Canada. The production requests were initially specific to BBIL, but were subsequently expanded to include financial records and accounts in respect of the Associated Corporations (following the granting of the Further Supplementary Order) and the Additional Dixit Entities (following the granting of the Additional Authority Order).

44. In total, the Receiver has made written requests for production to approximately 100 financial institutions, 9 payment processors and 46 other third parties (including service providers, professional services firms, individuals and Associated Corporations connected to Banners Broker).

45. To date the Receiver has received financial records that are responsive to its inquiries from the following Canadian financial institutions:

- (a) CIBC;
- (b) TD Canada Trust; and
- (c) Royal Bank of Canada.

B. Receiver Identifies “Transactions of Interest” (or “TOI”s)

46. The financial information provided to the Receiver is of varying degrees of completeness. Consequently, there remain material gaps in the Receiver’s ability to complete a reasonably detailed accounting of the receipt and disbursement of BBIL funds. For example, the Receiver has identified US\$1.7 million in disbursements made by Dixit or entities believed to be controlled by him that the Receiver has been unable to trace, out of a total of US\$16.7 million in receipts by Dixit or entities controlled by him.¹

47. As of today’s date, the Receiver has reviewed and analyzed 7 accounts belonging to Parrot Marketing, Stellar Point, Dixit Holdings, and the Additional Dixit Entities (the “**Accounts**”, each an “**Account**”). During the course of this review, the Receiver has identified 50 transactions of interest, all over \$5,000 (“**TOI**”) in respect of which the Receiver has been unable to identify the recipient of the debit (withdrawal) from the Accounts. This, alone, results in a US\$1.7 million gap in the Receiver’s accounting. The TOI are listed in a Schedule at **Appendix “E”** to this Fourth Report.

48. The TOI can be broken down into five categories: (i) debit memos; (ii) withdrawals; (iii) direct deposits; (iv) illegible documents; and (v) transfers.

¹ Of the \$1.7 million in unverified disbursements, there is a single \$10,000 transaction from a Parrot Marketing bank account held with CIBC. The remainder of the unverified disbursements were made to bank accounts belonging to entities controlled by Dixit.

i. Debit Memos

49. Of the US\$1.7 million in unverified disbursements, approximately US\$632,846.36 of the disbursements were described as “debit memos” on the Account statements (the “**Debit Memos**”). All of the Debit Memos are from accounts held with CIBC.

50. While each of the Debit Memos list a date and amount for all of the transactions, they do not list a recipient. Further, CIBC has not produced supporting documents for the Debit Memos sufficient to identify this information. However, it is logical to believe that such documentation exists in light of the quantum of the amounts transferred. Some of the Debit Memos are for large amounts of money, for example: (i) US\$100,230.87 on June 20, 2013 from Stellar Point CIBC account [REDACTED]; (ii) US\$89,436.18 on June 5, 2013, from Stellar Point CIBC account [REDACTED]; and (iii) US\$66,049.69 on July 17, 2013 from Stellar Point CIBC account [REDACTED]. Thus, the Receiver is seeking production of documents within CIBC's possession or control sufficient to identify the recipient of the funds transferred in the Debit Memos.

ii. Withdrawals

51. A total of US\$696,685.22 of the TOI were described in the Account statements as “withdrawals” (the “**Withdrawals**”). All of the Withdrawals are from Accounts held with RBC. The Receiver understands Withdrawals to be cash withdrawals from the RBC Accounts. The largest transaction of the Withdrawals is for US\$225,648.42 on May 1, 2012, from Stellar Point RBC account [REDACTED]. In light of the quantum of each of the Withdrawals from the Accounts, it is reasonable to believe that RBC may have documentation, including withdrawal slips, that would identify those individuals who made the Withdrawals from the Accounts. The Receiver is thus requesting production of the same.

iii. Direct Deposits

52. A further US\$299,911.99 of the TOI are described in the RBC Account statements as “direct deposits” (the “**Direct Deposits**”). The majority of these transactions are described as

“Pay Emp Vendor” on the Account statements. All of the Direct Deposits are from Stellar Point RBC account [REDACTED].

53. As with the Debit Memos and Withdrawals, each of the Direct Deposits on the Account statements list a date and amount, but do not list the recipient of the funds transferred. The Receiver believes that RBC may have documents reflecting the recipients of the Direct Deposits.

iv. Illegible Documents

54. After reviewing the documents produced by the Financial Institutions to date, several of the documents produced by the Financial Institutions are illegible (the “**Illegible Documents**”). The majority of the Illegible Documents are cancelled cheques from Stellar Point RBC account [REDACTED]. The Receiver believes that the Financial Institutions may have more legible copies of the documents and is seeking production of the same.

v. Transfers

55. Finally, several of the TOI are described in the Account statements as “transfers” (the “**Transfers**”). The Transfers account for US\$70,843.93 of the US\$1.7 million in disbursements to Dixit or entities controlled by him.

56. As with the Debit Memos, Withdrawals, and Direct Deposits, the descriptions of the Transfers in the Account statements list a date and the amount transferred, but do not list the recipient of the funds transferred. The Receiver believes that the Financial Institutions may have additional documents containing details sufficient to identify the recipient of the funds transferred in the Transfers and is seeking production of the same.

C. Visa Card Statements

57. During the course of the Receiver’s review of bank accounts belonging to Stellar Point and Dixit Holdings, the Receiver has identified three Visa Cards that received over US\$2.2

million from the Stellar Point and Dixit Holdings bank accounts. Visa card [REDACTED] (“Visa [REDACTED] 3”) alone received over US\$1.3 million in payments.

58. On May 13, 2015, counsel for the Receiver wrote to CIBC and requested additional information with respect to the Visa Cards as well as 21 other bank or credit card accounts (the “CIBC Request”). A copy of the CIBC Request is attached hereto as **Appendix “F”**. CIBC responded to the CIBC Request on May 21, 2015, and agreed to provide account documents for six of the 24 accounts. However, CIBC declined to provide account documents for the remaining 18 accounts, including the Visa Cards, because the accounts “were not in the names of the parties identified in the order and therefore determined to not be a part of the order.” A copy of CIBC’s response is attached hereto as **Appendix “G”**.

59. Earlier this fall, and subsequent to the CIBC Request, the Receiver commenced its review of the Stellar Point Documents. Included in those documents are an incomplete set of account statements for Visa [REDACTED] 3 that confirm that the card is in Dixit’s name. Further, one of the account statements for Visa [REDACTED] 3 that was reviewed by the Receiver also lists transactions for Visa [REDACTED] (“Visa [REDACTED] 5”). As a result, the Receiver believes that Visa [REDACTED] 5 is linked in some manner to Visa [REDACTED] 3.

60. The Receiver has not been able to identify the account holder of Visa [REDACTED] [REDACTED] (“Visa [REDACTED] 6”).

61. Based on the Receiver’s review of the Stellar Point and Dixit Holdings bank accounts, the Receiver has determined that the Visa Cards received the following amounts from the CIBC Accounts:

Visa Card	Amount Received
Visa ■■■3	US\$1,330,539
Visa ■■■5	US\$736,728
Visa ■■■6	US\$138,143
Total:	US\$2,205,410

62. The payments to the Visa Cards represent 12.5% of the total amount of funds received by Dixit or entities controlled by him and accordingly constitute a significant gap in the Receiver's ability to account for the receipt and disbursement of BBIL funds. This US\$2.2 million is in addition to the US\$1.7 million in TOI described above.

