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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

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

(Motion for Additional Investigatory Authority and CPL, Returnable October 15, 2014)

October 2, 2014

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TAB A

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

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

AND IN THE MATTER OF 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)

NOTICE OF MOTION

(Motion for Additional Investigatory Authority and CPL)

Paul Robert Appleton and Miles Andrew Benham in their capacity as Joint Liquidators and Foreign Representatives ("**Joint Liquidators**") of Banners Broker International Limited ("**BBIL**"), and msi Spergel inc., in its capacity as receiver ("**Receiver**") of BBIL, will make a motion to a Judge presiding over the Commercial List, on Wednesday, October 15, 2014 at 10:00 a.m. or as soon after that time as the motion can be heard, at the Court House, 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR:

(a) An order in the form attached as **Schedule "1"** to this notice of motion granting certain additional investigatory authority to the Receiver pursuant to section 272 of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3 ("**BIA**") in respect of five corporations (and six business styles/names) that

are closely associated with BBIL, are under common direction and control as BBIL, and have been identified by the Royal Canadian Mounted Police ("**RCMP**") as being integral to an alleged Banners Broker ("**Banners Broker**") criminal enterprise in which BBIL was a central part, namely:

(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"); and

(vi) Any other entity operating under the business names "Bannersbroker", "Banners Broker", "Bannersbroker Limited", "Bannersmobile", "Banners Mobile" or "Banners Broker Belize".

(referred to collectively herein, as in the RCMP evidence, as "**Associated Corporations**");

(b) An order granting leave to amend the Joint Liquidators' Notice of Application, in the form attached hereto as **Schedule "2"**, to assert a claim in respect of a property at 1376 Bayview Avenue in Toronto that is owned by 2341620 Ontario Corporation ("**234**"), one of the Associated Corporations, and to include interim relief in the form of a certificate of pending litigation ("**CPL**") over that property;

(c) An order in the form attached as **Schedule "3"** to this notice of motion granting leave to issue a CPL for registration against title to a property municipally known as 1376 Bayview Avenue, Toronto, Ontario, M4G 3A1, and legally described as:

> PCL 113-3 SEC M5; PT LT 113 W/S BAYVIEW AV PL M5 TORONTO COMM AT THE S ELY ANGLE OF THE SAID LT 1113; THENCE NLY MEASURED ALONG THE ELY LIMIT OF SAID LT, 50 FT MORE OR LESS TO A POINT 102 FT MEASURED SLY FROM THE NE ANGLE OF LT 112 ON SAID PL; THENCE WLY PARALLEL WITH THE SLY LIMIT OF SAID LT 113, 120 FT; THENCE SLY PARALLEL WITH THE ELY LIMIT OF SAID LT, 50 FT MORE OR LESS TO THE SLY LIMIT OF SAID LT 113; THENCE ELY ALONG THE LAST MENTIONED LIMIT 120 FT TO THE POB; TORONTO, CITY OF TORONTO

and bearing PN 21122-0131 (LT) ("**Bayview Property**");

(d) An order, if necessary, granting leave to amend the Joint Liquidators' Notice of Application to add 234 as a respondent;

(e) An order approving the actions and activities of the Receiver as described in the First Report of the Receiver, to be filed;

(f) An order, if necessary, abridging the time for and validating service of this notice of application and the application record and dispensing with further service thereof; and

(g) Such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Overview

(a) This motion is brought by the Receiver and the Joint Liquidators of BBIL for relief pursuant to section 272 of the BIA granting the Receiver investigatory powers in respect of five companies associated with BBIL.

(b) Within a week of its appointment by this Honourable Court, the Receiver was made aware of an advanced criminal investigation related to certain individuals and corporations involved in Banners Broker.

(c) On the basis of evidence filed by, and Superior Court of Justice Orders obtained by, the Ontario Ministry of the Attorney General, Crown Law Office – Criminal ("**Crown**"), it is necessary and appropriate that the Receiver pursue inquiries in respect of the Associated Corporations in order to advance the winding up of BBIL.

(d) There is evidence that the Associated Corporations are owned and controlled by the same principals as BBIL, and have been used by them interchangeably in furtherance of the Banners Broker enterprise, which is alleged by the Crown to have been a fraudulent pyramid scheme or ponzi scheme.

(e) Granting the Receiver the authority to make inquiries of third parties (such as financial institutions and payment processors) in respect of the Associated Corporations is logical and necessary in the circumstances for the identification and protection of BBIL property and the protection of the interests of BBIL's creditors.

BBIL and the Isle of Man Proceeding

(f) BBIL is an Isle of Man company incorporated pursuant to the Isle of Man *Companies Act, 1931*. BBIL formerly carried on business in the online advertising industry.

(g) BBIL is subject to ongoing liquidation proceedings supervised by the Isle of Man High Court of Justice ("**Isle of Man Proceeding**"). Pursuant to the Order of His Honour the Deemster Doyle, First Deemster and Clerk of the Rolls of the Isle of Man High Court, dated March 14, 2014, Paul Robert Appleton and Miles Andrew Benham were appointed as Joint Liquidators of BBIL.

Foreign Recognition Order and Appointment of the Receiver

(h) On August 22, 2014, the Honourable Madam Justice Matheson of the Ontario Superior Court of Justice (Commercial List) granted the application of the Joint Liquidators, acting as foreign representatives of the Isle of Man Proceeding, for an Order recognizing the Isle of Man Proceeding as a "foreign main proceeding" pursuant to section 270 of the BIA ("**Initial Recognition Order**").

(i) Justice Matheson issued a further order on August 22, 2014 (the "**Supplemental Order**"), granting additional relief to the Joint Liquidators pursuant to section 272 of the BIA, including:

(i) The appointment of msi Spergel inc. as Receiver, without security over all of the assets, undertaking, and property of BBIL; and

(ii) The granting of investigatory powers to the Receiver, including the ability to compel third parties to produce relevant information and

documents concerning the business affairs and dealings of BBIL to the Receiver, and to compel individuals reasonably believed to have knowledge of BBIL's affairs to be examined under oath by the Receiver.

RCMP Investigation and Restraint Orders in Respect of Banners Broker

(j) Following the issuance of the Initial Recognition Order and Supplemental Order, and pursuant to the terms of those Orders, the Receiver publicized its appointment through, among other things:

(i) The creation of a Receivership website: http://www.spergel.ca/banners;

(ii) Advertisments placed in the National Post and Globe and Mail newspapers; and

(iii) Contacting financial institutions and other third parties known to have had dealings with BBIL.

(k) Thereafter, on September 4, 2014, the Receiver was made aware of criminal proceedings brought before the Ontario Superior Court of Justice and arising from an RCMP investigation into Mr. Christopher G. Smith ("**Smith**") and Mr. Rajiv Dixit ("**Dixit**") related to Banners Broker ("**RCMP Investigation**").

(l) The RCMP Investigation has, to date, resulted in the issuance of *ex parte* restraint orders pursuant to section 462.33 of the *Criminal Code of Canada* as follows:

(i) the Order of the Honourable Madam Justice Kelly, issued July 18, 2014; and

(ii) the Order of the Honourable Mr. Justice Code, issued July 29, 2014.

(collectively, "**Restraint Orders**")

The Restraint Orders freeze funds held by third party electronic payment processors in connection with Banners Broker. They also compel financial institutions to provide information to the Director of Asset Management – Criminal, regarding restrained accounts held by certain of the Associated Corporations.

(m) The Receiver has obtained copies of affidavits sworn by RCMP Constable Katie Judd on July 17 and 28, 2014, which affidavits were filed by the Crown in support its application for the Restraint Orders ("**RCMP Affidavits**").

(n) The RCMP Affidavits detail the basis for what is asserted – and what has been accepted by the Ontario Superior Court of Justice – as the reasonable belief of the RCMP investigators that Smith and Dixit, through their operation of Banners Broker (which, as noted in the RCMP Affidavits, includes BBIL) may 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*.

(o) The position of the RCMP investigators, as set out in the RCMP Affidavits, is that Banners Broker was a pyramid scheme that evolved over time into a ponzi scheme and that Smith and Dixit "set up a host of associated corporations to mask their illegal activities and the flow of money".

(p) It is in respect of the Associated Corporations, as referred to in the RCMP Affidavits (and as defined herein as "Associated Corporations"), that the Receiver is seeking the authority to make Banners Broker related inquiries;

(q) BBIL, specifically, is identified by Constable Judd as but one of the Associated Corporations known to be involved in Banners Broker's Canadian operations. The Joint Liquidators' investigations, made prior to the grant of this foreign recognition application, had identified the same corporate associates.

(r) The RCMP Affidavits assert claims to monies held by Canadian financial institutions and electronic payment processors in relation to Banners Broker.

Receiver's Investigations

(s) The Receiver has reviewed corporate profile and business names searches in respect of the Associated Corporations identified in the RCMP Affidavits. Search results confirm that four of the five associated corporations in respect of which the Receiver seeks investigatory authority are set up such that Smith and/or Dixit are the sole director and officer.

(t) The exception is 2087360 Ontario Incorporation o/a Local Management Services ("**LMS**"), of which Edmund A. Clarke is the sole director and officer. However, based on evidence obtained by the Joint Liquidators in their investigations, it is apparent that LMS was also operated by Smith and maintained various account relationships with payment processors and financial institutions under the Banners Broker name. LMS was also used by Smith to register numerous internet domain names related to Banners Broker.

(u) Smith and/or Dixit are, in every case, believed to be the controlling minds of the Associated Corporations in respect of which the Receiver seeks Banners Broker related information.

(v) The Receiver's inquiries of Canadian financial institutions and payment processors have, to date, been limited by the fact that the investigatory powers granted in the Supplemental Order of Justice Matheson are solely in respect of BBIL.

(w) For example, upon requesting information from the Canadian Imperial Bank of Commerce ("**CIBC**"), which is known to have held funds on behalf of Banners Broker Enterprise entities, and is believed to have received money transfers direclty from BBIL's Isle of Man bank account, the Receiver was advised that no information could be released without a court order specifically referencing the account holder. Other Canadian financial institutions maintain a similar position. Consequently, the Receiver's inquiries of financial institutions have not, to date, been met with sufficient disclosure of information to advance investigations into BBIL.

Expanded Investigatory Powers are Necessary to Fulfill Receiver's Mandate

(x) Pursuant to the Initial Recognition Order and the Supplemental Order, the Receiver's investigatory powers are focussed on obtaining information in relation to BBIL. However, as Constable Judd explains in the RCMP Affidavits, five Associated Corporations were allegedly set up by Smith and Dixit for the specific purpose of masking their illegal activities and money transfers. Inquiries in respect of the dealings of these RCMP- identified Associated

Corporations are accordingly important in terms of advancing the Receiver's investigation and identifying and protecting the property of BBIL.

(y) In order to fulfill the Receiver's current investigatory mandate in respect of BBIL, it is necessary and appropriate for the Receiver to seek information in respect of the Associated Corporations and the accounts held with Canadian financial institutions and payment processors identified in the RCMP Investigation, including information with respect to the transfer of funds between BBIL and the Associated Corporations.

(z) An order granting the Receiver the authority to require that information be produced in respect of the Associated Corporations will allow the Receiver and Joint Liquidators to pursue a comprehensive and effective winding up of BBIL.

Request for a CPL over the Bayview Property

(aa) In the course of its investigations, the Receiver was made aware of a mixed use commercial / residential property on Bayview Avenue in Toronto. The Bayview Property is owned by 234, an Associated Corporation. Smith is the sole officer and director of 234.

(bb) The Bayview Property has very recently been listed for sale for $4.1 million.

(cc) On the basis of its investigations to date, including its review of the allegations of fact set out in the RCMP Affidavits, the Receiver asserts a property interest in the Bayview Property.

(dd) The within Receivership accordingly involves a claim that will adversely affect 234's interest in the Bayview Property.

(ee) The Receiver is entitled to move, without notice to 234, for a CPL over the Bayview Property. Such relief is appropriate given the evidence described herein that Smith, Dixit and the associated Banners Broker entities have employed an array of corporations, including the Associated Corporations, to disguise illegal activity and money flows.

(ff) The Receiver has reasonable grounds to believe that the status quo will not be preserved if a CPL is not issued. 234, together with another Associated Corporation controlled by Dixit, have very recently disposed of another Banners Broker-associated real property. There is evidence to believe that the Bayview Property may currently be for sale, or may soon be put up for sale.

(gg) There is no prejudice to any party caused by amending the Joint Liquidators' Notice of Application to include a request for a CPL.

General

(hh) Part XIII of the BIA (sections 267 to 284) which govern cross-border insolvencies;

(ii) Sections 101 and 103 of the *Courts of Justice Act* R.S.O. 1990, c. C.43 and Rules 37, 40.01 and 42 of the *Rules of Civil Procedure* R.R.O. 1990 Reg. 194 ("***Rules***") which govern the application for a CPL.

(jj) Rule 26 of the *Rules*, which governs the amendment of pleadings.

(kk) Rules 2.03, 3.02 of the *Rules*, which allow the court to dispense with compliance of the *Rules* and extend or abridge prescribed timelines.

(ll) Rule 16 of the *Rules*, which governs service of documents.

(mm) The grounds set out in the First Report of the Receiver, dated October 2, 2014 ("**First Report**").

(nn) Such further grounds as counsel may advise.

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

(a) The First Report, and the appendices thereto;

(b) The Affidavit of Paul Robert Appleton, sworn August 6, 2014;

(c) The Restraint Order of the Honourable Justice Kelly dated July 18, 2014;

(d) The Restraint Order of the Honourable Justice Code dated July 24, 2014;

(e) The pleadings and proceedings herein; and

(f) Such further and other evidence as counsel may advise and this Honourable Court deems just.

October 2, 2014

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Lawyers for the Receiver and Joint Liquidators

TO: **ATTACHED SERVICE LIST**

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

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ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

NOTICE OF MOTION

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Lawyers for the Receiver and Joint Liquidators

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Tab 1

SCHEDULE "1"

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

THE HONOURABLE	)	●DAY, THE
	)	
JUSTICE	)	● DAY OF ●, 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

(FURTHER SUPPLEMENTAL ORDER)

THIS MOTION, made by Miles Andrew Benham and Paul Robert Appleton, in their capacity as Joint Liquidators and as Foreign Representative ("**Foreign Representative**") of Banners Broker International Limited ("**Debtor**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("**BIA**") and msi Spergel inc., in its capacity as receiver and manager of Banners Broker International Limited pursuant to the Order of the Honourable Justice Matheson, issued August 22, 2014 ("**Receiver**"), 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 Receiver and Foreign Representatives' Notice of Motion and the First Report of the Receiver, dated October 2, 2014 ("**First Report**"), and on hearing submissions from counsel for the Receiver and Foreign Representatives:

SERVICE

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

INITIAL RECOGNITION ORDER AND SUPPLEMENTAL ORDER

2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Initial Recognition Order (Foreign Main Proceeding) dated August 22, 2014 (the "**Recognition Order**") and Supplemental Order (Foreign Main Recognition), dated August 22, 2014 ("**Supplemental Order**").

3. **THIS COURT ORDERS** that the provisions of this Further Supplemental Order shall be interpreted in a manner complementary and supplementary to the provisions of the Recognition Order and Supplemental Order, provided that in the event of a conflict between the provisions of this Further Supplemental Order and the provisions of the Recognition Order, the provisions of the Recognition Order shall govern.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that all persons having notice of this Order, including but not limited to the Canadian financial institutions and electronic payment processors listed in **Schedule "A"** to this Order, advise the Receiver of the existence of any Property and Records (as such terms are used in the Recognition Order, but without limiting their application to BBIL) in their possession or control in relation to the following corporations:

(i) 2087360 Ontario Incorporated o/a Local Management Services;

(i) Parrot Marketing Inc. (formerly o/a "8264554 Canada Limited");

(ii) 2341620 Ontario Corporation;

(iii) Stellar Point Inc. (formerly o/a "7250037 Canada Inc." and "Bannersbroker Limited");

(iv) Dixit Holdings Inc. (formerly o/a "8163871 Canada Limited"); and

(v) Any other entity operating under the business names "Bannersbroker", "Banners Broker", "Bannersbroker Limited", "Bannersmobile", "Banners Mobile" or "Banners Broker Belize"

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

and further, that they respond to the Receiver's request(s) for information in respect of the accounts listed in **Schedule "A"** to this Order and any other accounts held by or on behalf of the above listed Associated Corporations ("**Accounts**") by providing all available information in respect of the application for, direction of, and transaction history in respect of, the Accounts.

5. **THIS COURT ORDERS** that the actions and activities of the Receiver as described in the First Report be and are hereby approved.

6. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days notice to the Debtors, the Foreign Representative, the Receiver and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

_____

SCHEDULE "A"

Companies:

a) TD Canada Trust;

b) CIBC;

c) HSBC Bank Canada;

d) Royal Bank of Canada;

e) Beanstream Internet Commerce Inc.;

f) Mazarine Commerce Inc. o/a Payza.com;

g) 677381 Canada Inc. o/a SolidTrust Pay;

h) UseMyServices, Inc;

i) Vector Card Services;

j) 1587803 Ontario Limited o/a Aramor;

Accounts:

a) Account no. 5028436 at Royal Bank of Canada branch no. 06802, held by Christopher G. Smith;

b) Account no. 268400233 at HSBC Bank Canada branch no. 10850, held by Christopher G. Smith;

c) Account no. 6269372 at TD Canada Trust branch no. 1084, held by Patricia London;

d) Account no 5234643 at TD Canada Trust branch no. 11042, held by Local Management Services;

e) Account no. 0512-7313130 at TD Canada Trust branch no. 11042, held by 2087360 Ontario Inc.;

f) Account(s) using the name "Bannersbroker" or "Banners broker" with UseMyServices, Inc. and/or SolidTrustPay.

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

SCHEDULE "1"

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 *BANKRUTPCY AND INSOLVENCY ACT* (CROSS-BORDER INSOLVENCIES)

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

ORDER

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Lawyers for the Applicants

Tab 2

SCHEDULE "2"

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

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

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AMENDED NOTICE OF APPLICATION

(Application for Recognition of Foreign Main Proceeding)

TO THE RESPONDENTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing on August 22, 2014, at 10:00 a.m., at the courthouse located at 330 University Avenue, Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least two days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date ~~August 8, 2014~~
September ●, 2014

Issued by

Local registrar

Address of court office Ontario Superior Court of Justice
Commercial List
330 University Ave.
Toronto, ON

APPLICATION

1. The applicants, Miles Andrew Benham and Paul Robert Appleton, in their capacity as Joint Liquidators ("**Joint Liquidators**") of Banners Broker International Limited ("**BBIL**"), make this application for an Initial Recognition Order (Foreign Main Proceeding) and a Supplemental Order (Foreign Main Recognition) in the form of the draft orders included in the application record:

(a) abridging the time for and validating service of this notice of application and the application record and dispensing with further service thereof;

(b) declaring that the Joint Liquidators are "foreign representatives" pursuant to section 268(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1992, c. 27, s.2, as amended ("**BIA**"), and are entitled to bring this application pursuant to section 269 of the BIA;

(c) declaring and recognizing the proceedings commenced in respect of BBIL in the High Court of Justice of the Isle of Man, pursuant to Part V of the *Companies Act 1931* of the Isle of Man ("**Isle of Man Proceeding**") as a "foreign main proceeding" for the purposes of section 270 of the BIA;

(d) staying and enjoining any claims, rights, liens or proceedings against or in respect of BBIL and the property of BBIL ("**Stay of Proceedings**");

(e) appointing msi Spergel inc. as receiver (in such capacity, the "**Receiver**") of the property of BBIL located in Canada ("**Property**") and entrusting the administration and realization of the Property to the Receiver;

(f) requiring the following persons to attend an examination under oath by the Joint Liquidators and/or the proposed Receiver, pursuant to sections 272(1)

and 163(1) of the BIA, as persons reasonably believed to have knowledge of the business, affairs and/or Property of BBIL:

(i) Christopher G. Smith;

(ii) Rajiv Dixit;

(iii) Kuldip Josun; and

(iv) Any other person who has been an officer, director or employee of BBIL or who the Joint Liquidators or proposed Receiver reasonably believe to have knowledge as to the business, affairs and/or Property of BBIL;

(g) an order pursuant to sections 272(1) and 164(1) of the BIA requiring any person, including third party service providers and financial institutions, to produce or otherwise make available to the Joint Liquidators and/or the proposed Receiver any and all documents and information in their possession or control concerning BBIL's property, affairs, debts, liabilities and obligations, including but not limited to:

(i) TD Canada Trust;

(ii) CIBC;

(iii) HSBC;

(iv) Royal Bank of Canada;

(v) 6717381 Canada Inc. o/a SolidTrust Pay; and

(vi) UseMyServices, Inc.;

(h) authorizing the Joint Liquidators and /or the proposed Receiver to apply from time to time to this Court for advice and directions;

(i) requesting the aid and recognition of any court, tribunal, regulator or administrative body having jurisdiction in Canada, the Isle of Man or elsewhere;

(j) an Order granting leave to issue a certificate of pending litigation for registration against title to a property municipally known as 1376 Bayview Avenue, Toronto, Ontario, M4G 3A1, and legally described as:

> PCL 113-3 SEC M5; PT LT 113 W/S BAYVIEW AV PL M5 TORONTO COMM AT THE S ELY ANGLE OF THE SAID LT 1113; THENCE NLY MEASURED ALONG THE ELY LIMIT OF SAID LT, 50 FT MORE OR LESS TO A POINT 102 FT MEASURED SLY FROM THE NE ANGLE OF LT 112 ON SAID PL; THENCE WLY PARALLEL WITH THE SLY LIMIT OF SAID LT 113, 120 FT; THENCE SLY PARALLEL WITH THE ELY LIMIT OF SAID LT, 50 FT MORE OR LESS TO THE SLY LIMIT OF SAID LT 113; THENCE ELY ALONG THE LAST MENTIONED LIMIT 120 FT TO THE POB; TORONTO, CITY OF TORONTO

and bearing PN 21122-0131 (LT) ("**Bayview Property**");

(k) such further and other relief as this Court deems just.

2. The grounds for the application are:

BBIL

(a) BBIL is a company incorporated in the Isle of Man as a company under the *Companies Act 1931* of the Isle of Man.

(b) BBIL is central to a global corporate network or group including entities in Canada and Belize (the "**BBIL Group**"). The BBIL Group has operations around the world including Canada, the United States, the United Kingdom, Portugal and India.

(c) The BBIL Group carries on business in the online advertising industry, connecting advertisers with online ad space and publishers with advertisements for their websites.

Isle of Man Proceeding

(d) On February 26, 2014, as a result of an application made in the Isle of Man High Court of Justice by BBIL's sole shareholder, Targus Holdings Limited ("**Targus**") and submissions made in that application by substantial BBIL creditor, Ian Driscoll ("**Driscoll**"), the Isle of Man High Court ordered that BBIL be wound up pursuant to Part V of the *Companies Act 1931* (the "**Isle of Man Proceeding**"). The Joint Liquidators were initially appointed as Joint Provisional Liquidators and Deemed Official Receivers of BBIL.

(e) On March 14, 2014, the Isle of Man court made a further order appointing the Joint Liquidators to their current positions and appointing a five-member Committee of Inspection to act with the Joint Liquidators.

Isle of Man Proceeding is a "Foreign Main Proceeding"

(f) The Isle of Man Proceeding is a judicial proceeding dealing with creditors' collective interests generally under a law relating to bankruptcy or insolvency in which BBIL's property is subject to supervision by the Isle of Man High Court of Justice. As such, The Isle of Man Proceeding is a "foreign proceeding" pursuant to section 268(1) of the BIA.

(g) BBIL's centre of main interest is located in the Isle of Man. Accordingly the Isle of Man Proceeding is a "foreign main proceeding" as defined in section 268(1) of the BIA.

Joint Liquidators are "Foreign Representatives"

(h) The Joint Liquidators have authority, pursuant to the Orders made by the High Court of Justice in the Isle of Man Proceeding and the *Companies Act 1931* to administer the BBIL's property and affairs for the purpose of liquidation.

(i) The Joint Liquidators have authority, pursuant to the Orders made by the High Court of Justice in the Isle of Man Proceeding, the *Companies Act 1931* and the authorization and instruction of the court-appointed Committee of Inspection, to act as foreign representatives in the Isle of Man Proceeding.

(j) As such the Joint Liquidators fall within the definition of "foreign representative" pursuant to section 268(1) of the BIA.

Recognition of the Isle of Man Proceeding is Appropriate

(k) Based on the Joint Liquidators' investigations to date, BBIL appears to have business connections and financial dealings tied to Canada which are deserving of further investigation.

(l) For the purpose of ensuring that all interested parties cooperate in the liquidation proceedings of BBIL, the Joint Liquidators request that the Isle of Man Proceeding be recognized by this court as a "foreign main proceeding."

Stay of Proceedings is Appropriate

(m) Pursuant to section 271 of the BIA, this Court shall, upon recognition of a foreign main proceeding, exercise its jurisdiction to prohibit the commencement or continuance of any action, suit or proceeding against BBIL, subject to any terms that the Court considers appropriate.

(n) A Stay of Proceedings will support the efforts of the Joint Liquidators in proceeding with the fair and efficient liquidation of BBIL, the protection of creditors' interests and the maximization of value of BBIL's assets.

Appointment of a Receiver is Appropriate

(o) In the circumstances, it is just, convenient and necessary to the effective liquidation of BBIL and the protection of creditors that a receiver be appointed over the Property and that the administration and realization of the Property be entrusted to the Receiver.

(p) The appointment of msi Spergel inc. ("**Spergel**") as Receiver will assist both the Court and any Canadian stakeholders in BBIL.

(q) Spergel's experience in the insolvency field and presence on the ground in Canada will assist the Joint Liquidators in their investigation of BBIL's business and affairs in Canada and the fair and efficient liquidation of BBIL.

Further Orders Compelling Examinations and Productions are Appropriate

(r) The Joint Liquidators have attempted to request information and documents from third parties and financial institutions in Canada believed to have had dealings with BBIL and knowledge of BBIL's affairs. These requests have been met with the response that no information will be provided without an order from a Canadian court.

(s) Several of key individuals believed to have knowledge of BBIL's affairs are Canadian nationals. The examination, under oath, of these individuals will assist the Joint Liquidators in the fair and efficient liquidation of BBIL, the

protection of creditors' interests and the maximization of value of BBIL's assets.

(t) As such, an order compelling the production of documents concerning BBIL's property, affairs, debts, liabilities and obligations will assist the Joint Liquidators in the fair and efficient liquidation of BBIL, the protection of creditors' interests and the maximization of value of BBIL's assets.

Claim for a CPL

(u) The Joint Liquidators and the Receiver claim an interest in the Bayview Property on the basis that the property was purchased and/or improved using monies properly owing or belonging to BBIL.

General

(v) Part XIII of the BIA (sections 267 to 284), which govern the recognition of foreign insolvency proceedings;

(w) Section 163(1) of the BIA, which entitles a trustee in bankruptcy to examine under oath any person reasonably believed to have knowledge of the affairs of the bankrupt and to order any person liable to being so examined to produce any books, documents, correspondence or papers in that person's possession or power relating in all or in part to the bankrupt or the bankrupt's dealings or property;

(x) Section 164(1) of the BIA, which entitles a trustee in bankruptcy to inspect any book, document or paper of any kind relating in whole or in part to the

bankrupt, his dealings or property and requires any third party in possession of such documents to produce or deliver them, upon request, to the trustee;

(y) Section 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, which allows the court to stay proceedings on such terms as are just;

(z) Section 243(1) of the BIA and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, which allow the court to appoint a receiver where it is just or convenient to do so;

(aa) Rules 2.03, 3.02 of the *Rules of Civil Procedure*, R.R.O. 1990, R. 194 (the "***Rules***"), which allow the court to dispense with compliance of the *Rules* and extend or abridge prescribed timelines;

(bb) Rule 16 of the *Rules*, which governs service of documents;

(cc) Sections 101 and 103 of the *Courts of Justice Act* R.S.O. 1990, c. C.43 and Rules 37, 40.01 and 42 of the *Rules* which govern the application for a CPL; and

(dd) Such further grounds as counsel may advise.

3. The following documentary evidence will be used at the hearing of the application:

(a) The affidavit of Paul Robert Appleton, sworn on August 6, 2014, and the exhibits attached thereto;

(b) The affidavit of Miles Andrew Benham, sworn on August 6, 2014;

(c) The consent of the proposed Receiver;

(d) Certified copies of the orders of the High Court of Justice of the Isle of Man – Civil Division, Chancery Procedure:

(i) The order of His Honour the Deemster Doyle, First Deemster and Clerk of the Rolls, issued February 26, 2014 that (a) BBIL be wound up pursuant to section 162(6) of the *Companies Act 1931*, (b) Benham and Appleton be appointed as Joint Provisional Liquidators and Deemed Joint Official Receivers of BBIL pursuant to section 174 of the *Companies Act 1931*; and

(ii) The order of His Honour the Deemster Doyle, First Deemster and Clerk of the Rolls, issued March 14, 2014 appointing Benham and Appleton as Joint Liquidators of BBIL and appointing the Committee of Inspection.

(e) Such further and other materials as counsel may advise and this honourable court may permit.

~~August 8, 2014~~
October ●, 2014

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Lawyers for the Applicants

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

Court File No.

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 *BANKRUTPCY AND INSOLVENCY ACT* (CROSS-BORDER INSOLVENCIES)

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

NOTICE OF APPLICATION
(Application for Recognition of Foreign Main Proceeding)

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Lawyers for the Applicants

Tab 3

Schedule "3"

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

THE HONOURABLE	)	●DAY, THE
	)	
JUSTICE	)	● DAY OF ●, 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

(CERTIFICATE OF PENDING LITIGATION)

THIS MOTION, made by Miles Andrew Benham and Paul Robert Appleton, in their capacity as Joint Liquidators and as Foreign Representative ("**Foreign Representative**") of Banners Broker International Limited ("**Debtor**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("**BIA**") and msi Spergel inc., in its capacity as receiver and manager of Banners Broker International Limited pursuant to the Order of the Honourable Justice Matheson, issued August 22, 2014 ("**Receiver**"), for an Order that the Receiver be entitled to an order for the issuance of a certificate of pending litigation against title to the Bayview Property (as defined herein) was heard this day at the Court House at 330 University Avenue, Toronto, Ontario.

ON READING the Receiver and Foreign Representatives' Notice of Motion and the First Report of the Receiver, filed, and on hearing submissions from counsel for the Receiver and Foreign Representatives

1. **THIS COURT ORDERS** that a certificate of pending litigation shall be issued by the registrar forthwith for registration against title to the property municipally known as 1376 Bayview Avenue, Toronto, Ontario, and having a legal description of:

> PCL 113-3 SEC M5; PT LT 113 W/S BAYVIEW AV PL M5 TORONTO COMM AT THE S ELY ANGLE OF THE SAID LT 1113; THENCE NLY MEASURED ALONG THE ELY LIMIT OF SAID LT, 50 FT MORE OR LESS TO A POINT 102 FT MEASURED SLY FROM THE NE ANGLE OF LT 112 ON SAID PL; THENCE WLY PARALLEL WITH THE SLY LIMIT OF SAID LT 113, 120 FT; THENCE SLY PARALLEL WITH THE ELY LIMIT OF SAID LT, 50 FT MORE OR LESS TO THE SLY LIMIT OF SAID LT 113; THENCE ELY ALONG THE LAST MENTIONED LIMIT 120 FT TO THE POB; TORONTO, CITY OF TORONTO

And bearing PIN 21122-0131 (LT) (the "**Bayview Property**");

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, Schedule "3"
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 *BANKRUTPCY AND INSOLVENCY ACT* (CROSS-BORDER INSOLVENCIES)

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

ORDER

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Lawyers for the Applicants

TAB B

SPERGEL

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

October 2, 2014

msi Spergel inc. 505 Consumers Road, Suite 200, Toronto, Ontario M2J 4V8 • Tel 416 497 1660 • Fax 416 494 7199 • www.spergel.ca
Barrie 705 722 5090 • Hamilton 905 527 2227 • Mississauga 905 602 4143 • Oshawa 905 721 8251 • Toronto-Central 416 778 8813

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

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

AND IN THE MATTER OF 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)

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

October 2, 2014

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2. Order of The Honourable Justice Matheson dated August 22, 2014 (Supplemental Order-Foreign Main Recognition)

3. Media Notice published in the Globe and Mail and National Post

4. Order of The Honourable Justice Kelly dated July 18, 2014

5. Order of The Honourable Justice Code dated July 29, 2014

6. Affidavit of RCMP Constable Katie Judd sworn July 17, 2014

7. Affidavit of RCMP Constable Katie Judd sworn July 28, 2014

8. Screenshot of "Banners Broker Ponzi Scam" Facebook Group page

9. Copy of Irish Examiner Article titled "Fears for investors as suspected pyramid scheme wound up", by Conor Ryan, published February 27, 2014

10. Summary of Corporate Profile and Business Names Search Results in respect of Associated Corporations

11. Correspondence between the Receiver and Counsel to Smith and BBIL

12. Online Property Listing in respect of the Bayview Property

13. Property Search results in respect of the Carlow Property

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1.0 APPOINTMENT AND BACKGROUND

1.0.1 On application made by Miles Andrew Benham and Paul Robert Appleton in their capacity as Joint Liquidators (**"Foreign Representatives"**) of Banners Broker International Limited (**"BBIL"**), pursuant to the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3, as amended (**"BIA"**) recognition was granted by this Honourable Court to Orders granted by the High Court of Justice of the Isle of Man, Civil Division, Chancery Procedure. Attached hereto as **Appendix "1"** to this First Report is a copy of the Order of The Honourable Madam Justice Matheson made August 22, 2014 pursuant to section 268 of the BIA (**"Initial Recognition Order, Foreign Main Proceeding"**).