63. The Receiver is seeking statements for the Visa Cards for the following time periods:

- (a) Visa ■■■3: September 1, 2012 to December 31, 2013;
- (b) Visa ■■■5: September 1, 2012 to December 31, 2013; and
- (c) Visa ■■■6: June 1, 2012 to October 31, 2013

64. The Receiver has limited its request to this timeframe because it accords with the time period in which transfers were made from the CIBC Accounts to pay down the Visa Cards. According to the CIBC Account statements reviewed by the Receiver, Visa ■■■3 received payments from the CIBC Accounts from September 2012 to November 2013, Visa ■■■5 received payments from the CIBC Accounts from September 2012 to January 2013, and Visa ■■■6 received payments from the CIBC Accounts from June 2012 to September 2012. Thus, the Receiver believes that the requested time period is appropriate because it will capture any assets purchased using the Visa Cards (and ultimately paid for with funds from BBIL or the Associated Corporations).

D. Reasons For Seeking Production Directly From Financial Institutions

65. The Receiver believes that the Financial Institutions may have additional and more detailed transaction information relating to the source and disposition of each TOI (the “**TOI Records**”). Such detail, to the extent it goes beyond the summary descriptions appearing on the Account statements, will enable the Receiver to advance its mandate to locate and account for the assets of BBIL, the Associated Corporations and the Additional Dixit Entities.

66. Similarly, CIBC would likely have account statements (with the TOI Records, collectively, the “**Records**”) for the Visa Cards.

67. The Records relate to nearly a quarter of the disbursements received by Dixit or entities controlled by him and thus not only assist the Receiver in fulfilling its mandate to account for BBIL and related corporation assets, but also to locate any such assets and potentially recover on the same.

68. It is the Receiver’s strong preference to obtain Banners Broker related business and financial information from independent third party financial institutions rather than rely solely on the former principals of Banners Broker to produce records. Third party produced information is not only more likely to be efficiently obtained, but also reliable and complete.

69. To date, the Financial Institutions have cooperated with the Receiver’s requests, and the Receiver intends to work cooperatively with them going forward. The Motion is intended to provide the Financial Institutions with such appropriate legal direction and certainty as they may require to address the Receiver’s requests regarding the TOI and the Visa Cards.

70. The Receiver is willing to compensate the Financial Institutions for their reasonable costs of producing the Records.

V. *Ex Parte* Nature of this Motion (in respect of Smith and Dixit)

71. The Receiver intends to bring the Motion on notice to the Financial Institutions but without notice to Smith, Dixit, BBIL, the Associated Corporations and the Additional Dixit Entities (collectively, the “**Parties**”).

72. The Receiver is concerned that if the Parties are provided with notice of the Motion they would have an opportunity to move any funds remaining in Canada beyond the reach of their creditors and the Receiver, and outside the jurisdiction of this Court. Based on the Receiver’s investigation to date, and as outlined in the press release issued by the Toronto Police Service, the Parties appear to have a demonstrated capacity to transfer funds off-shore.

VI. Recommendations

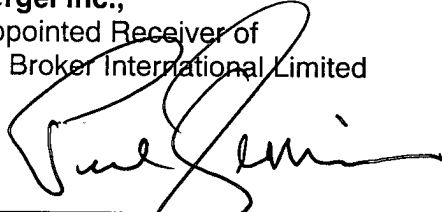
73. Based upon the foregoing, the Receiver respectfully requests that this Honourable Court issue an order:

- (a) directing that the Financial Institutions provide the Receiver with transaction details in respect of the TOI;
- (b) directing that CIBC provide the Receiver with account statements for the Visa Cards;
- (c) directing that the Receiver reimburse the Financial Institutions for their reasonable costs in producing the Records to the Receiver;
- (d) directing that the Financial Institutions, and any other person or entity with knowledge of the Motion and any order granted in connection therewith (the “**Order**”), refrain from disclosing the Motion, the Order, and any actions taken in connection therewith except as required by law;
- (e) granting a sealing order with respect to Confidential Appendix “B” to this Fourth Report; and

(f) such further and other relief as this Honourable Court may deem just.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 8th day of January, 2016.

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

A handwritten signature in black ink, appearing to read "Philip H. Gennis", is written over a horizontal line. The signature is stylized with a large, sweeping initial "P" and "H".

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

TAB A

NOTICE

**THIS IS A PRIVATE COMMUNICATION BETWEEN THE PARTIES
NOTICE TO AGENT IS NOTICE TO PRINCIPAL---NOTICE TO PRINCIPAL IS NOTICE TO AGENT
Applicable to all Successors and Assigns**

PRIVATE AND CONFIDENTIAL

August 4, 2015

Principal: the man, rajiv dixit private Person)
Mr. Rajiv Dixit
c/o 27-1300 King Street East, Suite 234
Oshawa, ON Canada L1H 8J4

Respondent: the man, miles andrew benham
The office of MILES ANDREW BENHAM
MANNBENHAM ADVOCATES
49 Victoria Street,
Douglas, ISLE OF MAN

Respondent: the man paul robert appleton
The Office of PAUL ROBERT APPLETON
DAVID RUBIN & PARTNERS
26-28 Bedford Row,
London WC1R 4EHE UNITED KINGDOM

Respondent: the man phillip h gennis
The office of PHILLIP H GENNIS
SPERGEL INC.
505 Consumers Road, Suite 200
Toronto, ON, M2J4V8

Respondent: the man david s. ward
The office of DAVID S. WARD
CASSELS BROCK & BLACKWELL LLP
2100 Scotia Plaza - 40 King Street West
Toronto, ON M5H 3C2

RW 583 262 703 CA

Respondent: the man larry ellis
The Office of LARRY ELLIS
CASSELS BROCK & BLACKWELL LLP
2100 Scotia Plaza - 40 King Street West
Toronto, ON M5H 3C2

THIS DOCUMENT IS NOT INTENDED TO THREATEN, HARASS, HINDER OR OBSTRUCT ANY LAWFUL OPERATIONS,
IT IS FOR THE PURPOSE OF OBTAINING LAWFUL REMEDY PROVIDED BOTH BY AND IN, COMMON LAW. WITHOUT PREJUDICE.

Respondent: the man christopher horkinsn
The office of CHRISTOPHER HORKINSN LSUC #: 61880R
CASSELS BROCK & BLACKWELL LLP
2100 Scotia Plaza - 40 King Street West
Toronto, ON M5H 3C2

Respondent: the man david ellis
The office of DAVID ELLIS
CASSELS BROCK & BLACKWELL LLP
2100 Scotia Plaza - 40 King Street West
Toronto, ON M5H 3C2

NOTICE TO CEASE AND DESIST

Preamble

I, rajiv dixit the private person and true title holder for Mr. Rajiv Dixit and RAJIV DIXIT and DIXIT, RAJIV or any derivative of that name is the true authenticated owner of title of ownership and secured party creditor for the title hereby give your fair notice and your chance to cease and desist as per the instructions below. Please take heed and be forewarned.