1.0.2 On further application made by the Foreign Representatives, msi Spergel inc. was appointed Receiver and Manager (**"Receiver"** or **"MSI"**) of all the assets, undertakings and properties of BBIL. The Receiver was appointed pursuant to a further Order dated August 22, 2014 (**"Appointment Order"**) issued by the Honourable Justice Matheson of the Ontario Superior Court of Justice, a copy of which is attached as **Appendix "2"** to this First Report.

1.0.3 Prior to being ordered wound up by the Isle of Man court, BBIL was a purported internet advertising business with operations either directly or through related companies around the world.

2.0 PURPOSE OF THE REPORT

2.0.1 This report (**"First Report"**) is filed in support of the Receiver's Motion for:

a) An order granting certain additional investigatory authority to the Receiver pursuant to section 272 of the BIA in respect of five corporations (and six related business names or styles) that are closely associated with BBIL, are under common direction and control as BBIL, and have been identified by the Royal Canadian Mounted Police ("**RCMP**") as being integral to an alleged

"Banners Broker" ("**Banners Broker**") criminal enterprise in which BBIL was a central part, namely:

(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"); and

(vi) Any other entity operating under the business names "Bannersbroker", "Banners Broker", "Bannersbroker Limited", "Bannersmobile", "Banners Mobile" or "Banners Broker Belize";

(referred to collectively herein, as in the RCMP evidence, as "**Associated Corporations**")

b) An order granting leave to amend the Joint Liquidators' Notice of Application to include the relief of a certificate of pending litigation ("**CPL**") over a property at 1376 Bayview Avenue in Toronto that is owned by 2341620 Ontario Corporation, one of the Associated Corporations;

c) An order granting leave to issue a CPL for registration against 1376 Bayview Avenue;

d) An order approving the actions and activities of the Receiver as described herein; and

e) Such further and other relief as is deemed appropriate.

3.0 ACTIONS OF THE RECEIVER UPON APPOINTMENT

3.0.1 Immediately upon its appointment, the Receiver commenced its investigation into the business and affairs of BBIL in Canada. This was preceded by a thorough review of the documentary evidence provided to it by the Joint Liquidators in the Isle of Man Winding up proceedings.

3.0.2 In accordance with the Appointment Order, the Receiver established and activated the e-protocol URL, http://www.spergel.ca/banners.

3.0.3 In addition, the Receiver published the Media Notice approved by the Appointment Order on two occasions in each of The Globe and Mail and The National Post. Attached hereto as **Appendix "3"** is a copy of the advertisement

3.0.4 Correspondence has been sent by the Receiver to all relevant Canadian electronic payment processors, as well as to all depository Schedule I, II and III financial institutions in Canada in an effort to obtain information as to the nature and extent of BBIL's business activities in Canada.

3.0.5 The Receiver has also made efforts to coordinate examinations of Christopher G. Smith and Rajiv Dixit in accordance with paragraph 11 of the Appointment Order. Messrs. Smith and Dixit are represented by counsel and are served with this motion. As of the date of this Report examinations have not taken place.

Closure of the Banners Broker Website and Social Media Presence

3.0.6 Shortly after the Receiver's appointment, on September 4, 2014, the Receiver obtained information confirming that the website formerly maintained by BBIL at http://www.bannersbroker.com/ was taken down. It appears that Banners Broker Facebook and Twitter accounts were deactivated or ceased activity on the same day.

Criminal Proceedings in Respect of Banners Broker

3.0.7 Also on September 4, 2014, the Receiver was made aware of criminal proceedings before the Ontario Superior Court of Justice arising from an RCMP investigation into Mr. Christopher G. Smith ("**Smith**") and Mr. Rajiv Dixit ("**Dixit**") related to Banners Broker in Canada ("**RCMP Investigation**").

3.0.8 Additionally, the Receiver was provided with copies of Ex Parte Restraint Orders obtained by the Ministry of the Attorney General, Crown Law Office-Criminal ("**Crown**"). Attached hereto as **Appendices "4"** and **"5"** respectively are copies of the Order of the Honourable Justice Kelly, dated July 18, 2014, and the Order of the Honourable Justice Code, dated July 29, 2014 (the **"Restraint Orders"**).

3.0.9 The Restraint Orders, issued pursuant to section 462.33 of the *Criminal Code of Canada*, freeze funds held by third party electronic payment processors in connection with Banners Broker. They also compel financial institutions to provide information to the Director of Asset Management – Criminal, regarding restrained accounts held by certain of the Associated Corporations.

3.0.10 Further to its review of the Restraint Orders, the Receiver obtained copies of the affidavit evidence filed by the Crown in support of its *ex parte* application. Counsel for the Receiver obtained copies of affidavits sworn by RCMP Constable Katie Judd on July 17, 2014 and July 28, 2014 (**"RCMP Affidavits"**). Attached hereto as **Appendices "6"** and **"7"** are copies of the RCMP Affidavits.

3.0.11 The RCMP Affidavits detail the basis for what is stated to be the reasonable belief of the RCMP investigators that Smith and Dixit, through their operation of Banners Broker, which, as noted in the RCMP Affidavits, includes BBIL, 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*.

3.0.12 The position of the RCMP investigators is summarized at paragraph 6 of the July 17 RCMP Affidavit:

> It is the position of investigators that this business [Banners Broker] was a pyramid scheme that over time evolved into a straight Ponzi scheme in which new victims were recruited to stave off requests for withdrawals and complaints from older ones. As the scheme progressed, Smith recruited another principal wrongdoer named Rajiv Dixit ("Dixit") and <u>set up a host of associated corporations to mask both their illegal activities and the flow of money.</u> Throughout the scheme, Smith, Dixit and their associated corporations had investors pay their "investment" money to merchant account providers (i.e. legitimate corporations that process credit card payments). Those funds were then diverted by the suspects and their associated corporations to various offshore and other bank accounts controlled by them. [emphasis added]

3.0.13 BBIL is specifically identified by Constable Judd as one of Associated Corporations believed to be involved in Banners Broker's Canadian operations. At paragraph 12.12, Constable Judd describes information obtained from a Competition Bureau interview with John Rock, a former Compliance Officer employed by Banners Broker:

> Rock was told by Smith, Dixit and Josun that Smith and Josun were the owners of Banners Broker International [*associated* corporation] and Dixit was the owner of Bannersbroker Limited [*associated corporation*], later named Stellar Point Inc., which was the Canadian reseller;
>
> [...]
>
> Banners Broker International was operated by Smith and was registered in the Isle of Man.

3.0.14 Constable Judd also identifies a number of other entities operated by Smith and/or Dixit, most of which are incorporated in Canada, namely:

(i) 2087360 Ontario Incorporation o/a Local Management Services;

(ii) 8264554 Canada Limited o/a Parrot Marketing Inc.;

(iii) 2341620 Ontario Corporation;

(iv) 7250037 Canada Inc. o/a Stellar Point Inc. (formerly o/a "Banners Broker Canada"); and

(v) 8163871 Canada Limited o/a Dixit Holdings Inc.

The Joint Liquidators' independent investigations have also identified certain of the same parties as being associated with BBIL. The results of the Joint Liquidators' investigations are in part described in the affidavit of Paul Robert Appleton sworn August 6, 2014 and filed in support of this motion ("**Appleton Affidavit**").

3.0.15 The RCMP Affidavits identify the Associated Corporations in respect of which the Receiver now seeks authorization to make inquiries. Certain of these corporations were previously identified in the Joint Liquidators' investigations, as described in the Appleton Affidavit.

3.0.16 The RCMP Affidavits also reference funds held by Canadian financial institutions and electronic payment processors in relation to Banners Broker.

3.0.17 The RCMP Affidavits were a sufficient evidentiary basis for Justices of the Ontario Superior Court to grant, on an *ex parte* basis, on two separate occasions, broad ranging relief requiring accounts connected with the Associated Corporations to be frozen. As indicated, the court orders granted also compel third party financial institutions to provide information to the Crown.

3.0.18 The allegation that BBIL was integral to a Banners Broker pyramid scheme or Ponzi scheme is not new to the Joint Liquidators or the Receiver. In the course of their investigations, both insolvency representatives have come across numerous references in social and on-line media to fraudulent activity allegedly undertaken by BBIL and Banners Broker, including:

a) An active "Banners Broker Ponzi Scam" Facebook group with upwards of 11,000 members. A screenshot of the Banners Broker Ponzi Scam Facebook group page (found at URL: https://www.facebook.com/pages/Banners-Broker-Ponzi-Scam/398614356881465) is attached hereto as **Appendix "8"**; and

b) Several articles in the international media, including a February 27, 2014 article in the Irish Examiner by Conor Ryan, titled "Fears for investors as suspected pyramid scheme wound up" (which can be found online at URL: http://www.irishexaminer.com/ireland/fears-for-investors-as-suspected-pyramid-scheme-wound-up-260228.html), a copy of which is attached hereto as **Appendix "9"**.

3.0.19 Paragraphs 103 to 105 of the Joint Liquidators' affidavit filed in support of the application for recognition of the Isle of Man proceedings are also relevant to the relief sought on this motion in terms of the request that the receiver be empowered to make inquiries in respect of the Associated Corporations. Such paragraphs document the Joint Liquidators' concern, based on advice received from an electronic payment processor named "Payza", that certain Associated Corporations may have been set up as e-payment account holder "beneficiaries" designated to receive payments on behalf of BBIL.

Receiver's Investigations

3.0.20 The Receiver's investigations have included requisitioning corporate profile and business names searches in respect of each of the Associated Corporations identified in the RCMP Affidavits. A summary of these search results is attached hereto as **Appendix "10"**.

3.0.21 Corporate search results, together with other documents previously obtained by the Joint Liquidators, confirm that four of the five Associated Corporations in respect of which the Receiver seeks investigative authority are set up such that Smith and/or

Dixit are the sole director and/or officer. The exception is 2087360 Ontario Incorporation o/a Local Management Services ("**LMS**"), of which Edmund A. Clarke is the sole director and officer. However, based on evidence obtained by the Joint Liquidators in their investigations, it is apparent that LMS was also operated by Smith and maintained various account relationships with payment processors and financial institutions under the Banners Broker name, as described at paragraph 103 of the Appleton Affidavit. Smith also used LMS to register a number of "Banners Broker" related internet domain names, as set out at paragraph 100(d) of the Appleton Affidavit.

3.0.22 The Receiver's inquiries with Canadian financial institutions and payment processors have, to date, been restricted by the fact that the investigatory powers granted in the Appointment Order are limited to BBIL.

3.0.23 For example, upon requesting information from an Oshawa branch of the Canadian Imperial Bank of Commerce ("**CIBC**"), which is known to have held funds on behalf of Banners Broker entities and may have received transfers from BBIL's Isle of Man bank account, the Receiver was advised that no information could be released without a court order specifically referencing the account holder. Other Canadian financial institutions maintain a similar position. Consequently the Receiver's inquiries of financial institutions have not, to date, been met with sufficient disclosure of information to advance investigations into BBIL.

3.0.24 The Receiver has written to Smith's counsel as well as other counsel at Aird & Berlis LLP known to have been retained by BBIL in the past requesting relevant information pursuant to the Appointment Order. Copies of this correspondence, and the replies received, are attached hereto at **Appendix "11"**.

3.0.25 To be clear, the Receiver is not at this early stage in its investigation in a position to conclude that BBIL or Banners Broker was in fact a ponzi scheme, pyramid scheme, or criminal enterprise more generally. The Receiver can, however, report that serious

allegations to that effect have been made by the RCMP and others in respect of BBIL and a small number of Associated Corporations. If such allegations are to be further considered, in accordance with the Receiver's mandate to investigate, identify, and preserve assets of BBIL, it is necessary that the Receiver have authority to make inquiries in respect of the Associated Corporations. For the time being, the Receiver is seeking investigatory – as opposed to possessory powers – in respect of the Associated Corporations.

Bayview Property

3.0.26 The Receiver has recently become aware of a mixed use commercial / residential property on Bayview Avenue in Toronto, municipally known as 1376 Bayview Avenue, Toronto, Ontario, M4G 3A1 ("**Bayview Property**"). The Bayview Property was purchased for $2.9 million on March 19, 2013 by 2341620 Ontario Corporation ("**234**"). 234 is an Associated Corporation identified in the RCMP Affidavits. Smith is the sole officer and director of 234. Based on investigations to date, it is believed that the Bayview Property was at one time intended to become the head office of Banners Broker.

3.0.27 The Bayview Property was very recently listed for sale for $4.1 million. Attached hereto as **Appendix "12"** is a copy of an online property listing obtained by the Receiver in respect of the Bayview Property.

3.0.28 A property subsearch indicates that the Bayview Property is unencumbered. 234's purchase of the Bayview Property occurred during the time frame in which BBIL was actively involved in the Banners Broker enterprise. In the months prior to the purchase, regular and substantial deposits had been made to the credit of BBIL's Isle of Man bank account (see for example, paragraph 111 of the Appleton Affidavit).

3.0.29 On the basis of its ongoing investigations, including a review of the allegations set out in the RCMP Affidavits, the Receiver and/or the Joint Liquidators claim and intend to

assert a property interest in the Bayview Property. The basis for this assertion is and will be that the Bayview Property was purchased and/or improved with monies properly belonging to, or owing to BBIL. Alternatively, or additionally, it will be alleged that the Bayview Property was acquired in the context of the illegal scheme and diversion of funds to Associated Corporations that is described in the RCMP Affidavits. To the extent available, the Receiver and/or the Joint Liquidators intend to assert constructive trust, tracing, and other proprietary and equitable remedies in respect of the Bayview Property.

3.0.30 The Receiver is concerned that the Bayview Property may be sold, and the proceeds of sale put beyond reach of BBIL creditors, if a CPL is not issued.

3.0.31 In this regard, as recently as March of this year, 234 sold its interest in another Banners Broker connected real property in Whitby, Ontario.

3.0.32 Specifically, on March 27, 2014, 234 and Dixit Holdings Inc., a company controlled by Dixit, sold a jointly owned property municipally known as 5 Carlow Court, Whitby, Ontario. The property was sold for $1.2 million. The Carlow Court property had been identified as a Banners Broker "Support Center" operated by Stellar Point Inc., an Associated Corporation controlled by Dixit, which formerly operated under the name "Bannersbroker Limited" or "Banners Broker Canada" (see for example, paragraph 42(d) of the Appleton Affidavit). Copies of relevant property subsearch results are attached hereto as **Appendix "13"**.

3.0.33 Based on the recent sale of the Carlow Property and the listing for sale of the Bayview Property, the Receiver has reasonable grounds to believe that the status quo will not preserved if a CPL is not issued. If a CPL is not issued, the Bayview Property will very likely be sold and the proceeds of sale may become unrecoverable to creditors having claims as against 234 and its owners, including the Receiver as representative of creditors of BBIL.

3.0.34 The Bayview Property is legally described as:

> PCL 113–3 SEC M5; PT LT 113 W/S BAYVIEW AV PL M5 TORONTO COMM AT THE S ELY ANGLE OF THE SAID LT 1113; THENCE NLY MEASURED ALONG THE ELY LIMIT OF SAID LT, 50 FT MORE OR LESS TO A POINT 102 FT MEASURED SLY FROM THE NE ANGLE OF LT 112 ON SAID PL; THENCE WLY PARALLEL WITH THE SLY LIMIT OF SAID LT 113, 120 FT; THENCE SLY PARALLEL WITH THE ELY LIMIT OF SAID LT, 50 FT MORE OR LESS TO THE SLY LIMIT OF SAID LT 113; THENCE ELY ALONG THE LAST MENTIONED LIMIT 120 FT TO THE POB; TORONTO, CITY OF TORONTO

and bears PIN 21122–0131 (LT). A copy of the PIN in respect of the Bayview Property is attached hereto as **Appendix "14"**.

4.0 RECOMMENDATIONS

4.0.1 Based upon the foregoing, the Receiver respectfully requests:

a) An order granting certain additional investigatory authority to the Receiver pursuant to section 272 of the BIA in respect of five Associated Corporations that are evidently associated with BBIL and have been identified by the Royal Canadian Mounted Police ("**RCMP**") as being integral to an alleged "Banners Broker" enterprise of which BBIL was a central part ("**Banners Broker**"), including:

(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"); and

(vi) Any other entity operating under the business names "Bannersbroker", "Banners Broker", "Bannersbroker Limited", "Bannersmobile", "Banners Mobile" or "Banners Broker Belize";

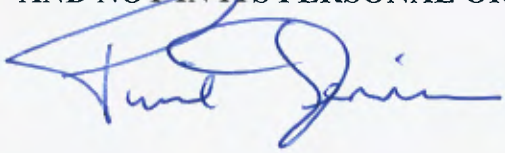
b) An order granting leave to amend the Joint Liquidators' Notice of Application to assert a claim in respect of the Bayview Property and to include the relief of a Certificate of Pending Litigation ("**CPL**") over the Bayview Property;

c) An order granting leave to issue a CPL for registration against the Bayview Property; and

d) Such further and other relief as is deemed appropriate

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 2nd day of October, 2014.

MSI SPERGEL INC.,
AS COURT-APPOINTED RECEIVER OF
BANNERS BROKER INTERNATIONAL LIMITED
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY



Philip H. Gennis, J.D., CIRP

Tab 1

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	FRIDAY, THE 22nd DAY
	)	
JUSTICE MATHESON	)	OF AUGUST, 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 Made After Application
INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)

THIS APPLICATION made by Miles Andrew Benham and Paul Robert Appleton, in their capacity as Joint Liquidators ("**Foreign Representative**") of Banners Broker International Limited ("**Debtor**"), pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("**BIA**") for an Order substantially in the form attached to the notice of application was heard this day at the Court House, 330 University Avenue, Toronto, Ontario.

ON READING the notice of application, the affidavit of Paul Robert Appleton sworn August 6, 2014, the affidavit of Miles Andrew Benham sworn August 6, 2014, the affidavit of service efforts of Christopher Horkins sworn August 21, 2014, the affidavit of attempted service of Frank Temprile sworn August 18, 2014, the two affidavits of attempted service of Norman Ng sworn August 18, 2013, the affidavit of attempted service of Heather Johnson served August 18, 2014, the affidavit of attempted service of Christopher Maniaci sworn August 18, 2014, and the affidavit of attempted service of Mary Carreiro sworn August 21, 2014, filed, and upon being provided with certified copies of the documents required by section 269(2)(a) of the BIA,

AND UPON BEING ADVISED by counsel for the Foreign Representative that in addition to this Initial Recognition Order, a Supplemental Order (Foreign Main Proceeding) is being sought,

AND UPON HEARING the submissions of counsel for the Foreign Representative, as well as counsel for Christopher Smith.

SERVICE

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

FOREIGN REPRESENTATIVE

2. **THIS COURT DECLARES** that the Foreign Representative is the "foreign representative" of the Debtor for purposes of the BIA in respect of the proceedings brought in the Isle of Man under section 162(6) of the *Companies Act, 1931* ("**Foreign Proceeding**").

CENTRE OF MAIN INTEREST AND RECOGNITION OF FOREIGN PROCEEDING

3. **THIS COURT ORDERS** that the centre of main interest of the Debtor is in the Isle of Man and that the Foreign Proceeding is hereby recognized as a "foreign main proceeding" as defined in section 268 of the BIA.

STAY OF PROCEEDINGS

4. **THIS COURT ORDERS** that until otherwise ordered by this Court no person shall commence or continue any action, execution or other proceedings concerning the Debtor's property, debts, liabilities or obligations.

GENERAL

5. **THIS COURT ORDERS** that the Foreign Representative shall cause to be published a notice substantially in the form attached to this order as **Schedule "A"**, once a week for four consecutive weeks in the Globe and Mail (National Edition) and the National Post.

6. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, to give effect to this Order and to assist the Foreign Representative and its counsel and agents in carrying out the terms of this Order.

7. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days notice to the Foreign Representative and its counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

Natasha Brown
Registrar

Matheson J.

SCHEDULE "A" – MEDIA NOTICE

BANNERS BROKER INTERNATIONAL LIMITED ("BBIL")

TO ALL CREDITORS AND OTHER AFFECTED PARTIES

TAKE NOTICE that on August 22, 2014 the Ontario Superior Court of Justice (Commercial List) ordered, pursuant to section 272 of the *Bankruptcy and Insolvency Act,* that the proceeding of BBIL In Liquidation brought before the High Court of Justice in the Isle of Man, Civil Division under section 162(6) of the *Companies Act,1931* (the "Foreign Proceeding") be recognized as a foreign main proceeding and that msi Spergel inc., be appointed Receiver in respect of the Debtor in Canada.

The contact details for the Receiver in Canada are as follows:

msi Spergel inc.
505 Consumers Road, Suite 200
Toronto, ON M2J 4V8

Tel: (416) 498-4325
Fax: (416) 498-4235
Email: bannersbrokerinternational@spergel.ca

Attn: Philip H. Gennis

The contact details for the legal counsel for the Joint Liquidators of BBIL and the Receiver are as follows:

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

Tel: (416) 869-5960
Fax: (416) 360-8877
Email: dward@casselsbrock.com

Attn: David Ward

Please communicate all interest in this matter with supporting documentation by email to bannersbrokerinternational@spergel.ca

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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 BROKER INTERNATIONAL LIMITED, UNDER PART XIII OF THE *BANKRUTPCY AND INSOLVENCY ACT* (CROSS-BORDER INSOLVENCIES)

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

ORDER

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chorkins@casselsbrock.com

Lawyers for the Applicants

Tab 2

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

THE HONOURABLE MADAM	)	FRIDAY, THE 22nd DAY
	)	
JUSTICE MATHESON	)	OF AUGUST, 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)

SUPPLEMENTAL ORDER
(FOREIGN MAIN RECOGNITION)

THIS APPLICATION, made by Miles Andrew Benham and Paul Robert Appleton, in their capacity as Joint Liquidators and as Foreign Representative ("**Foreign Representative**") of Banners Broker International Limited ("**Debtor**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("**BIA**"), for an Order substantially in the form attached to the notice of application, was heard this day at the Court House, 330 University Avenue, Toronto, Ontario.

ON READING the notice of application, the affidavit of Paul Robert Appleton sworn August 6, 2014, the affidavit of Miles Andrew Benham sworn August 6, 2014, the affidavit of service efforts of Christopher Horkins sworn August 21, 2014, the affidavit of attempted service of Frank Temprile sworn August 18, 2014, the two affidavits of attempted service of Norman Ng sworn August 18, 2013, the affidavit of attempted service of Heather Johnson served August 18, 2014, the affidavit of attempted service of Christopher Maniaci sworn August 18, 2014, and the affidavit of attempted service of Mary Carreiro sworn August 21, 2014, filed, and on reading the consent of msi Spergel Inc. to act as the proposed receiver.

ON HEARING submissions of counsel for the Applicants, and counsel for Christopher Smith, no one else appearing:

SERVICE

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

INITIAL RECOGNITION ORDER

2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Initial Recognition Order (Foreign Main Proceeding) dated August 22, 2014 (the "**Recognition Order**").

3. **THIS COURT ORDERS** that the provisions of this Supplemental Order shall be interpreted in a manner complementary and supplementary to the provisions of the Recognition Order, provided that in the event of a conflict between the provisions of this Supplemental Order and the provisions of the Recognition Order, the provisions of the Recognition Order shall govern.

RECOGNITION OF FOREIGN ORDERS

4. **THIS COURT ORDERS** that the following orders (collectively, the "**Foreign Orders**") of the High Court of Justice of the Isle of Man, Civil Division, Chancery Procedure, made in the Foreign Proceeding are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 272 of the BIA:

(a) the Order of His Honour the Deemster Doyle, First Deemster and Clerk of the Rolls, issued February 26, 2014, and

(b) the Order of His Honour the Deemster Doyle, First Deemster and Clerk of the Rolls, issued March 14, 2014;

Copies of the which Orders are attached as **Schedule "A"** hereto;

provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property (as defined below) in Canada.

APPOINTMENT OF RECEIVER

5. **THIS COURT ORDERS** that pursuant to subsection 272(1)(d) of the BIA and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, msi Spergel Inc. is hereby appointed receiver ("**Receiver**"), without security, of all of the assets, undertakings and properties of the Debtor, acquired for, or used in relation to the business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**").

RECEIVER'S POWERS

6. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to access all information relating to the Debtor's accounts at any financial institution, and the Receiver shall have immediate, continuous and unrestricted access to carry out the foregoing;

(c) to access any and all computer systems and servers, wherever located, related to the business and affairs of the Debtor and or the Property;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;

(e) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Debtor and or the Property, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable; and

(f) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

7. **THIS COURT ORDERS** that: (i) the Debtor; (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control.

8. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, servers, electronic backups, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

9. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including

providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

10. **THIS COURT ORDERS** that the Canadian financial institutions and electronic payment processers listed in **Schedule "B"** to this Order advise the Receiver of the existence of any Property and Records in their possession or control.

EXAMINATION BY RECEIVER OF SMITH AND OTHERS

11. **THIS COURT ORDERS** that Christopher G. Smith, Rajiv Dixit, Kuldip Josun, and any other person(s) that the Receiver reasonably believes may have knowledge of the Debtor's affairs, attend at an examination under oath before an Official Examiner in Toronto, on a date to be agreed upon or selected by the Receiver, with a minimum of 10 days notice, notice to include a copy of this Order, and answer questions propounded to them by counsel for the Receiver and provide testimony including, but not limited to, the following matters:

(a) the Debtor's trade, dealings and Property; and

(b) the matters described in the Foreign Representative's affidavit filed in support of the within application.

NO PROCEEDINGS AGAINST THE RECEIVER OR FOREIGN REPRESENTATIVE

12. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver or the Foreign Representative except with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

13. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor, or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, the Foreign Representative, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall: (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on; (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

15. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

LIMITATION ON THE RECEIVER'S LIABILITY

16. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under subsections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge ("**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory

or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. **THIS COURT ORDERS** that prior to passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

OTHER PROVISIONS RELATING TO THE RECEIVER

20. **THIS COURT ORDERS** that the Receiver:

(a) is hereby authorized to provide such information and assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;

(b) is hereby authorized to otherwise coordinate the administration and supervision of the Debtor's assets and affairs with the Foreign Representative;

(c) shall report to this Court at least once every six months with respect to the status of these proceedings and the status of the Foreign Proceedings, which reports may include information relating to the Property, or such other matters as may be relevant to the proceedings herein; and

(d) in addition to the periodic reports referred to in paragraph 20(c) above, the Receiver may report to this Court at such other times and intervals as the Receiver may deem appropriate with respect to any of the matters referred to in paragraph 20(c) above.

21. **THIS COURT ORDERS** that the Foreign Representative shall (i) advise the Receiver of all material steps taken by the Foreign Representative in these proceedings or in the Foreign Proceedings, (ii) co-operate fully with the Receiver in the exercise of its powers and discharge of

its obligations, and (iii) provide the Receiver with the assistance that is necessary to enable the Receiver to adequately carry out its functions.

22. **THIS COURT ORDERS** that the Receiver (i) shall post on its website all Orders of this Court made in these proceedings, all reports of the Receiver filed herein, and such other materials as this Court may order from time to time, and (ii) may post on its website any other materials that the Receiver deems appropriate.

23. **THIS COURT ORDERS** that the Receiver may provide any creditor of the Debtor with information in response to reasonable requests for information made in writing by such creditor addressed to the Receiver. The Receiver shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Receiver believes to be privileged or confidential, the Receiver shall not provide such information to third parties, other than its counsel, the Joint Liquidators, and their counsel, unless otherwise directed by this Court.

SERVICE AND NOTICE

24. **THIS COURT ORDERS** that that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<http://www.spergel.ca/banners/>'.

25. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Foreign Representative and the Receiver are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the applicable Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be

deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

26. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

27. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as an interim receiver, receiver, receiver and manager, proposal trustee, or a trustee in bankruptcy of the Debtor.

28. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the Isle of Man to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

29. **THIS COURT ORDERS** that the Foreign Representative and the Receiver be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

30. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days notice to the Debtors, the Foreign Representative, the Receiver and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

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

AUG 2 2 2014

NB

Pam Illeman AUG 2 2 2014

~~Matheson J.~~

R. Illeman, Registrar
Superior Court of Justice

SCHEDULE "A"

Orders of the Isle of Man High Court, dated February 26 and March 14, 2014

566415
£10 Prem

MK SONI Notaries

BE IT KNOWN THAT I, Manish Kumar Soni, Notary Public, duly authorised, admitted and sworn, practising in London and entitled to practise elsewhere in England and Wales,

DO HEREBY CERTIFY AND ATTEST:

THAT BANNERS BROKER INTERNATIONAL LIMITED (the "Company"), is a private company, limited by shares and incorporated, registered and existing under the laws of Isle of Man with registration number 124375C and having its registered office at Kissack Court, 29 Parliament Street, Ramsey IM8 1AT, Isle of Man;

AND TO THE GENUINENESS of the signature of **Paul Robert APPLETON**, whose identity I attest, a Joint Liquidator of the Company with registered address 26-28 Bedford Row, London, WC1R 4HE.

IN TESTIMONY WHEREOF I have hereunto set my hand and affixed my Seal of Office in London aforesaid, this 11th day of June Two Thousand and Fourteen.

Manish Kumar Soni
Notary Public

MK SONI Notaries

M K Soni Notaries LLP St James's Park Office (Main)
50 Broadway, London, SW1H 0DB
DX 2303 Victoria 0845 888 0011 08701 316 276
info@mksn.co.uk www.mksn.co.uk
Registered No. OC379557 VAT Reg. No. 150 9032 38

APOSTILLE
(Convention de La Haye du 5 octobre 1961)

1. **Country:** Pays/Pais — United Kingdom of Great Britain and Northern Ireland

This public document
Le présent acte public / El presente documento público

2. **Has been signed by** — Manish Kumar Soni
a été signé par
ha sido firmado por

3. **Acting in the capacity of** — Notary Public
agissant en qualité de
quien actúa en calidad de

4. **Bears the seal/stamp of** — The Said Notary Public
est revêtu du sceau / timbre de
y está revestido del sello / timbre de

Certified
Attesté / Certificado

5. **at** / á / en — London

6. **the** / le / el día — 12 June 2014

7. **by** / par / por — Her Majesty's Principal Secretary of State for Foreign and Commonwealth Affairs

8. **Number:** / sous no / bajo el número — K101348

9. **Seal / stamp:**
Sceau / timbre:
Sello / timbre:

10. **Signature:** P. Forbes
Signature:
Firma:

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BANNERS BROKER INTERNATIONAL LIMITED

I, the undersigned, **PAUL ROBERT APPLETON**, being the Managing Partner in David Rubin & Partners, 26-28 Bedford Row, London WC1R 4HE, and the Joint Liquidator appointed on 14 March 2014 of **BANNERS BROKER INTERNATIONAL LIMITED**, a limited company incorporated in the Isle of Man with company number 124375C ("the Company"),

HEREBY DECLARE AND CONFIRM that

1. The attached document at Appendix 'A' is a true copy of the Winding Up Order made on 26 February 2014; and

2. The attached document at Appendix 'B' is a true copy of the Order confirming the appointment of Paul Appleton and Miles Benham as Joint Liquidators of the Company on 14 March 2014.

IN WITNESS whereof this document is executed in London this 10th day of June 2014.