FOR ANYONE WHO WANTS TO GO INTO BUSINESS FOR THEMSELVES:

HALE v. HENKEL 201 U.S. 43 at 89 (1906) Hale v. Henkel was decided by the united States Supreme Court in 1906. The opinion of the court states: "The "individual" may stand upon "his Constitutional Rights" as a CITIZEN. He is entitled to carry on his "private" business in his own way. "His power to contract is unlimited." He owes no duty to the State or to his neighbors to divulge his business, or to open his doors to an investigation, so far as it may tend to incriminate him. He owes no duty to the State, since he receives nothing there from, beyond the protection of his life and property. "His rights" are such as "existed" by the Law of the Land (Common Law) "long antecedent" to the organization of the State", and can only be taken from him by "due process of law", and "in accordance with the Constitution." "He owes nothing" to the public so long as he does not trespass upon their rights."

Dear Sir(s)

To the public officer(s) MILES ANDREW BENHAM and PAUL ROBERT APPLETON in your capacity as joint liquidators and as Foreign Representatives; and PHILLIP H GENNIS, J.D., CIRP, DAVID S. WARD LSUC #: 33541W and LARRY ELLIS, as third party interlopers in CANADA you are hereby given **NOTICE TO CEASE AND DESIST** grievous trespass creating great harm to the man master rajiv of the family dixit, known to you and other third party interlopers as Mr. RAJIV DIXIT.

I, master rajiv, have been very patient with this whole witch hunt affair in the name of justice.

In your quest to lay blame, you have committed considerable harm and trespass against myself, rajiv dixit's name and reputation that will take many years and hard work to repair.

You have destroyed the reputation of Stellar Point Inc., Dixit Holdings Inc. and rajiv dixit by your accusations. Stellar Point Inc. had new clients coming aboard, and because of your actions and defamation of my name those new clients all dropped off. Stellar Point Inc. was on track to do hundreds of millions in revenue over the next three years and profits of over 40%.

Your actions of defaming my name, rajiv dixit, has cost me my ability to work and earn a living. /dixitI have worked as a consultant for over 15 years, and now clients "Google" my name, see your actions against me and go to my competition. This has cost me in 2015 alone, over \$200,000 lose of personal income.

Your actions caused stress to my children and myself has caused me rajiv dixit, many difficulties. It has led to high blood pressure, over eating, lack of sleep, and panic attacks.

Your actions of questioning my wife, stephanie Schlacht/dixit, as well as myself, has caused serious emotional stress to my marriage, my children and my ability to provide for my family. This has required me to lose my house, and use the funds to pay legal bills that have occurred due to your actions. The emotional stress you have caused my wife, has led to her having to take medications and keep her from working 75% of the time.

You have attacked my integrity, name, morals, and ethics all without cause. You have failed to show proof of any wrong doing, and have questioned my friends, colleagues and family causing me public embarrassment and pain.

You have publicly defamed and questioned my ability as a business man and the morality that I run my companies with, to the degree that potential clients all run away from me, causing me lose of millions of dollars in revenue.

You have signaled me out with prejudice, as there is no other Reseller that you have come after as of today. Even though evidence was given to you verbally and in documentations (you have chosen not to look at) that show you other Resellers made more than I did. One of the creditors Ian Driscoll took in over \$1 million in profits and you have done nothing. Your prejudice against me violates my civil rights as a human being.

Enough is enough, you and other third party interlopers, are hereby given **NOTICE TO CEASE AND DESIST** all actions and claims against Mr. Rajiv Dixit and or RAJIV DIXIT forthwith. Meaning to remove, lift, undo, stop and clean up all past actions you have committed against the private person rajiv dixit or Mr. Rajiv Dixit and or RAJIV DIXIT. Failure to remove all actions will result in the implementation of my private fee schedule for harm, trespass and damages.

In summary you and other third party interlopers, are hereby given **NOTICE TO CEASE AND DESIST** and terminate with prejudice all action that may in the slightest way do further harm to rajiv dixit, private person, rajiv dixit, Mr. Rajiv Dixit and or RAJIV DIXIT.

I will be contacting my business associates to verify that you and any other third party interlopers are complying with this notice and if any situation affects my business in the slightest way, will result in immediate action of damages and fee services.

I require you and other third party interlopers to reply to this notice to confirm you are complying with this **NOTICE TO CEASE AND DESIST** within 7 days by registered mail to the following address, after which time my fee schedule will be activated and in full force.

Take notice, attached for your viewing is an invoice that will become effective on the day after the 7 day allowance for you to respond to this **CEASE AND DESIST** to confirm that you are going to comply with this **PRIVATE ORDER**, on the 8th day each Respondent shall and will be invoiced the amount on the invoice. Plus, for each second starting at 12:00:01 AM until the cease and desist is complied with, each Respondent will be charged an additional \$36.00 per second.

Bill in Equity

INVOICE STATEMENT of DAMAGES TO EACH RESPONDENT

From August 15, 2014 to August 15, 2015

My Private Fee Schedule for; harm, trespass, damage to reputation, loss of Stellar Point Inc. business, loss of Dixit Holding business, loss of business customers in addition to the defaming my good name in public, loss of income, damage of reputation of the name, loss of common law marriage, undue stress, fright and emotional harm to my children, the cause of additional health problems to myself and more so to direct family spouse and children. You have harassed and attempted to scare, install fear and intimidation to my wife, stephanie schlacht to the point that she now has to take medication which affects her health here by causing her not to be able at this point to work, you have caused undue legal expense forcing the sale of my home and other properties to attempt to keep my companies in business but were unsuccessful due to the damage you have caused to my good name. You have attacked my integrity, name, morals, and ethics all without cause. You have failed to show proof of any wrong doing, and have questioned my friends, colleagues and family causing me public embarrassment and pain. You have publicly defamed and questioned my competent as a business man and the morality that I run my companies with, to the degree that potential clients all run away from me, costing me millions of dollars in lost revenue.

Therefore, I am now invoicing you (each of the respondents) as a private person for damages commencing starting on July 19, at 12:00:01AM my Private Fee rate of \$36.00 per second will

THIS DOCUMENT IS NOT INTENDED TO THREATEN, HARASS, HINDER OR OBSTRUCT ANY LAWFUL OPERATIONS,
IT IS FOR THE PURPOSE OF OBTAINING LAWFUL REMEDY PROVIDED BOTH BY AND IN, COMMON LAW. WITHOUT PREJUDICE.

Should I not receive confirmations from any of the Respondents by the specified Date an Official Bill in Equity shall be issued to each such wrongdoer the full amount for the above amount will be generated and become due and payable within 30 days of its effectiveness date as stated above that does not comply. I do hope you, the wrongdoer(s) take heed and appreciate my good nature and comply with this **CEASE AND DESIST** order for your personal benefit.

Govern yourself accordingly.