Signed on behalf of }
Banners Broker International Limited }
In liquidation by **Paul Robert Appleton,** }
the duly appointed Joint Liquidator }

Witnessed By: ADAM SHAMA, ACCA
26-28 BEDFORD ROW, LONDON WC1R 4HE
10/6/14

Name of Witness

A

CHP 14/0008

IN THE HIGH COURT OF JUSTICE OF THE ISLE OF MAN
CIVIL DIVISION
CHANCERY PROCEDURE

IN THE MATTER of the Companies Act 1931

and

IN THE MATTER of **BANNERS BROKER INTERNATIONAL LIMITED**

and

IN THE MATTER of the Claim of Targus Investments Limited ("Targus") dated the 10 January 2014 ("the Winding Up Claim")

At a Court held on
26 February 2014

HIS HONOUR THE DEEMSTER DOYLE
FIRST DEEMSTER AND CLERK OF THE ROLLS

Upon hearing the Winding Up Claim this day in the presence of Counsel for Targus and for Ian Driscoll ("Mr Driscoll") and having considered the witness statements of Stephen Porter dated 10 January 2014 Miles Andrew Benham ("Mr Benham") dated 10 January 2014 Timothy Allan Mann dated 10 January 2014 Richard Christopher Curtin dated 24 February 2014 and Kathryn Louise Clough dated the 25 February 2014 and Upon consideration had thereof **IT IS ORDERED** THAT:

1. Banners Broker International Limited ("BBIL") be and hereby is wound up pursuant to the provisions of section 162(6) of the Companies Act 1931 ("the Act");

2. Miles Andrew Benham ("Mr Benham") of MannBenham Advocates, 49 Victoria Street, Douglas, Isle of Man and Paul Robert Appleton ("Mr Appleton") of David Rubin & Partners LLP, 26 – 28 Bedford Row, London, WC1R 4HE be and are hereby appointed Joint Provisional Liquidators and Deemed Joint Official Receivers of BBIL pursuant to section 174 of the Act. Pursuant to section 181(4) of the Act any act by the Act required or authorised to be done by the Joint Provisional Liquidators and Deemed Joint Official Receivers is to be done by both Mr Benham and Mr Appleton save as may be specifically agreed in writing (including e-mail) between them;

3. Mr Benham and Mr Appleton as Joint Provisional Liquidators and Deemed Joint Official Receivers of BBIL shall have the following powers:

(a) To carry on the business of BBIL, in so far as may be necessary for the beneficial winding up thereof;

(b) To open, maintain and operate without the further consent of any other person, such bank accounts as is deemed necessary by Mr Benham and Mr Appleton;

(c) To appoint an advocate or such other law agent or legal advisor (whether in the Isle of Man or elsewhere) to assist in the performance of their duties;

(d) To pay any classes of creditors in full;

(e) To bring or defend any action or other legal proceedings in the name of and on behalf of BBIL;

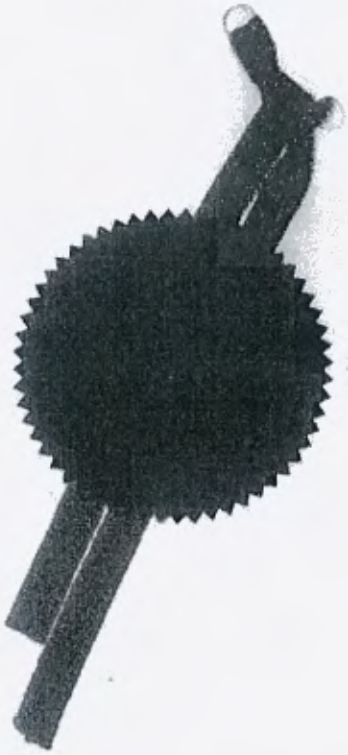
4. Mr Benham and Mr Appleton as Joint Provisional Liquidators and Deemed Joint Official Receivers of BBIL shall forthwith advertise notice of this order in two newspapers published and circulating in the Isle of Man;

5. Meetings of creditors under section 179 of the Act shall be held within one month of the date of this order;

6. The costs of Targus and of Mr Driscoll of and incidental to the Winding Up Claim shall be payable from the assets of BBIL as an expense of the liquidation of BBIL.

SEAL OF THE HIGH COURT

NOTE – It will be the duty of such of the persons who are liable under section 175 of the Companies Act 1931 to make out or concur in making out the statement of affairs of BBIL as the Joint Provisional Liquidators and Deemed Joint Official Receivers may require, to attend on the Joint Provisional Liquidators and Deemed Joint Official Receivers at such time and place as they may appoint, and to give them all information they may require.



ISLE OF MAN COURTS
OF JUSTICE

EXAMINED AND CERTIFIED A
TRUE COPY

K Cooke

DEPUTY ASSISTANT CHIEF REGISTRAR

27 February 2014

B

CHP 14/0024

IN THE HIGH COURT OF JUSTICE OF THE ISLE OF MAN
CIVIL DIVISION
CHANCERY PROCEDURE

IN THE MATTER of the Companies Act 1931

and

IN THE MATTER of **BANNERS BROKER INTERNATIONAL LIMITED (IN LIQUIDATION)**

and

IN THE MATTER of the claim form of the Joint Provisional Liquidators and Deemed Official Receivers of Banners Broker International Limited (In Liquidation) dated 14 March 2014

HIS HONOUR THE DEEMSTER DOYLE
FIRST DEEMSTER AND CLERK OF THE ROLLS

Upon considering the claim form of the Joint Provisional Liquidators and Deemed Official Receivers of Banners Broker International Limited (In Liquidation) ("BBIL") dated 14 March 2014 and the supporting witness statements of Miles Andrew Benham and Paul Robert Appleton dated 14 March 2014 and the results of the meetings of creditors and contributories and the request that this matter be dealt with administratively and without a hearing **IT IS ORDERED** THAT:

1. Miles Andrew Benham ("Mr Benham") and Paul Robert Appleton be appointed Joint Liquidators of BBIL.
2. The following persons are appointed a Committee of Inspection to act with the Joint Liquidators, namely:-
    i. Ian Driscoll of TradeForce Building, Cornwall Place, Bradford, BD7 8JT
    ii. Michael Bowe of 1 Cartmell Hill, Woodseats, Sheffield, S8 0RH
    iii. Lyndon Farrington of Tynllwyn, Commins, Llanrhaeadr Ym Mochant, Powys, SY10 0BZ
    iv. Richard Weals of 9 Oldfields Crescent, Great Haywood, Stafford, ST18 0RS
    v. Aubrey John Bettinson of 18 Wellington Avenue, Bitterne, Southampton, SO18 5DD

3. Notice of this order is to be advertised in the London Gazette and one Isle of Man newspaper.
4. The costs of and incidental to this application be payable from the assets of BBIL as an expense of the liquidation of BBIL.

Dated 14 March 2014

SEAL OF THE HIGH COURT

SCHEDULE "B"

Companies:

a) TD Canada Trust;

b) CIBC;

c) HSBC Bank Canada;

d) Royal Bank of Canada;

e) 677381 Canada Inc. o/a SolidTrust Pay; and

f) UseMyServices, Inc;

Tab 3

EMPLOYMENT

U.S. economy still on bumpy road to recovery

August numbers didn't expand enough for Wall Street, but pace of added payrolls is at least stable

KEVIN CARMICHAEL
WASHINGTON

One of the most impressive streaks of U.S. job creation on record ended in August, a reminder that the U.S. economy remains caught in the bumpy wake left by the financial crisis.

Non-farm payrolls increased by 142,000 positions last month, a mediocre result by historical standards, but a disappointment Friday because virtually everyone on Wall Street was expecting a much bigger number. A separate U.S. Labour Department survey of households showed the unemployment rate dropped to 6.1 per cent, matching the lowest rate since the end of the Great Recession.

Employers in the United States created more than 200,000 jobs for six consecutive months through July, the first time that has happened since the 1990s. Most on Wall Street expected the run to continue, as the median forecast of analysts was for a gain of 230,000. The Labour Department also reduced its estimate for June to 267,000 from 298,000. The July gain in payrolls was revised slightly higher, to 212,000.

Most economists advised against gloom. In a typical year, the U.S. economy posts impressive monthly hiring rates interspersed with weaker ones. The vast majority of recent economic data show the economy is growing. Nor was the August hiring entirely negative. The number of longer-term unemployed and part-time workers who would prefer full-time jobs – two indicators watched closely by the U.S. Federal Reserve – both dropped notably in August.

Although U.S. non-farm payrolls increased by 142,000 positions in August, it was far fewer than the 200,000-plus jobs added for six straight months through July. BRIAN SNYDER/REUTERS

"Looking at the data from a broader perspective, employment growth is still on a relatively stable trajectory," said Kevin Logan, chief U.S. economist at HSBC in New York, in a note to clients.

The increase in payrolls was the slowest since unusually harsh weather froze the U.S. economy at the end of 2013. The deceleration in jobs growth sapped enthusiasm for U.S. stocks, as equity markets slipped after the release of the Labour Department's latest survey. Stock prices were sliding from record levels. The Standard & Poor's 500 index gained almost 4 per cent in August and topped 2,000 for the first time. It closed at 2,007.71, up 10.06 points on Friday.

Many economists predicted the U.S. labour market would soon get its groove back. Recent economic indicators are overwhelmingly positive. Earlier this week, the Institute for Supply Management reported that its gauge of economic activity in non-manufacturing industries rose to the highest in nine years in August. Weekly applications for jobless benefits, an excellent predictor of declines in the unemployment rate, are at record lows. Gross domestic product expanded at an annual rate of 4.2 per cent in the second quarter, much faster than expected.

The August jobs report "stands in contrast to a myriad of other indicators that point to rising economic momentum," said James Marple, a senior economist at Toronto-Dominion Bank, in a note. "We do not expect the weakness to continue and are chalking today's release up to the usual forces of month-to-month volatility." Jim O'Sullivan, chief U.S. economist at High Frequency Economics, said the Labour Department has a tendency to undercount hiring increases in August and revise the figure higher later.

E-COMMERCE

Alibaba IPO expected to be priced at $60-$66

TELIS DEMOS
WALL STREET JOURNAL STAFF

Chinese e-commerce giant Alibaba Group Holding Ltd. is expected to set the price range of its initial public offering at $60 to $66 (U.S.) a share, according to a person familiar with the matter, valuing the company at $160-billion at the midpoint of the range.

In a regulatory filing Friday, the company said it expects to offer 320.1 million U.S. depositary shares. Including the extra shares set aside for underwriters, the offering could raise up to $24.3-billion, which would be the biggest IPO to date.

Among the selling shareholders, Japanese telecommunications conglomerate SoftBank Corp. – the biggest investor in Alibaba – plans to reduce its stake to 32.4 per cent from 34.1 per cent. Yahoo Inc., which is No. 2, would cut its holdings to 16.3 per cent from 22.4 per cent, while founder and chairman Jack Ma's stake would decline to 7.8 per cent from 8.8 per cent.

The Chinese e-commerce company is expected to launch the deal this month and plans to list under the symbol BABA on the New York Stock Exchange.

Alibaba, based in the eastern Chinese city of Hangzhou, operates the Taobao and Tmall online marketplaces, whose transactions last year amounted to $248-billion, greater than Amazon.com Inc. and eBay Inc. combined.

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LEGALS

RBC LIFE INSURANCE COMPANY
ASSUMPTION REINSURANCE TRANSACTION

Notice is hereby given, pursuant to clause 254(2.01)(a) of the Insurance Companies Act (Canada), that RBC Life Insurance Company ("RBC Life") intends to make an application to the Superintendent of Financial Institutions (Canada), on or after October 7, 2014, for approval to cause itself to be reinsured, on an assumption basis, by Co-operators Life Insurance Company, against all risks undertaken by RBC Life in respect of RBC Life's individual disability insurance policies (including embedded accidental death and dismemberment benefits) and individual critical illness insurance policies in each case distributed by The Edge Benefits Inc. (the "Edge"), but provided that all claims incurred before the completion of the transaction will continue to be the sole responsibility of RBC Life. All policies will continue to be administered by The Edge.

A copy of the proposed assumption reinsurance agreement will be available for inspection by the policyholders of RBC Life at RBC Life's head office located at 6880 Financial Drive, Tower 1, Third Floor, Mississauga, Ontario L5N 7Y5 during regular business hours for a period of 30 days following publication of this notice.

A copy of the proposed assumption reinsurance agreement will be provided to a policyholder upon written request.

Mississauga, September 6, 2014

RBC Life Insurance Company

HANNOVER RE (IRELAND) LIMITED
APPLICATION TO ESTABLISH A CANADIAN BRANCH

Notice is hereby given that HANNOVER RE (IRELAND) LIMITED, an entity incorporated and formed under the laws of the Republic of Ireland, intends to file with the Superintendent of Financial Institutions, on or after May 2, 2014, an application under section 574 of the Insurance Companies Act (Canada) for an order allowing the insuring in Canada of risks under the English name Hannover Re (Ireland) Limited Canadian Life Branch and the French name Hannover Re (Irlande) succursale canadienne - réassurance de personnes. In particular, HANNOVER RE (IRELAND) LIMITED intends to conduct in Canada life reinsurance business, including the provision of life reinsurance, accident and sickness reinsurance, and credit protection reinsurance. The company's head office is located in Dublin, Ireland, and its Canadian chief agency will be located in Toronto, Ontario.

Dated at Toronto, this 19th day of August, 2014.

HANNOVER RE (IRELAND) LIMITED
By its Solicitors,
Cassels Brock & Blackwell LLP

HANNOVER RE (IRELAND) LIMITED
DEMANDE D'ÉTABLISSEMENT D'UNE SUCCURSALE CANADIENNE

Avis est par les présentes donné que HANNOVER RE (IRELAND) LIMITED, une société constituée et organisée en vertu des lois de la République d'Irlande, a l'intention de déposer auprès du surintendant des institutions financières, le 2 mai 2014 ou après cette date, une demande en vertu de l'article 574 de la Loi sur les sociétés d'assurances (Canada) pour un agrément l'autorisant à garantir au Canada des risques sous la dénomination sociale français Hannover Re (Irlande) succursale canadienne - réassurance de personnes et sous la dénomination sociale anglaise Hannover Re (Ireland) Limited Canadian Life Branch. En particulier, HANNOVER RE (IRELAND) LIMITED a l'intention d'offrir de la réassurance-vie, y compris la réassurance-vie, la réassurance contre les accidents et la maladie et la réassurance-crédit. Le bureau principal de la société est situé à Dublin, en Irlande, et l'agence principale au Canada sera située à Toronto, en Ontario

Toronto, le 19 aout 2014.

HANNOVER RE (IRELAND) LIMITED
Agissant par l'entremise de ses procureurs,
Cassels Brock & Blackwell LLP

BANNERS BROKER INTERNATIONAL LIMITED
("BANNERS BROKER")

TO ALL CREDITORS AND OTHER AFFECTED PARTIES

TAKE NOTICE that on August 22, 2014 the Ontario Superior Court of Justice (Commercial List) ordered, pursuant to section 272 of the *Bankruptcy and Insolvency Act*, that the proceeding of BANNERS BROKER In Liquidation brought before the High Court of Justice in the Isle of Man, Civil Division under section 162(6) of the *Companies Act*,1931 (the "Foreign Proceeding") be recognized as a foreign main proceeding and that mni Spergel inc. be appointed Receiver in respect of BANNERS BROKER in Canada.

Please communicate all interest in this matter with supporting documentation to the Receiver of BANNERS BROKER in Canada at:

mni Spergel inc.
505 Consumers Road, Suite 200
Toronto, ON M2J 4V8
Tel: (416) 499-4325
Fax: (416) 498-4235
Email: bannersbroker.international@spergel.ca
Attn: Philip H. Gennis

SPERGEL

The contact details for the legal counsel for the Joint Liquidators of BANNERS BROKER and the Receiver are as follows:

Cassels Brock & Blackwell LLP
Scotia Plaza, Suite 2100
40 King Street West
Toronto ON M5H 3C2
Tel: (416) 860-5060
Fax: (416) 360-8877
Email: dward@cassels-brock.com
Attn: David Ward

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dan@mountainwestproperties.ca

AXA INSURANCE COMPANY
APPLICATION TO ESTABLISH A CANADIAN BRANCH

Notice is hereby given that the AXA Insurance Company, an entity incorporated in New York, United States of America, which principally carries on business in the continental United States, intends to file, under section 574 of the *Insurance Companies Act* (Canada), with the Superintendent of Financial Institutions, on or after September 15, 2014, an application for an order approving the insuring in Canada of risks, under the English name AXA Insurance Company and the French name AXA Assurances, within the class of property insurance. The head office of the company is located in New York, United States, and its Canadian chief agency will be located in Toronto, Ontario.

Dated at Toronto, this 23rd day of August, 2014.

AXA INSURANCE COMPANY
By its Solicitors,
Cassels Brock & Blackwell LLP

AXA INSURANCE COMPANY
DEMANDE D'ÉTABLISSEMENT D'UNE SUCCURSALE CANADIENNE

Avis est donné par les présentes que AXA Insurance Company, une société constituée et organisée en vertu des lois des New York, États-Unis d'Amérique et exploitée principalement dans la zone continentale des États-Unis d'Amérique, a l'intention de soumettre une demande, en vertu de l'article 574 de la *Loi sur les sociétés d'assurances* (Canada), au surintendant des institutions financières, le 15 septembre 2014 ou après cette date, pour un agrément l'autorisant à garantir des risques au Canada, sous la dénomination sociale française AXA Assurances et sous la dénomination sociale anglaise AXA Insurance Company, relatifs aux d'assurance de biens. Le bureau principal de la société est situé à New York, aux États-Unis, et l'agence principale au Canada sera située à Toronto (Ontario).

Toronto, ce 23 jour de Aout 2014

AXA INSURANCE COMPANY
Agissant par l'entremise de ses procureurs
Cassels Brock & Blackwell LLP

Re: JESSE JAMES BRINTNELL AND BILLY LUKE BOWLUS, GRANDSONS OF THE LATE TILDA MARY BRINTNELL, DECEASED OF CHILLIWACK, BRITISH COLUMBIA AND SONS OF WILLIAM ROSS BRINTNELL OF SURREY, BRITISH COLUMBIA

Would anyone having knowledge of the whereabouts of the above named persons or their next of kin please contact the following lawyer in connection with File #53884-1:

TODD C. HARVEY
c/o BAKER NEWBY LLP
Lawyers
9259 Main St. Box 390
Chilliwack BC Canada V2P 6K2
Telephone: 1-604-792-1376
Fax: 1-604-792-8711
Email: tharvey@bakernewby.com

SHAREHOLDER LAWSUIT

Ex-Autonomy boss warned of collapsing revenue before sale to HP

Ex-Autonomy Corp. CEO Mike Lynch, pictured, was warned by the company's finance chief before the sale to **Hewlett-Packard Corp.** that "revenue fell away completely" and employees were left chasing "imaginary deals," according to an email disclosed in a court filing. "Really don't know what to do, Mike," wrote Sushovan Hussain, the finance officer, on Dec. 10, 2010. "As I guessed revenue fell away completely" while sales reports showed "massive activity." "Radical action is required, really really radical," Mr. Hussain said in the email filed Thursday as an exhibit in a shareholder lawsuit over the Autonomy acquisition. HP and shareholder lawyers joining the computer maker to sue Mr. Lynch and Mr. Hussain say the email supports the firm's claims that it was defrauded by Autonomy. *Bloomberg News*

NATIONAL REPORT

CLIFFS SELLS INTEREST IN ZENYATTA VENTURES

Cliffs Natural Resources Inc., the U.S. iron-ore producer whose new board is looking to divest the company's foreign mines, sold its stake in Canadian graphite mine developer **Zenyatta Ventures Ltd.** The sale was completed by Aug. 31, Patricia Persico, a spokeswoman for Cliffs, said Friday. Cliffs held 4.53 million Zenyatta shares, equal to an 8.2% stake, as of July 11, data compiled by Bloomberg show. Activist investor **Casablanca Capital LP** prevailed in a six-month proxy fight when its slate of directors was elected at Cliffs' July 29 shareholder meeting. Lourenco Goncalves took over as CEO in August and intends to sell Cliffs' foreign mining assets and its U.S. coal mines. *Bloomberg News*

HARVEST PLANS TO SELL EAST COAST REFINERY

Calgary-based energy company **Harvest Operations** reached an agreement Friday to sell its oil refinery in Come By Chance, N.L., to **SilverRange Financial Partners LLC** of New York. Harvest, a wholly owned subsidiary of **Korea National Oil Corp.**, said the sale covers North Atlantic's refining and marketing operations in Newfoundland, including home heating businesses and 53 gas stations. Kim Urban, a spokeswoman for Harvest, said SilverRange plans to continue operating the refinery, which employs about 500 people. "[SilverRange] has done their due diligence and they see the potential in the refinery," said Ms. Urban from Calgary. Ms. Urban would not reveal the terms of the deal, but said she expects the sale will close later this year. In a news release, SilverRange Financial said the refinery, which processes about 115,000 barrels of crude oil per day, gives access to markets along the U.S. Eastern seaboard and within Europe. *The Canadian Press*

SCOTIABANK'S WEALTH HEAD STEPPING DOWN

Bank of Nova Scotia said Chris Hodgson, group head of global wealth and insurance, will retire ahead of a realignment of business divisions at Canada's third-largest lender by assets. Mr. Hodgson, 60, will step down on Oct. 31, as will Alberta Cefis, head of global transaction banking, the bank said Friday. The changes come as the firm moves to integrate its wealth, insurance and global transaction banking businesses into the company's three main divisions by Nov. 1. Global wealth management will continue to be a key business unit, Scotiabank said, with James O'Sullivan overseeing global asset management and global wealth distribution. *Bloomberg News*

COM DEV REVENUE FALLS AMID BUDGET CUTS

Com Dev International Inc. is reporting a lower third-quarter net profit of $3.1-million while the satellite and space hardware company says its revenue were hurt by continuing U.S. government budget cuts. Com Dev said it earned 5¢ per share in the quarter, compared with $4.7-million, or 7¢ per share, in the third quarter of 2013. Revenue was $50.8-million, a 6.3% decline from the $54.2-million in the same quarter last year. "While revenues are still constrained by U.S. budget pressures, demand for commercial communication satellites remains strong with 11 new satellite projects awarded in the third quarter," CEO Michael Pley said in a statement on Friday. *The Canadian Press*

LIVENT CO-FOUNDER REACHES DEAL WITH OSC

Myron Gottlieb, the longtime partner of theatre impresario Garth Drabinsky, both of whom served jail time for fraud convictions stemming from the way they ran theatre company **Livent Inc.**, is seeking to settle with the Ontario Securities Commission. A notice issued Friday afternoon said the OSC will convene a panel in Toronto on Sept. 9 to consider whether it is "in the public interest" to accept a proposed settlement between Mr. Gottlieb and staff of the regulator. Publicly traded Livent, once a darling of the theatre world, collapsed in a book-cooking scandal in the late 1990s. Regulatory allegations and criminal charges followed, and regulators stepped back while the case wound its way through the courts. The OSC allegations were revisited last year, and now incorporate the results of the court proceedings. Mr. Drabinsky and Mr. Gottlieb were convicted of fraud in 2009. *Barbara Shecter, Financial Post*

CALABRESE / NATIONAL POST FILES

A private equity firm's lawsuit claims that Industry Canada failed to live up to promises made to backers of Mobilicity.

TELECOMMUNICATIONS

Industry Canada broke rules, equity firm claims

MOBILICITY BACKERS

By John Greenwood

A New York private equity firm that invested heavily in struggling wireless carrier **Mobilicity** is suing Industry Canada for alleged breaches of its own rules — and allegedly breaking a promise to allow the company the right to resell its spectrum — seeking $1.2-billion in damages.

The suit, filed Thursday in the Ontario Superior Court of Justice, claims that Industry Canada failed to live up to promises it made to Mobilicity's backers around foreign ownership rules, wireless roaming rules and the sale of wireless spectrum.

"On the basis of Industry Canada's assurances, **Quadrangle** invested hundreds of millions of dollars in Mobilicity to compete with the large incumbent carriers, built out Mobilicity's network, created thousands of jobs, and provided service to hundreds of thousands of underserved Canadians," Quadrangle said in a statement.

Mobilicity is now in bankruptcy protection, with its investors potentially on the hook for extensive losses.

Also named as a plaintiff is **Data & Audio Visual Enterprises Investments Inc.**, known as DAVE, a company controlled by John Bitove, a prominent entrepreneur and, along with Quadrangle, a principal Mobilicity shareholder.

None of the claims have been proven in court.

Jake Enwright, a spokesman for Industry Minister James Moore, declined to comment on the allegations however he defended the government's attempt to stoke competition in the wireless industry.

> This might be a way to attract publicity to the situation

"Our government is committed to protecting Canadian consumers and we will continue to support policies that lead to more choice and greater competition in the wireless sector," Mr. Enwright said. "As a result of our government's actions, average wireless rates have fallen by 22% since 2008."

It's not unusual for private sector players to sue the government for failing to live up to its obligations but such actions rarely result in clear victories. In this case, Quadrangle could be betting that its suit may embarrass Ottawa, creating incentive for the government to sit down and negotiate about the future of Mobilicity and its spectrum, said David Heger, an analyst at Edward Jones.

"This might be a way to attract publicity to the situation," Mr. Heger said.

Launched in 2008, Mobilicity set its sights on becoming a national wireless carrier, but instead ran into financial difficulty after failing to attract sufficient customers amid intense competition from incumbents including **BCE Inc.**, **Rogers Communications Inc.**, and **Telus Corp.**

The suit claims that Canada's major wireless carriers used their dominant market share and other advantages to put pressure on Mobilicity, effectively pushing it out of business.

Several times Industry Canada blocked Mobilicity from selling its spectrum rights. In May 2013, Telus agreed to acquire the wireless carrier for $380-million but Ottawa interceded the following month, declaring that the transaction could not go ahead because it would involve the transfer of Mobilicity's spectrum rights. Telus has tried to buy the company two more times, with the government stepping in on both occasions.

According to the statement of claim, Quadrangle and its partner only decided to launch Mobilicity after Industry Canada had provided assurances that, should they choose, they would be allowed to sell the company and its spectrum rights at the end of the moratorium.

"As a result of these breaches, Quadrangle lost its investment and forfeited other investment opportunities, hundreds of Canadian jobs were lost, Canadian consumers have been deprived of the benefit of real competition and the prospect of any meaningful foreign investment in Canadian wireless industry for the foreseeable future has been has been lost," Quadrangle said.

According to the statement of claim, in about 2006 officials from Industry Canada approached Mr. Bitove, then involved in satellite radio, with an invitation to join the wireless industry by taking part in a spectrum auction, where rights would be set aside for new entrant companies.

Financial Post
jgreenwood@nationalpost.com

AEROSPACE

Bombardier races to finish testing CSeries jets

EYES 2015 DELIVERY

By Frederic Tomesco

MONTREAL • **Bombardier Inc.**'s CSeries will resume flight tests this month as the company races against the clock to begin deliveries of the troubled jetliner in the second half of next year.

Flight trials will restart with the second of the four planes in the test fleet, Bombardier said Friday. The Montreal-based company reaffirmed its goal for the aircraft's commercial debut by the end of 2015.

Bombardier parked all of the CSeries prototypes when a Pratt & Whitney engine failed during a May 29 ground trial. The extended idleness went beyond Bombardier's initial prediction that flights would begin again "in the coming weeks."

"I'm happy to hear that September is the new date but I'll be even happier when it actually does resume flying," Walter Spracklin, an analyst at RBC Capital Markets, said in an interview. "We'll have to see what the fix was, what the impediments were. The key is what the problem was, and why it took so long to fix."

Pratt & Whitney, a unit of **United Technologies Corp.**, and Bombardier "finalized a solution that Pratt has since incorporated into the engine's oil lubrication system," Rob Dewar, vice-president of the CSeries program, said in an emailed statement. Pratt "has now completed the first set of modified engines with full flight clearance approval from the relevant authorities," including Transport Canada, he said.

Getting the jet airborne is critical to Bombardier's effort to meet the latest deadline to get the CSeries into service after missing the original forecast for 2013. The company twice pushed back its timeline, ran late in starting test flights and has seen projected development costs balloon by about US$1-billion to US$4.4-billion.

With a seating capacity ranging from 108 to 160 people, the CSeries is trying to crack a duopoly in single-aisle models held by **Boeing Co.** and **Airbus Group NV**. The dominance of those plane makers means it will be that much harder for Bombardier to achieve a goal of US$8-billion in annual revenue from the plane by later this decade.

As of early June, Bombardier said it had completed 330 hours of test flights on the CS100 out of an expected total of 2,400 hours.

Bombardier will begin low-speed and high-speed taxiing on the second CSeries prototype as soon as engines have been restarted — a step that will occur "very shortly," Marc Duchesne, a spokesman for Bombardier, said in an interview. The plane has already left the hangar and is now on the tarmac at the company's Mirabel, Que. facility, he said.

The engine blowout occurred on the first CS100 prototype during a test in Mirabel, according to a report by Transport Canada. The crew responded to a loss of power by immediately shutting down the engine and saw smoke, sparking the intervention of Bombardier personnel and airport firefighters. There were no injuries.

FTV1, the CSeries prototype whose engine failed in May, is still being repaired and will probably be able to resume flying "later this fall," Mr. Duchesne said. Both the engine and one of the wings were damaged in the incident, he said.

Bloomberg News

LEGAL

BANNERS BROKER INTERNATIONAL LIMITED

("BANNERS BROKER")

TO ALL CREDITORS AND OTHER AFFECTED PARTIES

TAKE NOTICE that on August 22, 2014 the Ontario Superior Court of Justice (Commercial List) ordered, pursuant to section 272 of the Bankruptcy and Insolvency Act, that the proceeding of BANNERS BROKER in Liquidation brought before the High Court of Justice in the late of Mem. Civil Division under section 162(8) of the Companies Act, 1931 (the "Foreign Proceeding") be recognized as a foreign main proceeding and that ms Spergel inc., be appointed Receiver in respect of BANNERS BROKER in Canada.

Please communicate all interest in this matter with supporting documentation to the Receiver of BANNERS BROKER in Canada at:

ms Spergel inc.
505 Consumers Road, Suite 200
Toronto, ON M2J 4W8
Tel: (416) 498 4325
Fax: (416) 498 4235
Email: bannersbrokerinternational@spergel.ca
Attn: Phillip H. Gennis

The contact details for the legal counsel for the Joint Liquidators of BANNERS BROKER and the Receiver are as follows:

Cassels Brock & Blackwell LLP
Scotia Plaza, Suite 2100
40 King Street West
Toronto ON M5H 3C2
Tel: (416) 869 5600
Fax: (416) 360-8877
Email: dward@cassels.com
Attn: David Ward

SPERGEL

Tab 4

14-00000171-00MO

Court File No.

COURT OF ONTARIO
SUPERIOR COURT OF JUSTICE
(Toronto Region)

THE HONOURABLE M	)	Fri DAY, THE
	)	
JUSTICE	)	18 DAY OF
	)	
	)	July, 2014
	)	

IN THE MATTER OF an Application by the Attorney General of Ontario pursuant to section 462.33 of the *Criminal Code of Canada* for an Order restraining certain property

B E T W E E N:

HER MAJESTY THE QUEEN

Applicant

- and -

Christopher George SMITH and Rajiv DIXIT

Respondents
(*ex parte*)

EX PARTE RESTRAINT ORDER

UPON THE EX PARTE APPLICATION in writing made this day by the Attorney General for Ontario, through counsel, for an order pursuant to section 462.33 of the *Criminal Code;*

AND UPON READING the Application and the Affidavit of Katie Judd, peace officer, sworn July 17, 2014 which Affidavit accompanies the Application;

AND UPON the Attorney General for Ontario undertaking to pay any damages or costs that may be ordered by a court of competent jurisdiction in relation to the execution and making of this Order;

AND UPON BEING SATISFIED that there is no requirement of notice of this Application as giving notice may result in the disappearance, dissipation or reduction of value of the property sought to be restrained or otherwise affect the property so that all or part thereof could not be subject to an order of forfeiture under either subsection 462.37(1) or 462.38(2) of the *Criminal Code*;

AND UPON BEING SATISFIED that there are reasonable grounds to believe that certain property in respect of which an order of forfeiture may be made under subsection 462.37(1) or 462.38(2) of the *Criminal Code*, to wit:

Any and all rights and interests in the following financial accounts:

a) All money or credits held by Beanstream Internet Commerce Inc. ("Beanstream"), 2695 Douglas Street, Suite 302, Victoria, British Columbia V8T 4M3, in a merchant account for 7250037 Canada Inc. o/a Banner's Brokers Canada for registered account holder Rajiv Dixit, merchant ID 251440000;

b) All money or credits held by SolidTrust Pay, 47 William Street, P.O. Box 551, Bobcraygeon, Ontario K0M 1A0, in a merchant account for 2087360 Ontario Inc. o/a Bannersbroker for registered account holder Christopher Smith and a merchant account for Bannersmobile for registered account holder Chris Smith; and

c) All money or credits held by Mazarine Commerce Inc. o/a Payza.com ("Payza"), 100 – 8255 Mountain Sights, Montreal, Quebec H4P 2B5, in a merchant account for Banners Broker and a merchant account for Banners Mobile, both for registered account holder Chris Smith, user ID 3809788.

(hereinafter referred to as the "Property")

1. **THIS COURT ORDERS** that all persons are prohibited from disposing of, or otherwise dealing with, in any manner whatsoever, any interest in the Property, except as hereinafter provided.

2. **THIS COURT FURTHER ORDERS** that any named financial institution, officers, employees, servants and agents, as its interests appear, shall continue to hold the Property on deposit and shall continue to pay interest and other amounts to which the accounts would otherwise be entitled.

3. **THIS COURT FURTHER ORDERS** that any named financial institution shall continue to maintain the Property in accordance with its obligations. Interest shall be accumulated and paid into the Property in accordance with usual and ordinary practices of the Bank, with the accumulating account

balances to remain subject to the terms of this Order, **PROVIDED THAT** nothing in this Order shall prohibit any payments to the credit of the Property.

4. **THIS COURT FURTHER ORDERS** that any named financial institution shall not withdraw or allow any other person, including the Respondents, to withdraw any funds from any of the Property. However, its officers, employees, servants and agents of the institution may access the Property to withdraw reasonable fees associated with its management of the Property if those fees would normally be withdrawn in the ordinary course of business.