Without prejudice

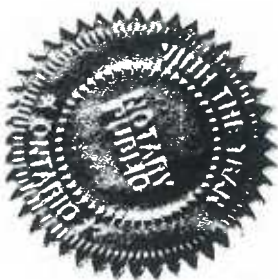
Sincerely

Mr. Rajiv Dixit
c/o 27-1300 King Street East, Suite 234
Oshawa, ON Canada L1H 8J4

Dated this 6 day of August 2015

Per: _____, private person

rajiv dixit, private person
c/o 27-1300 King Street East, Suite 234
Oshawa, ON Canada L1H 8J4



Vinh The Tran, Esq.

**BARRISTER & SOLICITOR, ATTORNEY-AT-LAW, NOTARY PUBLIC,
COMMISSIONER OF OATHS/AFFIDAVITS ETC. LSI/CB 576/G**
18-639 Dupont Street, Toronto, Ontario M6G 1Z4
NetLaw.ca www.HouseCallNotary.ca
vinhtranlaw@hotmail.com **Call or Text 647-209-7585**

Confidential Appendix “B”
(filed separately)

Flow of Funds Analysis prepared by the
Receiver

TAB C



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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) THURSDAY, THE 23rd DAY
JUSTICE NEWBOULD) OF OCTOBER, 2014

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

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

**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 RESTRICTING POSSESSION, PUBLICATION,
HANDLING, DUPLICATION AND USE OF TRANSCRIPT
DOCUMENTS AND INFORMATION**

THIS MOTION, made by msi Spergel Inc., in its capacity as court-appointed receiver (the “**Receiver**”) of Banners Broker International Limited, a company incorporated in the Isle of Man (“**Debtor**”), for an Order substantially in the form attached to the notice of motion was heard this day at the Court House, 330 University Avenue Toronto, Ontario.

ON READING the notice of application dated August 8, 2014.

AND UPON BEING ADVISED by counsel for the Receiver that the Receiver is seeking to compel Christopher G. Smith to attend for examination pursuant to the order issued by the Honourable Madam Justice Matheson, on August 22, 2014 (the “**Receivership Order**”).

AND UPON HEARING the submissions of counsel for the Receiver, as well as counsel for Christopher G. Smith.

1. **THIS COURT ORDERS** that any and all information, or documentation or material in any form whatsoever provided pursuant to or arising out of the court-compelled examination of or court-compelled production by Christopher G. Smith ("**Smith Examination**"), including but not limited to any answers provided, any documentation or other material produced, undertakings given, responses to undertakings given, documents produced as part of an undertaking or produced prior to the Smith Examination or by Court-compelled production, any notes taken by any person, any electronic or media file produced (the "**Productions**") and the transcript (the "**Smith Transcript**") from the Smith Examination (collectively with the Smith Transcript and the Productions, the "**Smith Examination Information**") shall only be used and possessed pursuant to this Order.

2. **THIS COURT ORDERS** that for the purposes of this Order, Smith Examination Information shall not include information, records, books, papers, documents or other material that:

- (a) is or becomes generally available to the public, other than as a result of any unlawful, illegal or prohibited act, including disclosure in breach of this or any other court order;
- (b) is obtained, other than as a result of any unlawful, illegal or prohibited act or in breach of any court order, by a person identified in Schedule "A" of this Order ("**Qualified Persons**") from a source other than Christopher G. Smith, regardless of whether not that same information has been or will be provided by Christopher G. Smith;
- (c) was known by a Qualified Person from a source other than Christopher G. Smith prior to the Smith Examination provided such knowledge is not the direct or indirect product of any unlawful, illegal or prohibited act, including in breach of any court order;

- (d) was independently developed by a Qualified Person without use of any Smith Examination Information provided that such development is not the direct or indirect product of any unlawful, illegal or prohibited act, including in breach of any court order; or
- (e) pertain, refer, belong or relate to, in whole or in part, the Debtor (and/or the related, affiliated or associated corporations of the Debtor), its dealings or its property (and/or the dealings or property of the related, affiliated or associated corporations of the Debtor), including, but not limited to, the corporate records, documents and tax filings of the Debtor (and/or the related, affiliated or associated corporations) but shall only be used and possessed for the sole purpose of assisting the Receiver in fulfilling its mandate established pursuant to the Receivership Order and any amendments thereto (the “**Receiver’s Mandate**”).

3. **THIS COURT HEREBY DECLARES AND ORDERS** that the compelled testimony of Christopher G. Smith or his compelled production of any document, information or thing or any evidence, matter or thing arising either directly or indirectly from such compelled testimony or production in relation to the receivership proceedings before this Court shall not be used by a Qualified Person for any purpose or manner whatsoever, including to the prejudice of Christopher G. Smith, other than to assist the Receiver in fulfilling its mandate established pursuant to the Receivership Order as it, along with the Receiver’s Mandate, may be amended from time to time on ten business days’ notice to Christopher G. Smith.

4. **THIS COURT ORDERS** that the Receiver shall be authorized to file Smith Examination Information directly with this Court at which time the filed Smith Examination Information shall be immediately sealed by this Order pending any further Court order.

5. **THIS COURT ORDERS** that if the Smith Examination Information is filed in whole or in part with this Court, it shall be immediately sealed and may only be unsealed by further order of this Court.

6. **THIS COURT ORDERS** that Qualified Persons shall not produce, provide, publish or otherwise release Smith Examination Information to any third party, other than another Qualified

Person or any person as agreed to between the parties, without further order of this Court, subject to the terms of this Order.

7. **THIS COURT HEREBY DECLARES AND ORDERS** that nothing in this Order shall prejudice the right of the Receiver or Christopher G. Smith to seek variance or amendment of this Order or seek other relief on not less than ten business days' notice to the other party.

8. **THIS COURT HEREBY DECLARES AND ORDERS** that nothing in this Order is intended to affect any right of any party to assert privilege with respect to any of the Smith Examination Information.

October 23, 2014

Let this order issue.

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

Natasha Brown
Registrar

ENTERED AT / INSERTE A TORONTO
ON / LEVÉ À
LE / DAYS / LE REQUISITE NO.

NOV 6 2014

NB

SCHEDULE "A"
QUALIFIED PERSONS

1. Paul Robert Appleton and Miles Andrew Benham in their capacity as joint liquidators of the Debtor.
2. David Rubin & Partners, together with its associates and partners.
3. MannBenham Advocates Limited, together with its directors, officers, employees and partners.
4. Independent legal counsel for the joint liquidators of the Debtor.
5. msi Spergel Inc., together with its directors, officers, employees and partners.
6. Legal counsel for the Receiver.
7. Legal counsel for Christopher G. Smith.

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
Proceedings commenced at Toronto

ORDER

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, Ontario M5H 3C2

David S. Ward LSUC #: 33541W
Tel: 416.869.5960
Fax: 416.640.3154
dward@casselsbrock.com

Christopher Horkins LSUC #: 61880R
Tel: 416.815.4351
Fax: 416.642.7129
chorkins@casselsbrock.com

Lawyers for the Applicants

TAB D

Account	Receipts and Payments / Date	Type	Debits / US \$	Account / Card Number	Card Number	Exchange Rate	Debits / CAD \$	Company
	20-Jun-13	Debit Memo	100,230.87			0.9627	104,114.33	Stellar Point
	5-Jun-13	Debit Memo	89,436.18			0.9667	92,517.00	Stellar Point
	17-Jul-13	Debit Memo	66,049.69			0.9592	68,859.14	Stellar Point
	28-Aug-13	Debit Memo	57,535.76			0.9533	60,354.31	Stellar Point
	4-Jul-13	Debit Memo	53,594.52			0.9512	56,344.11	Stellar Point
	26-Sep-13	Debit Memo	50,379.26			0.9689	51,996.35	Stellar Point
	11-Sep-13	Debit Memo	50,373.45			0.9674	52,070.96	Stellar Point
	31-Jul-13	Debit Memo	49,682.24			0.9721	51,108.16	Stellar Point
	16-Aug-13	Debit Memo	48,381.40			0.9667	50,048.00	Stellar Point
	22-Mar-12	Debit Memo	40,000.00			1		Stellar Point
	27-Feb-13	Debit Memo	17,202.01			0.9756	17,632.24	Stellar Point
	14 Jun 13	Transfer	10,101.01					Parrot Marketing
	29-Jul-13	Debit Memo	9,980.97			1		Stellar Point
	10 Oct 13	Transfer	7,704.80			0.9631	8,000.00	Dixit Consortium
	5 Sep 14	Transfer	5,509.80			0.9183	6,000.00	Dixit Consortium
			656,161.97					

Account	Receipts and Payments / Date	Type	Debits / US \$	Account / Card Number	Card Number	Comment	Exchange Rate	Debits / CAD \$	Company
	1-May-12	Withdrawal	225,648.42				1.0164	222,007.50	Stellar Point
	12-Mar-12	Withdrawal	100,650.00				1.0065	100,000.00	Stellar Point
	27-Jun-12	Withdrawal	97,258.60				0.9749	99,762.64	Stellar Point
	10-Apr-12	Withdrawal	79,659.85				0.9972	79,883.52	Stellar Point
	14-Jun-12	Withdrawal	73,322.87				0.9759	75,133.59	Stellar Point
	25-Apr-12	Transfer	47,528.32				1.0154	46,807.48	Stellar Point
	12-Mar-12	Withdrawal	28,042.74				1.0065	27,861.64	Stellar Point
	15-May-12	Direct Deposit	24,325.21			Pay Emp Vendor	0.9971	24,395.96	Stellar Point
	13-Jul-12	Direct Deposit	23,985.44				0.9851	24,348.23	Stellar Point
	27-Jun-12	Direct Deposit	23,829.88				0.9749	24,443.41	Stellar Point
	13-Aug-12	Direct Deposit	23,683.77				1.0067	23,526.14	Stellar Point
	14-Jun-12	Direct Deposit	22,531.66				0.9759	23,088.08	Stellar Point
	30-Jul-12	Direct Deposit	21,355.14				0.9967	21,425.85	Stellar Point
	30-Apr-12	Direct Deposit	21,083.97				1.0117	20,840.14	Stellar Point
	16-Apr-12	Direct Deposit	18,953.18			Pay Emp Vendor	0.9976	18,998.78	Stellar Point
	29-Mar-12	Direct Deposit	18,220.68			Pay Emp Vendor	1.0001	18,218.86	Stellar Point
	31-Jul-12	Direct Deposit	16,851.39				0.9986	16,875.02	Stellar Point
	14-Aug-12	Direct Deposit	16,803.70				1.0087	16,658.77	Stellar Point
	13-Mar-12	Direct Deposit	15,809.55			Pay Emp Vendor	1.0096	15,659.22	Stellar Point
	24-Feb-12	Withdrawal	13,708.45				1.0012	13,692.02	Stellar Point
	25-Apr-12	Withdrawal	13,200.20				1.0154	13,000.00	Stellar Point
	28-Jun-12	Direct Deposit	12,597.48				0.9678	13,016.62	Stellar Point
	15-Jun-12	Direct Deposit	11,431.37				0.9762	11,710.07	Stellar Point
	5-Mar-12	Withdrawal	11,318.27				1.0064	11,246.29	Stellar Point
	9-Mar-12	Withdrawal	11,116.60				1.0106	11,000.00	Stellar Point
	29-Feb-12	Withdrawal	10,430.13				1.0136	10,290.18	Stellar Point
	27-Jun-12	Withdrawal	10,195.99				0.9749	10,458.50	Stellar Point
	16-Jul-12	Direct Deposit	9,561.21				0.9845	9,711.74	Stellar Point
	12-Apr-12	Withdrawal	9,052.54			BR to BR	1.005	9,007.50	Stellar Point
	10-Sep-12	Withdrawal	8,020.07				1.0244	7,829.04	Stellar Point
	30-May-12	Direct Deposit	7,882.31			Pay Emp Vendor	0.9722	8,107.70	Stellar Point
	3-Feb-12	Cheque	5,982.52						Stellar Point
	25-May-12	Direct Deposit	5,590.18			Pay Emp Vendor	0.9723	5,749.44	Stellar Point

	9-May-12	Direct Deposit	5,415.86		Pay Emp Vendor	0.9985	5,424.00	Stellar Point
		Withdrawal						Stellar Point
	19-Mar-12		5,060.50			1.0121	5,000.00	
			1,050,108.05					

TAB E

Toronto Police Service News release



40 College Street • Toronto, ON • M5G 2J3

www.torontopolice.on.ca

Arrests in \$93M US pyramid scheme, Toronto and Vancouver men charged

Broadcast time: 10:39

Wednesday, December 9, 2015

Financial Crimes
416-808-7300

Case #: 2014-1863297

The Mass Marketing Section of the Toronto Police Service Financial Crimes Unit is a member of the Toronto Strategic Partnership against Cross-Border Fraud. The partnership represents a combined enforcement strategy, specializing in the investigation of mass marketing fraud in, or originating from within the province of, Ontario with cross-border implications.

In January 2013, the Financial Crimes Unit started an investigation into an alleged pyramid scheme. The Toronto Police Service was assisted by investigators from the RCMP, Competition Bureau of Canada, Ministry of Government and Consumer Services, Ministry of Finance, U.S. Federal Trade Commission, FINTRAC, and the Canada Revenue Agency.

It is alleged that:

- between October 2010 and March 2013, a pyramid scheme known as “Banners Broker” was operated out of a Church Street address in Toronto
- the scheme offered participants the opportunity to double their money by investing in an advertising company that had access to a “globally renowned network”
- participants were led to believe their investments were being applied towards a program that offered payment for the direction of web traffic via referral links
- the program's existence was entirely dependent upon the fee-based entry of new members and little or no real product or service was provided
- new investors were drawn into the scheme via a series of false or misleading representations
- by the end of 2012, over \$93 million US was obtained from thousands of participants, of which approximately \$45 million was paid back to participants in the scheme
- the remaining funds were funneled to a number of offshore accounts in Belize, St. Lucia, Cyprus, and others

On Wednesday, December 9, 2015, Christopher George Smith, 45, of Toronto, and Rajiv Dixit, 45, of Vancouver, were arrested. They are charged with:

- 1) Defraud the Public - Over (\$5000)
- 2) Possession of Proceeds of Crime
- 3) Launder Proceeds of Crime
- 4) Operate Scheme of Pyramid - Selling (Competition Act)
- 5) Make False or Misleading Representations (Competition Act)

The were scheduled to appear in court at Old City Hall on Wednesday, December 9, 2015,. The proceedings are subject to a publication ban.