5. **THIS COURT FURTHER ORDERS** that any financial institution shall, upon written request by counsel for the Director of Asset Management – Criminal or his representative, provide said person with reasonable information regarding the status of the Property under its control, including, but not limited to, account balances, account statements and information on the source or destination of funds deposited to or withdrawn from the named accounts.

6. **THIS COURT FURTHER ORDERS** that a copy of this order be served upon the two respondents personally or by substituted service and that the persons in possession of the property may be service by mail in accordance with the *Criminal Proceedings Rules*:

a) Christopher Smith, 503 – 250 Jarvis Street, Toronto, Ontario;

b) Rajiv Dixit, 1036 Coyston Court, Oshawa, Ontario;

c) Beanstream Internet Commerce Inc. ("Beanstream"), Legal Department, 10380 Bren Road West, Minnetonka, MN 55343, United States;

d) SolidTrust Pay, 47 William Street, P.O. Box 551, Bobcaygeon, Ontario K0M 1A0 attention Denise Mahoney; and

e) Mazarine Commerce Inc., o/a Payza ("Payza"), 8255 av. Mountain Sights, Suite 100, Montreal, Quebec H4P 2B5, attention Patel Ferhan.

7. **THIS COURT FURTHER ORDERS** that service of any documents or notices of any application made in relation to this Order shall be served upon the Attorney General for Ontario at the Crown Law Office – Criminal, 720 Bay Street, 10th Floor, Toronto, Ontario, M7A 2S9.

8. **THIS COURT FURTHER ORDERS** that the Attorney General for Ontario or counsel instructed by her, on three clear days notice to the Respondents, may apply to a Judge of this Court for a variation, amendment to or addition of any term of this Order.

9. **FOR GREATER CERTAINTY** as provided by subsections 462.35(2) & (3) of the *Criminal Code*, this Order may continue in force for a period in excess of six

months from the date of this order if proceedings have already been instituted in respect of which the Property restrained may be forfeited.

Dated at Toronto, Ontario, this 18 day of July, 2014.

Judge
Superior Court of Justice

TAKE NOTICE

Section 462.33(11) of the Criminal Code provides as follows:

> *Any person on whom a restraint order made under subsection (3) is served in accordance with this section and who, while the order is in force, acts in contravention of or fails to comply with the order is guilty of an indictable offence or an offence punishable on summary conviction.*

Court File No.

COURT OF ONTARIO
SUPERIOR COURT OF JUSTICE
(Toronto Region)

IN THE MATTER OF an application by the Attorney General of Ontario pursuant to section 462.33 of the *Criminal Code of Canada* for an Order restraining certain property

B E T W E E N:

HER MAJESTY THE QUEEN

Applicant

-and-

Christopher George SMITH
and Rajiv DIXIT

Respondents
(*ex parte*)

***Ex Parte* RESTRAINT ORDER**

Brian McNeely
Counsel for the Applicant
Ministry of the Attorney General
Crown Law Office – Criminal
10th Floor, 720 Bay Street
Toronto, Ontario
M7A 2S9
Phone: (416) 326-4600
Fax: (416) 326-4656
Email: brian.mcneely@ontario.ca

Tab 5

Court File No.

COURT OF ONTARIO
SUPERIOR COURT OF JUSTICE
(Toronto Region)

THE HONOURABLE MR.	)	TUES DAY, THE
	)	
JUSTICE M. A. CODE	)	29TH DAY OF
	)	
	)	JULY, 2014
	)	

IN THE MATTER OF an Application by the Attorney General of Ontario pursuant to section 462.33 of the *Criminal Code of Canada* for an Order restraining certain property

B E T W E E N:

HER MAJESTY THE QUEEN

Applicant

- and -

Christopher George SMITH and Rajiv DIXIT

Respondents
(*ex parte*)

EX PARTE RESTRAINT ORDER

UPON THE EX PARTE APPLICATION in writing made this day by the Attorney General for Ontario, through counsel, for an order pursuant to section 462.33 of the *Criminal Code*;

AND UPON READING the Application and the Affidavit of Katie Judd, peace officer, sworn July 28, 2014 which Affidavit accompanies the Application;

AND UPON the Attorney General for Ontario undertaking to pay any damages or costs that may be ordered by a court of competent jurisdiction in relation to the execution and making of this Order;

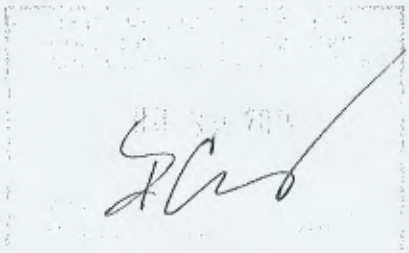
AND UPON BEING SATISFIED that there is no requirement of notice of this Application as giving notice may result in the disappearance, dissipation or reduction of value of the property sought to be restrained or otherwise affect the property so that all or part thereof could not be subject to an order of forfeiture under either subsection 462.37(1) or 462.38(2) of the *Criminal Code*;

AND UPON BEING SATISFIED that there are reasonable grounds to believe that certain property in respect of which an order of forfeiture may be made under subsection 462.37(1) or 462.38(2) of the *Criminal Code*, to wit:

Any and all rights and interests in the following financial accounts:

a) Any and all funds held by 6003061 Canada Inc. operating as UseMyServices, Inc. 1881 Steeles Avenue West, Suite 348, Toronto, Ontario to the credit of Monetize Group Inc. for registered account holder Christopher Smith, Merchant ID SMPDAA (User ID SMPDAA paybannersbroker@gmail.com).

(hereinafter referred to as the "Property")



1. **THIS COURT ORDERS** that all persons are prohibited from disposing of, or otherwise dealing with, in any manner whatsoever, any interest in the Property, except as hereinafter provided.

2. **THIS COURT FURTHER ORDERS** that any named financial institution, officers, employees, servants and agents, as its interests appear, shall continue to hold the Property on deposit and shall continue to pay interest and other amounts to which the Property would otherwise be entitled.

3. **THIS COURT FURTHER ORDERS** that any named financial institution shall continue to maintain the Property in accordance with its obligations. Interest shall be accumulated and paid on the Property in accordance with usual and ordinary practices of the institution, with the accumulating balances to remain subject to the terms of this Order, **PROVIDED THAT** nothing in this Order shall prohibit any payments to the credit of the Property.

4. **THIS COURT FURTHER ORDERS** that any named financial institution shall not withdraw or allow any other person, including the Respondents, to withdraw the Property. However, its officers, employees, servants and agents of the institution may access the Property to withdraw reasonable fees associated with its management of the Property if those fees would normally be withdrawn in the ordinary course of business.

5. **THIS COURT FURTHER ORDERS** that any financial institution shall, upon written request by counsel for the Director of Asset Management – Criminal or his representative, provide said person with reasonable information regarding the status of the Property under its control, including, but not limited to, account balances, account statements and information on the source or destination of funds deposited to or withdrawn from the Property.

6. **THIS COURT FURTHER ORDERS** that a copy of this order be served upon the two respondents personally or by substituted service and that the persons in possession of the property may be service by mail in accordance with the *Criminal Proceedings Rules*:

a) Christopher Smith, 503 – 250 Jarvis Street, Toronto, Ontario;

b) Rajiv Dixit, 1036 Coyston Court, Oshawa, Ontario; and

c) 6003061 Canada Inc. operating as UseMyServices, Inc. 1881 Steeles Avenue West, Suite 348, Toronto, Ontario.

7. **THIS COURT FURTHER ORDERS** that service of any documents or notices of any application made in relation to this Order shall be served upon the Attorney General for Ontario at the Crown Law Office – Criminal, 720 Bay Street, 10th Floor, Toronto, Ontario, M7A 2S9.

8. **THIS COURT FURTHER ORDERS** that the Attorney General for Ontario or counsel instructed by her, on three clear days notice to the Respondents, may apply to a Judge of this Court for a variation, amendment to or addition of any term of this Order.

9. **FOR GREATER CERTAINTY** as provided by subsections 462.35(2) & (3) of the *Criminal Code,* this Order may continue in force for a period in excess of six months from the date of this order if proceedings have already been instituted in respect of which the Property restrained may be forfeited.

Dated at Toronto, Ontario, this 29TH day of July, 2014.

M. A. Code J.

Judge
Superior Court of Justice

TAKE NOTICE

Section 462.33(11) of the Criminal Code provides as follows:

> *Any person on whom a restraint order made under subsection (3) is served in accordance with this section and who, while the order is in force, acts in contravention of or fails to comply with the order is guilty of an indictable offence or an offence punishable on summary conviction.*

Court File No.

COURT OF ONTARIO
SUPERIOR COURT OF JUSTICE
(Toronto Region)

IN THE MATTER OF an application by the Attorney General of Ontario pursuant to section 462.33 of the *Criminal Code of Canada* for an Order restraining certain property

B E T W E E N:

HER MAJESTY THE QUEEN

Applicant

-and-

Christopher George SMITH
and Rajiv DIXIT

Respondents
(*ex parte*)

Ex Parte **RESTRAINT ORDER**

Brian McNeely
Counsel for the Applicant
Ministry of the Attorney General
Crown Law Office – Criminal
10th Floor, 720 Bay Street
Toronto, Ontario
M7A 2S9
Phone: (416) 326-4600
Fax: (416) 326-4656
Email: brian.mcneely@ontario.ca

Tab 6

Police File Number: RCMP 2014-1863297
Registry file number:

CANADA
PROVINCE OF ONTARIO
CITY OF TORONTO

AFFIDAVIT IN SUPPORT OF AN APPLICATION FOR RESTRAINT ORDER

This is the information of:

Constable Katie Judd

a member of the Royal Canadian Mounted Police, Peace Officer, of the City of Toronto in the Province of Ontario, now called the "Informant", taken before me.

The Informant says there are reasonable grounds to believe, and does believe, that Christopher George Smith (Date of Birth: 1970-08-28), Rajiv Dixit (Date of Birth: 1970-09-23), and others known or unknown, using associated companies, have committed sometime between October 2010 to present day the following offences:

Pyramid Scheme, contrary to Section 206(1)(e) of the *Criminal Code;*

Fraud, contrary to Section 380(1) of the *Criminal Code*;

Possession of Property Obtained by Crime, contrary to Section 354(1) of the *Criminal Code*;

Laundering the Proceeds of Crime, contrary to Section 462.31 of the *Criminal Code*;

Making False or Misleading Representations, contrary to Section 52(1) of the *Competition Act*;

(the "Offences").

And that the following property or monetary funds (amounting to roughly $700,000 CAD) are believed to be proceeds of crime related to the Offences:

Money held by Beanstream Internet Commerce Inc. ("Beanstream"), 2659 Douglas Street, Suite 302, Victoria, British Columbia V8T4M3, in a merchant account for 7250037 Canada Inc. o/a Banner's Brokers Canada for registered account holder Rajiv Dixit, merchant ID 251440000;

Money held by SolidTrust Pay, 47 William Street, P.O. Box 551, Bobcaygeon, Ontario K0M1A0, in a merchant account for 2087360 Ontario Inc. o/a Bannersbroker for registered account holder Christopher Smith and a merchant account for Bannersmobile for registered account holder Chris Smith;

Money held by Mazarine Commerce Inc. o/a Payza.com ("Payza"), 100-8255 Mountain Sights, Montreal, Quebec H4P 2B5, in a merchant account for Banners Broker and a merchant account for Banners Mobile, both for registered account holder Chris Smith, user ID 3809788.

TABLE OF CONTENTS

INTRODUCTION

I, Constable Katie Judd of the City of Toronto, in the Province of Ontario, a member of the Royal Canadian Mounted Police ("RCMP"), make oath and say:

1. I am a peace officer and have been a member of the RCMP since April 22, 2003. My current duties are with the Toronto Strategic Partnership, which is a joint law enforcement operation formed in response to cross border fraudulent mass marketing schemes and based out of the Toronto Police Services Financial Crime Unit.

2. I am an investigator in this case and I either have personal knowledge of these matters or I have received information from others. I believe the information in this document to be true, unless I state otherwise.

3. I have used parentheses () in this information to abbreviate names or titles.

4. From time to time in this information, I will provide my interpretation of witness statements or documents or I will insert a commentary if I need to draw a conclusion to support my reasons for belief. These interpretations, commentaries and conclusions are either enclosed in sections which are identified as summary sections, or they will be enclosed in square brackets [ ] and italicized.

Definitions

5. The following references and abbreviations used in this information include the following:

5.1. The following are "associated corporations" to Christopher Smith and Rajiv Dixit which mean that one or both of those respondents had effective control of the corporations at the relevant times:

- Banners Broker International Limited (also known as Bannersbroker, Banners Broker, Bannersbroker Limited, Bannersmobile, Banners Mobile, Banners Broker Belize);
- 2087360 Ontario Incorporated o/a Local Management Services;
- 8264554 Canada Limited o/a Parrot Marketing Inc.;
- 2341620 Ontario Corporation;
- Monetize Group Incorporated;
- 7250037 Canada Limited o/a Stellar Point Inc. (previously Bannersbroker Limited and also known as 7250037 Canada Inc., Banners Broker Limited, Banners Broker Canada, Banner's Brokers Canada, Banners Broker International and Bannersbroker);
- 8163871 Canada Limited o/a Dixit Holdings Inc.

5.2. Unless otherwise stated, all places referred to in this information are

places within the Province of Ontario ("ON");

5.3. U.S. represents the United States of America;

5.4. All references within my information to currency or other monetary instruments are references to Canadian funds unless otherwise noted;

5.5. USD represents U.S. currency;

Overview

6. The main target of what is an ongoing police investigation in the Bannersbroker operation is Christopher George Smith ("Smith"). Bannersbroker is still up and running and no arrests have yet been made. In October of 2010, Smith set up a website called bannersbroker.com that promised visitors a doubling of their money if they would recruit others in a multi-level marketing scheme involving the sale of online advertising. It is the position of investigators that this business was a pyramid scheme that over time evolved into a straight Ponzi scheme in which new victims were recruited to stave off requests for withdrawals and complaints from older ones. As the scheme progressed, Smith recruited another principal wrongdoer named Rajiv Dixit ("Dixit") and set up a host of associated corporations to mask both their illegal activities and the flow of money. Throughout the scheme, Smith, Dixit and their associated corporations had investors pay their "investment" money to merchant account providers (i.e. legitimate corporations that process credit card payments). Those funds were then diverted by the suspects and their associated corporations to various offshore and other bank accounts controlled by them. Except for limited window dressing to promote the fraudulent scheme, there was no *bona fide* advertising publishing operation and the investors were being misled as to the source and nature of their "profits". Police have recently identified about $537,576 USD on deposit at a Vancouver merchant account provider, $21,739.00 USD and $9,230.00 USD [*on reserve*] on deposit with an Ontario merchant account provider, and $61,731.29 USD, 10,646.22 Euros, 16,632.55 Great British Pounds, $1,833.11 CAD,

$10,543.28 Australian Dollars and $586.15 New Zealand Dollars on deposit at another Ontario merchant account provider, standing to the credit of the suspects' various associated corporations. As there are grounds to believe that the money is proceeds of the crimes now under investigation, the Attorney General of Ontario brings this application to restrain the property.

The Investor's Perspective

7. Obtaining an overview of the police allegations requires an understanding of the typical investor's perspective on the representations being made on Bannersbroker's website generally, through its employees, in its customer service manual and in the investor's unique account statement that could be accessed by the investor through the Bannersbroker website.

8. A visitor to the Bannersbroker website (Ex. "A") during the relevant period would be told of a an operation that would allow the viewer to advertise their product or services online, themselves become an online publisher (in partnership with Bannersbroker) or, in a "unique" operation, both buy and sell advertising space in a way that would allow the profits from selling advertising space to third parties offset (and then some) the cost of buying advertising from Bannersbroker for the investor's own product or service.

9. Although Bannersbroker sold advertising to visitors to its website (claiming that was its "core" product) and also offered to pay for advertising on the visitor's own website, its main activity was to recruit investors to advance money to become "publishers" in partnership with Bannersbroker. More specifically, investors were assigned blank advertising space on "blind" websites supposedly controlled by Bannersbroker and were told they would reap a portion of the supposedly strong and steady revenue generated from those ad spaces. Because the advertising spaces (or "banners") were said to be so profitable, Bannersbroker placed a "revenue cap" on the banner which prevented an investor from more than doubling their original investment in that banner. Once such a doubling occurred, the investor lost all revenue rights to that banner and so had to buy a new banner.