Watch the news conference [here](#).

Please download the Toronto Police Service Mobile App for [iOS](#) or [Android](#).

For more news, visit [TPSnews.ca](#).

Constable Victor Kwong, Corporate Communications, for Detective Sergeant Ian Nichol,
Financial Crimes

TAB F



May 13, 2015

John Citrullo
Senior Investigations Officer
CIBC
Commerce Court West
1999 Bay Street
B-2 Securities Level
Toronto, ON M5L 1A2

ecraddock@casselsbrock.com
tel: 416.860.6480
fax: 416.644.9324

Dear Mr. Ross:

**Re: Receivership of Banners Broker International Limited
Court File No. CV-14-10663-00CL**

We are Canadian counsel to the Joint Liquidators of Banners Broker International Limited (the "**Debtor**") and to msi Spergel Inc., in its capacity as the receiver (the "**Receiver**") of the Debtor pursuant to the Order of the Ontario Superior Court of Justice, dated August 22, 2014.

The powers of the Receiver were significantly expanded by a further Order of the Court dated October 15, 2014 (collectively, the "**Orders**"). Copies of both Orders are enclosed for your reference.

Pursuant to the Orders, the Receiver is empowered to investigate the affairs, dealings and property of the following entities:

- (i) Banners Broker International Limited;
- (ii) 2087360 Ontario Incorporated o/a Local Management Services;
- (iii) Parrot Marketing Inc. (formerly o/a "8264554 Canada Limited");
- (iv) 2341620 Ontario Corporation;
- (v) Stellar Point Inc. (formerly o/a "7250037 Canada Inc." and "Bannersbroker Limited");
- (vi) Dixit Holdings Inc. (formerly o/a 8163871 Canada Limited"); and
- (vii) Any other entity operating under the business names "Bannersbroker", "Banners Broker", "Bannersbroker Limited", "Bannersmobile", "Banners Mobile" or "Banners Broker Belize"

(collectively, the "**Associated Corporations**").

By way of letter dated October 16, 2014, the Receiver requested certain documents from CIBC regarding bank accounts, loans, and assets held by the Debtor or the Associated Corporations with CIBC.



As of the date of this letter, we have received bank account statements for four accounts held by the Associated Corporations, and supporting documents for the transactions listed in those statements for three of those accounts. We appreciate CIBC's cooperation in the Receiver's efforts to investigate the affairs, dealings and property of the Debtor and the Associated Corporations.

In addition to the bank account statements, in the October 16, 2014 letter the Receiver also requested source documents and account opening documents for any bank accounts held by the Debtor or the Associated Corporations. We have yet to receive many of these documents and appreciate that this may have been an inadvertent oversight by CIBC.

In the next couple weeks the Receiver will be conducting examinations for discovery of certain individuals with knowledge of the affairs, dealings and property of the Debtor and the Associated Corporations. It is critical to these examinations that the Receiver have a complete set of documents from CIBC in connection with its requests.

The Receiver thus requests the documents listed in the attached Schedule "A" from CIBC by the deadlines noted therein. The Receiver appreciates that CIBC receives numerous requests for document productions every day and has sought to prioritize the documents it requires in order to assist CIBC in its allocation of resources to review and produce the documents listed in Schedule "A".

To the extent that CIBC discovers that certain of the accounts listed in Schedule "A" are not covered by the Orders and thus documents relating to those accounts are not required to be produced to the Receiver, we would request a letter from CIBC to that effect so that we can address CIBC's concerns.

As noted, time is of the essence in receiving a response. If you have any questions, please contact the undersigned directly as soon as possible.

Yours truly,
Cassels Brock & Blackwell LLP
Per:

A handwritten signature in blue ink, appearing to read 'Erin Craddock', is written over a horizontal line.

Erin Craddock

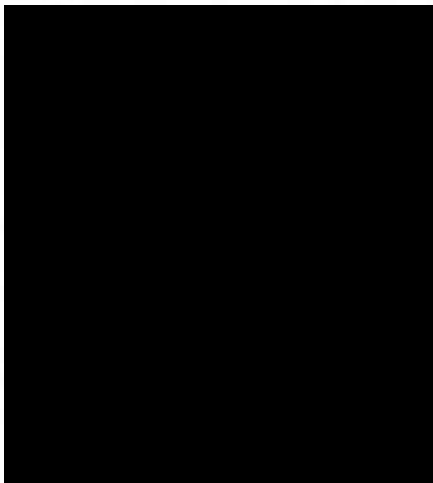
EC/

Schedule "A"

Documents Requested from CIBC Pursuant to the Orders

Account	Documents Requested	Requested Deadline
	Account Opening Documents, Statements, Backup Documents/Supporting Documents	May 22, 2015
	Account Opening Documents, Statements	May 22, 2015
	Account Opening Documents	May 22, 2015
	Account Opening Documents, Statements, Backup Documents/Supporting Documents	May 22, 2015
	Account Opening Documents, Statements	May 22, 2015
	Account Opening Documents, Backup Documents/Supporting Documents	May 22, 2015
	Account Opening Documents	May 22, 2015
	Account Opening Documents, Statements	May 22, 2015
	Account Opening Documents, Statements	May 22, 2015
	Account Opening Documents, Statements	May 22, 2015
	Account Opening Documents, Statements	May 22, 2015
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	Account Opening Documents, Statements	May 22, 2015
	Account Opening Documents, Statements	May 22, 2015
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	Account Opening Documents, Statements	May 22, 2015
	Account Opening Documents, Statements, Backup Documents/Supporting Documents	May 22, 2015
	Account Opening Documents, Statements, Backup Documents/Supporting Documents	May 22, 2015
	Account Opening Documents, Statements, Backup Documents/Supporting Documents	May 22, 2015
	Account Opening Documents, Statements, Backup Documents/Supporting Documents	May 22, 2015
	Account Opening Documents, Statements, Backup Documents/Supporting Documents	May 22, 2015
	Account Opening Documents, Statements, Backup Documents/Supporting Documents	May 22, 2015
	Account Opening Documents, Statements, Backup Documents/Supporting Documents	May 22, 2015
	Account Opening Documents, Statements	May 22, 2015
	Account Opening Documents, Statements	May 22, 2015



Account Opening Documents, Statements, Backup Documents/Supporting Documents	May 22, 2015
Account Opening Documents, Statements	June 5, 2015
Account Opening Documents	June 5, 2015
Account Opening Documents	June 5, 2015

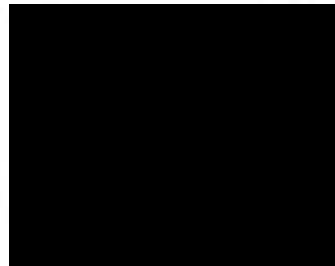
TAB G

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Please note that the following numbers referenced in Schedule "A" are not VISA accounts. They are Convenience Cards issued to the account owners for the purposes of conducting transactions at branches or automated banking machines.

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The serial number [REDACTED] referenced in Schedule "A" does not appear to be a CIBC number. Perhaps it is a number associated to another financial institution. Please provide us with further particulars regarding this item and we will investigate it immediately.

Should you have any questions, please feel free to contact the undersigned.

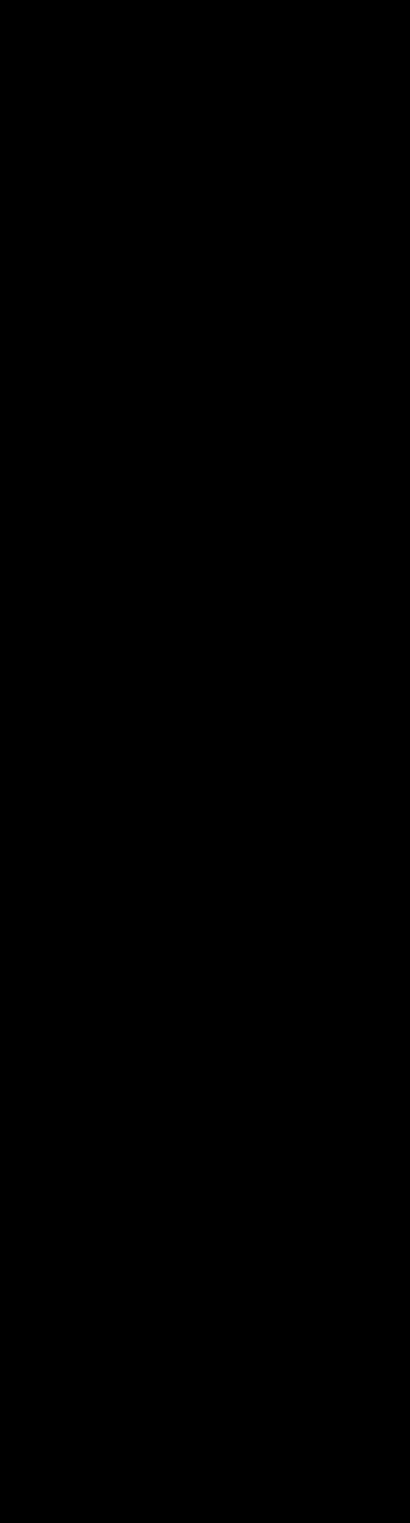
Yours truly,

A handwritten signature in blue ink, appearing to read "John Citrullo".

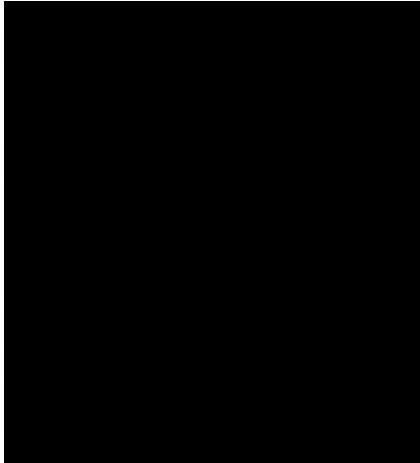
John Citrullo
Senior Investigations Officer

Schedule "A"

Documents Requested from CIBC Pursuant to the Orders

Account	Documents Requested	Requested Deadline
	Account Opening Documents, Statements, Backup Documents/Supporting Documents	May 22, 2015
	Account Opening Documents, Statements	May 22, 2015
	Account Opening Documents	May 22, 2015
	Account Opening Documents, Statements, Backup Documents/Supporting Documents	May 22, 2015
	Account Opening Documents, Statements	May 22, 2015
	Account Opening Documents, Backup Documents/Supporting Documents	May 22, 2015
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	Account Opening Documents, Statements, Backup Documents/Supporting Documents	May 22, 2015
	Account Opening Documents, Statements	May 22, 2015
	Account Opening Documents, Statements	May 22, 2015



Account Opening Documents, Statements, Backup Documents/Supporting Documents	May 22, 2015
Account Opening Documents, Statements	June 5, 2015
Account Opening Documents	June 5, 2015
Account Opening Documents	June 5, 2015

TAB 3

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

THE HONOURABLE

)

WEDNESDAY, THE

)

JUSTICE ●

)

13th DAY OF JANUARY, 2016

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1992, c. 27, s.2, AS AMENDED
AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE ISLE OF MAN WITH
RESPECT TO BANNERS BROKER INTERNATIONAL LIMITED**

**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

(Production of Banking Records)

THIS MOTION, made by Paul Robert Appleton and Miles Andrew Benham in their capacity as Joint Liquidators and Foreign Representatives (the “**Joint Liquidators**”) of Banners Broker International Limited (“**BBIL**”), and msi Spergel inc., in its capacity as receiver of BBIL 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) Stellar Point Inc. (formerly o/a “7250037 Canada Inc.” and “Bannersbroker Limited”); (v) Dixit Holdings Inc. (formerly o/a “8163871 Canada Limited”); (vi) 8643989 Canada Inc. o/a Dixit Consortium Inc.; (vii) Dreamscape Ventures Ltd.; and (viii) any other entity operating under the business names “Bannersbroker”, “Banners Broker”, “Bannersbroker Limited”, “Bannersmobile”, “BannersMobile” or “Banners Broker Belize” (the “**Receiver**”) for a *Norwich* order

compelling the Canadian Imperial Bank of Commerce ("**CIBC**") and the Royal Bank of Canada ("**RBC**", with CIBC, collectively, the "**Financial Institutions**") to provide copies of the TOI Records (defined below) and Visa Records (defined below) to the Receiver was heard this day at the Court House at 330 University Avenue, Toronto, Ontario.

ON READING the notice of motion dated January 8, 2016, the Fourth Report of the Receiver, dated January 8, 2016 (the "**Fourth Report**"), and the affidavit of service of Patricia Hoogenband sworn January 8, 2016, and on hearing submissions from counsel for the Receiver and the Joint Liquidators:

Service

1. **THIS COURT ORDERS** that the time for service of the notice of motion and motion record of the Receiver and Joint Liquidators is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

Financial Records

2. **THIS COURT ORDERS**, with reference to the transactions of interest listed in Schedule "A" of this Order ("**CIBC TOI**"), that CIBC provide copies of transaction details sufficient for the Receiver to identify the (i) recipient of the funds transferred in each CIBC TOI; and (ii) the account number and holder to whom the funds were sent ("**CIBC TOI Records**").

3. **THIS COURT ORDERS**, with reference to the transactions of interest listed in Schedule "B" of this Order ("**RBC TOI**"), that RBC provide copies of transaction details sufficient for the Receiver to identify the (i) recipient of the funds transferred in each RBC TOI; and (ii) the account number and holder to whom the funds were sent ("**RBC TOI Records**", with CIBC TOI Records, the "**TOI Records**").

4. **THIS COURT ORDERS** that the Financial Institutions produce such TOI Records as may be available to the Receiver within 30 days of the date of this Order, unless otherwise agreed to by the Receiver.

Visa Statements

5. **THIS COURT ORDERS** that CIBC shall produce to the Receiver account statements for the VISA credit card accounts bearing numbers [REDACTED], [REDACTED] and [REDACTED] for the time periods specified in Schedule "C" to this Order.

6. **THIS COURT ORDERS** that CIBC produce the Visa Records within 30 days of the date of this Order, unless otherwise agreed to by the Receiver.

Reimbursement of Financial Institutions' Costs

7. **THIS COURT ORDERS** that the Receiver reimburse the Financial Institutions for all reasonable costs incurred for purposes of compliance with this order, which costs shall be agreed upon by the parties, or fixed by the Court in the absence of agreement.

Confidentiality

8. **THIS COURT ORDERS** that subject to further order of this Court, the Financial Institutions and any other party that has or obtains knowledge of this Order shall not disclose the existence of this Order, the within Motion, or any act or conduct undertaken in compliance with this Order to any other person or party, except for the limited purpose of complying with this order or any other order, or obtaining legal advice with respect to compliance with such orders.

Sealing Order

9. **THIS COURT FURTHER ORDERS THAT** Confidential Appendix "B" to the Fourth Report be and is hereby sealed from the public court file in accordance with the terms of the Order of Justice Newbould, dated October 23, 2014, and in particular paragraph 4 thereof, pending further Order of this Honourable Court.

Schedule "A" - Transactions of Interest

Account	Receipts and Payments / Date	Type	Debits / US \$	Account / Card Number	Card Number	Exchange Rate	Debits / CAD \$	Company
	20-Jun-13	Debit Memo	100,230.87			0.9627	104,114.33	Stellar Point
	5-Jun-13	Debit Memo	89,436.18			0.9667	92,517.00	Stellar Point
	17-Jul-13	Debit Memo	66,049.69			0.9592	68,859.14	Stellar Point
	28-Aug-13	Debit Memo	57,535.76			0.9533	60,354.31	Stellar Point
	4-Jul-13	Debit Memo	53,594.52			0.9512	56,344.11	Stellar Point
	26-Sep-13	Debit Memo	50,379.26			0.9689	51,996.35	Stellar Point
	11-Sep-13	Debit Memo	50,373.45			0.9674	52,070.96	Stellar Point
	31-Jul-13	Debit Memo	49,682.24			0.9721	51,108.16	Stellar Point
	16-Aug-13	Debit Memo	48,381.40			0.9667	50,048.00	Stellar Point
	22-Mar-12	Debit Memo	40,000.00			1		Stellar Point
	27-Feb-13	Debit Memo	17,202.01			0.9756	17,632.24	Stellar Point
	14 Jun 13	Transfer	10,101.01					Parrot Marketing
	29-Jul-13	Debit Memo	9,980.97			1		Stellar Point
	10 Oct 13	Transfer	7,704.80			0.9631	8,000.00	Dixit Consortium
	5 Sep 14	Transfer	5,509.80			0.9183	6,000.00	Dixit Consortium
			656,161.97					

Schedule "B" - Transactions of Interest

Account	Receipts and Payments / Date	Type	Debits / US \$	Account / Card Number	Card Number	Comment	Exchange Rate	Debits / CAD \$	Company
	1-May-12	Withdrawal	225,648.42				1.0164	222,007.50	Stellar Point
	12-Mar-12	Withdrawal	100,650.00				1.0065	100,000.00	Stellar Point
	27-Jun-12	Withdrawal	97,258.60				0.9749	99,762.64	Stellar Point
	10-Apr-12	Withdrawal	79,659.85				0.9972	79,883.52	Stellar Point
	14-Jun-12	Withdrawal	73,322.87				0.9759	75,133.59	Stellar Point
	25-Apr-12	Transfer	47,528.32				1.0154	46,807.48	Stellar Point
	12-Mar-12	Withdrawal	28,042.74				1.0065	27,861.64	Stellar Point
	15-May-12	Direct Deposit	24,325.21			Pay Emp Vendor	0.9971	24,395.96	Stellar Point
	13-Jul-12	Direct Deposit	23,985.44				0.9851	24,348.23	Stellar Point
	27-Jun-12	Direct Deposit	23,829.88				0.9749	24,443.41	Stellar Point
	13-Aug-12	Direct Deposit	23,683.77				1.0067	23,526.14	Stellar Point
	14-Jun-12	Direct Deposit	22,531.66				0.9759	23,088.08	Stellar Point
	30-Jul-12	Direct Deposit	21,355.14				0.9967	21,425.85	Stellar Point
	30-Apr-12	Direct Deposit	21,083.97				1.0117	20,840.14	Stellar Point
	16-Apr-12	Direct Deposit	18,953.18			Pay Emp Vendor	0.9976	18,998.78	Stellar Point
	29-Mar-12	Direct Deposit	18,220.68			Pay Emp Vendor	1.0001	18,218.86	Stellar Point
	31-Jul-12	Direct Deposit	16,851.39				0.9986	16,875.02	Stellar Point
	14-Aug-12	Direct Deposit	16,803.70				1.0087	16,658.77	Stellar Point
	13-Mar-12	Direct Deposit	15,809.55			Pay Emp Vendor	1.0096	15,659.22	Stellar Point
	24-Feb-12	Withdrawal	13,708.45				1.0012	13,692.02	Stellar Point
	25-Apr-12	Withdrawal	13,200.20				1.0154	13,000.00	Stellar Point
	28-Jun-12	Direct Deposit	12,597.48				0.9678	13,016.62	Stellar Point
	15-Jun-12	Direct Deposit	11,431.37				0.9762	11,710.07	Stellar Point
	5-Mar-12	Withdrawal	11,318.27				1.0064	11,246.29	Stellar Point
	9-Mar-12	Withdrawal	11,116.60				1.0106	11,000.00	Stellar Point
	29-Feb-12	Withdrawal	10,430.13				1.0136	10,290.18	Stellar Point
	27-Jun-12	Withdrawal	10,195.99				0.9749	10,458.50	Stellar Point
	16-Jul-12	Direct Deposit	9,561.21				0.9845	9,711.74	Stellar Point
	12-Apr-12	Withdrawal	9,052.54			BR to BR	1.005	9,007.50	Stellar Point
	10-Sep-12	Withdrawal	8,020.07				1.0244	7,829.04	Stellar Point
	30-May-12	Direct Deposit	7,882.31			Pay Emp Vendor	0.9722	8,107.70	Stellar Point
	3-Feb-12	Cheque	5,982.52						Stellar Point
	25-May-12	Direct Deposit	5,590.18			Pay Emp Vendor	0.9723	5,749.44	Stellar Point

Schedule "B" - Transactions of Interest

	9-May-12	Direct Deposit	5,415.86			Pay Emp Vendor	0.9985	5,424.00	Stellar Point
		Withdrawal							Stellar Point
	19-Mar-12		5,060.50				1.0121	5,000.00	
			1,050,108.05						

Schedule "C"

Time Periods for Visa Records

1. Visa Card [REDACTED]: September 1, 2012 to December 31, 2013
2. Visa Card [REDACTED]: September 1, 2012 to December 31, 2013
3. Visa Card [REDACTED]: June 1, 2012 to October 31, 2012

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

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

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
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PROCEEDING COMMENCED AT
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