As explained in one of Bannersbroker's customer support manuals (Ex. "B"), any additional revenue over the assigned revenue cap went to Bannersbroker "which allows us [*i.e. Bannersbroker*] to stay profitable" [*Note: In the manual there is a reference to a Prepaid MasterCard which Bannersbroker used for a period of time through Vector Card Services, however, MasterCard cancelled that option.*]

10. In standard online advertising practice, the owner or renter of a website space on which advertising is placed would typically be paid a fixed rate from the advertiser based on an audited number of "impressions" or page views the website generated. Bannersbroker's earnings model for investors incorporated this concept but was convoluted to a point where it lacked any real clarity. It was further obscured by the fact that third party advertisers and products, and the websites the banners supposedly appeared on were known only to Bannersbroker. The investors had to trust that Bannersbroker was generating strong and steady revenue from the publishing sites it was assigning to the investor. The Bannersbroker earnings model for investors had the following characteristics which, the police allege, are also the hallmarks of a pyramid scheme of the type prohibited by s.206(1)(e) of the *Criminal Code*.

- Although an investor could, in theory, become only an advertiser or publisher, the main investment vehicle promoted by Bannersbroker was the "Ad-Pub Combo" which made the investor both a seller of advertising (in partnership with Bannersbroker) and a direct purchaser of advertising from Bannersbroker. Moreover, what was earned by an investor as a publisher was, in part, a function of what the investor spent on advertising and so paid to Bannersbroker;

- The blank advertising spaces (i.e. the "banners") that investors purchased through Bannersbroker on the "blind" or anonymous websites were classed by Bannersbroker in a hierarchy of graduated and colour-coded "panels". The better the grade of banner, the more it cost investors to rent that panel and the higher the revenue the investor was allowed to earn

that panel and the higher the revenue the investor was allowed to earn through the banner the investor bought;

- Unlike in most online advertising ventures, the Bannersbroker investor did not just rent a fixed space on a website and then earn revenue from the audited internet traffic the hosting website generated. Instead, before a banner could start to earn money for an investor, Bannersbroker insisted the investor had to take steps to "qualify" the banner. This required a minimum number of "traffic hits" to be earned depending on the panel category the banner belonged to. Those "traffic hits" could be earned by the investor making referrals to Bannersbroker or by directly purchasing the "traffic hits", which was in essence paying for the banner to start generating revenue. The first banner a novice investor could typically purchase was through a package that consisted of "panels". The panels in these initial packages did not need to be "qualified" which allowed the investor to double their money. Thus, for every $10 in advertising the first-time investor bought from Bannersbroker, he soon found he had earned $20 through his rented banner as "a publisher" which was visually represented by a panel. The scheme required the investor to reinvest automatically half of their money to buy the same amount of panels that were in the package. Alternatively, they could reinvest all of it to get twice the amount of panels. For first time investors, this second group of panels also did not need to be "qualified" and so the novice investor would double their money again. After these two "complimentary" rounds of not being required to "qualify" the panels, the investor then needed to "qualify" any further panels purchased before they could start generating revenue from the banners or online ad space. Needless to say, with such a seemingly profitable scheme, many early investors saw the advantage of fully reinvesting their money, adding new money, upgrading to a more expensive panel of banners and referring other investors to the program;

- Once an investor took the plunge and began investing in Bannersbroker (beyond the first complimentary rounds), they would continue to have access to their own personal investment account by logging on to it through the Bannersbroker website. When they did so, they would be shown an account summary which conveyed a strong sense that their publishing investment was doing very well. A typical summary (Ex. "C") would show seemingly impressive "earnings", bonus sales credits the investor could use to buy more banners, and an e-wallet of "available to withdraw" dollars. An investor who wanted to increase his virtual earnings and credits (as shown in the summary) as a "publisher" could always do so by sending real money to Bannersbroker wearing his "advertiser" hat;

- As the investor got deeper into the publisher scheme, however, the qualifying got more difficult. Fortunately, Bannersbroker provided other means to qualify a banner which included recruiting on behalf of Bannersbroker through direct referrals, earning sales credits to qualify a panel through the continued panel purchases made by referrals or internet referrals,* buying "traffic packs" that supposedly sent internet traffic to the rented space for it to start earning revenue, or by using social media or word of mouth to talk up Bannersbroker websites. The investor could also hasten the banner reaching its "revenue cap" (by which point the investor had already doubled their investment) by purchasing a "traffic booster" which supposedly increased the speed at which the investor's rented space received online "impressions" or views. Once hooked, Bannersbroker's earnings structure thus encouraged investors to pay more in real money to Bannersbroker and recruit more investors or customers who, in turn, could be lured onto the same treadmill.

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* As many individual investors in the Ad-Pub Combo owned no businesses and had nothing to advertise, their advertising dollars supposedly went (and, in part, did go) to advertising the Bannersbroker site itself.

A Working Theory of Criminal Liability

11. It is the position of the police that the Bannersbroker operation was dishonest and that said dishonesty misled many investors causing them to part with funds that, had they known the truth about Bannersbroker, they would not have parted with. Although secondary or other forms of dishonesty may be advanced at a future prosecution, the core dishonesty that rendered Bannersbroker's pyramid scheme illegal and fraudulent had three aspects:

a) Contrary to Bannersbroker's explicit and implicit representations, investors did not acquire an interest in any real world advertising revenue. Except for token sites created as window dressing or to promote the scheme itself, Bannersbroker had no access to a strong and steadily profitable flow of third party advertising revenue. An investor's "earnings" were not determined by real internet users viewing real advertising on real websites. In fact, as recently admitted by a programmer hired by the respondent Smith, Bannersbroker's computer program did not even track traffic to the investor's supposed banners [*para. 14.60*];

b) Contrary to the representation contained in the investor's account statement, the "money available for withdrawal" could not be easily withdrawn by investors. Contrary to normal business practice, withdrawal requests were not automated or processed in the ordinary course of business. Instead, says another programmer hired by the respondent Smith, Smith always wanted to do the payouts himself and would not let that programmer automate the process [*paras. 16.31-16.32*]. A number of individuals, who later complained to the police, will say that they attempted to make withdrawals of funds supposedly "available to withdraw" but that their requests were delayed or ignored; and

c) Contrary to Bannersbroker's explicit and implicit representations, it was not a legitimate business venture but operated as a pyramid scheme in

which the real "advertising" dollars paid to Bannersbroker by a newer investor wearing his "advertiser" hat went to pay out – irregularly and after a fashion – the supposed earnings of older investors wearing their "publisher" hats: para 15.1.

It is the position of the police that a trier of fact could be satisfied beyond a reasonable doubt that the respondents, using the vehicle of the Bannersbroker website, were running a pyramid scheme, were making misleading statements contrary to s.52(1) of the *Competition Act* and were guilty of Fraud Over $5,000. It is the police's further position that, in the course of running their scheme, the respondents committed the further offences of possessing and laundering the proceeds of crime.

Employee Interviews

John Rock

12. I watched a video interview of John Rock ("Rock") taken by investigators with the Competition Bureau of Canada on April 3, 2013. I learned the following:

    12.1. Rock wrote a letter to the Commissioner of the Competition Bureau back in November [*2012*] about Bannersbroker [*associated corporation*];

    12.2. Rock had worked in the network marketing industry for approximately 35 years and he had made a point of studying the Competition Act for which he was a consultant;

    12.3. Companies would hire Rock to look at their business plan and advise if Rock felt that their company would be approved by the Competition Bureau [*to operate in Canada*];

    12.4. Rock was called by Dixit, who he had known for 6 years, to meet with people from Bannersbroker;

    12.5. Rock met with Dixit, Smith and Kuldip Josun ("Josun") to discuss their

marketing plan for Bannersbroker, however, Rock found it confusing as none of them could explain the marketing plan to him;

12.6. Josun's daughter, Tara Josun, finally explained the plan to Rock which was that Bannersbroker was selling advertising;

12.7. Rock asked for Bannersbroker's marketing plan in writing which he was provided and Rock signed a contract with Dixit for Bannersbroker around May 2012;

12.8. Rock's role as a consultant was to review the Bannersbroker plan and to apply to the Competition Bureau for a favorable Letter of Opinion and to register and get Bannersbroker licenced in Canada for provincial and direct sales;

12.9. Rock was also asked to write policy and procedures and to do drafts and templates of Cease and Desist for people that were breaking Bannersbroker rules;

12.10. Rock was told by Smith, Dixit and Josun that Smith and Josun were the owners of Banners Broker International [*associated* corporation] and Dixit was the owner of Bannersbroker Limited [*associated corporation*], later named Stellar Point Inc., which was the Canadian reseller;

12.11. Rock found out as time went on that Josun, though a co-founder of Bannersbroker, did not have ownership in any of the companies;

12.12. Banners Broker International was operated by Smith and was registered in the Isle of Man;

12.13. Smith was an IT developer and he looked after the payouts and the tracking;

12.14. Dixit ran the companies;

12.15. From what Rock understood, Bannersbroker had been operating six or seven months before Dixit was brought in as the marketing guy and Dixit had done an excellent job of becoming the top guy in the company;

12.16. Rock explained that Bannersbroker devised a system where people that they called "affiliates" would purchase different coloured panels worth different amounts of money and these panels would have advertising attached to them;

12.17. The colour of the panel determined how much an affiliate had to pay for it and how much the panel would return to the affiliate;

12.18. Bannersbroker had a "blind network" that supplied advertising but Rock did not know what the blind network was and he never saw the blind network;

12.19. Bannersbroker also developed the "choice network" which was their own advertising for Bannersbroker where they talked about being a brokerage that brokered advertising on the internet;

12.20. Bannersbroker said that they had advertisers but Rock never saw any of them;

12.21. The majority of any advertising that Rock saw was Bannersbroker affiliates promoting Bannersbroker;

12.22. Rock told Bannersbroker that they did not have a chance of getting approved by the Competition Bureau;

12.23. Rock did not feel that Bannersbroker had a real product, that Bannersbroker was forcing people to purchase a product as a condition of participation and forcing people to buy an unreasonable amount of product as a condition of participation;

12.24. Bannersbroker had accounts in Oshawa, an account in Cyprus, an account

in the Seychelles' Islands and an account in Belize;

12.25. Bannersbroker relied on Independent Contractors or Resellers in other countries to do the work and find out the rules in their countries;

12.26. One of the reasons Rock went to a Bannersbroker convention in Portugal was to talk to the Independent Contractors to make sure that they understood it was their responsibility to make sure they were legal in their countries;

12.27. On July 12 [*2012*], during the Portugal convention, Rock received an email from Dixit saying that he was terminated;

12.28. Dixit and Smith also fired Josun at the Bannersbroker convention in Portugal;

12.29. Josun was fired because he tried to introduce a joint venture with another network marketing company that had a Letter of Compliance in Canada and had real products and distributers;

12.30. When Dixit terminated Rock, Dixit hired Rock's best friend, Grant D'Eall ("D'Eall"), and there was now a rift in their relationship;

12.31. Rock's opinion was that no matter how Bannersbroker camouflaged it people were only getting paid for recruiting other people to put money in;

12.32. Dixit had told Rock at one point that Bannersbroker was doing $300,000.00 a day on average.

Kuldip Josun

13. I watched a video interview of Kuldip Josun taken by investigators with the Competition Bureau of Canada on April 9, 2013. I learned the following:

13.1. Josun had worked in marketing and sales for most of his life;

13.2. Three years ago Josun had met Smith through an online work from home program and he made an appointment to meet Smith because Smith was in Toronto;

13.3. Smith was launching a program called Silverline [*Josun could not remember the full name*] which was a multi-level marketing concept on travel programs and was a copycat program of TVI – Travel Ventures International where Josun had lost money;

13.4. When Josun met with Smith he asked Smith why people lost money in these programs and Smith said it was what the programs were designed for, they bring people in, make some money and then they shut down and people move on to the next one;

13.5. Josun told Smith that there were so many other programs that could be legalized to make money, like Facebook, which made millions on the internet by drawing traffic and making money on advertising;

13.6. Josun and Smith came up with a concept, Bannersbroker, which Smith said that he could design because Josun was a sales person and not an IT person;

13.7. Bannersbroker was to provide members the purchasing of advertising through banners on the internet;

13.8. It was in October 2010 when they launched;

13.9. Josun and Smith never had any documentation that they were partners, owners or employees as it was just based on good faith;

13.10. The bank account was set up at the TD Bank and was called Local Management Group [*associated corporation – actual name is Local Management Services*];

13.11. Smith had full control of that bank account;

13.12. Bannersbroker never really had its own bank account as it was in name only and was run by Local Management Services in Canada;

13.13. The TD Bank account was shut down because people were walking in and putting cash into the account;

13.14. Smith had no access to any other accounts at that time so he used his cousin Peter's account in the U.S. under the company name GQ [*this is actually G Cube Media LLC which is owned by Peter Williams in Florida*] to take in money for Bannersbroker;

13.15. Josun gave Smith a copy of his passport, a copy of his driver's licence, a copy of a bill and a digital signature to be created a partner in one of the bank accounts and Josun did receive something from Cyprus but the balance was zero and another one from Seychelles or Switzerland but he had no access;

13.16. Smith created the Bannersbroker program on what knowledge and programming experience he had and then two programmers, Matt and Harris, were hired to assist;

13.17. The programmers said that the old system would not sustain the growth of the company and that they needed to create a new program;

13.18. Matt and Harris created the programming language and Smith was lost so the programmers controlled Smith;

13.19. Smith hired Dixit eight months after the business was up and running and Dixit was a broker in Canada and the company he opened up was Banners Broker Canada [*associated corporation*];

13.20. Dixit said that he would be the Independent Contractor for Canada and that he wanted full control of the bank accounts, the funds, the salaries and hiring people for customer support which Smith agreed to;

13.21. Dixit tried to put everyone on salaries but some of the employees refused because they said they did not work for Banners Broker Canada, they worked for Banners Broker International where Smith was in charge;

13.22. During that period Dixit used a lot of the funds for his own personal use;

13.23. When Dixit was hired he was broke and then he was in control of millions of dollars;

13.24. Methods of payment for Bannersbroker were SolidTrust Pay, Beebstream, Aroma and Erectacards [*These payment processors are Beanstream, Aramor and Vector Cards, however, at the time I reviewed the video statement I documented the names as shown*].

13.25. Josun told Smith and Dixit to hire a compliance officer;

13.26. Dixit knew Rock and he was hired;

13.27. Rock started asking a lot of questions about how the company worked, where was the revenue coming from, was there book keeping, how much revenue was earned so that people were paid twice the money;

13.28. Rock opened up Josun's eyes because Josun could never see beyond what he was told because he did not have access to the money and all the members were happy because they were getting paid;

13.29. There were people who bought a $500.00 package and they had $100,000.00 in the back office but they were not withdrawing the money because they were happy to just look at the virtual money;

13.30. It was all virtual money;

13.31. When people saw the panels move there was just an engine running based on a time frame so when it was complete it showed the account at a certain level and then to re-qualify the panels to start the process again a person

had to either bring in more people or purchase more advertising;

13.32. It was Smith's theory that no one was going to withdraw money fast enough because it was human nature to make more money;

13.33. Josun started fighting with Smith and Dixit to start listening to Rock and to make the company 100% legit;

13.34. When they went to Portugal for the Bannersbroker convention, Josun told Smith and Dixit that if it was not fixed by the time they got there then he was going to announce to the public that they were not 100% compliant but that they would work towards it because Rock was on the payroll for that;

13.35. Josun and Rock were fired because Smith and Dixit were scared that Josun was going to talk to the public;

13.36. Josun believed he was set up by Smith and Dixit to look as though he stole money from the company;

13.37. About a month before Portugal, Dixit told Josun that they owed him some money and asked what they could get him;

13.38. Josun told Dixit that his daughter, Tara Josun, needed her own car as they were sharing one;

13.39. Dixit bought Tara Josun a $70,000.00 Audi;

13.40. Josun asked Dixit where the money was coming from and Dixit said not to worry because Josun deserved some payback;

13.41. Before they went to Portugal, Rock was doing some work for a company called NWA which was a health product company that had a Compliance Letter and Josun wanted to be his partner but did not have the money;

13.42. Dixit told Josun that the company would give him the money and Dixit

wrote Rock a $40,000.00 cheque on Josun's behalf;

13.43. Then when Josun went to Portugal, Smith said Josun had bought a car without approval so he stole the money and Smith had to let him go;

13.44. The $40,000.00, the $70,000.00, travel expenses and Josun's six month salary were all put on a [*2012*] T4 that he received from Stellar Point Inc.;

13.45. Josun felt humiliated and used when he was fired;

Ian Harris Snyder

14. On March 19, 2014, I obtained a video witness statement from Ian Harris Snyder ("Snyder") who was a programmer hired by Smith. I learned the following:

14.1. Snyder was a student at the University of Toronto;

14.2. Snyder was 23 years old and was hoping to graduate school and get a PHD;

14.3. Snyder had no work experience before Bannersbroker other than working on a farm during the summers;

14.4. Bannersbroker was Snyder's first real job and it allowed him to pay for his education;

14.5. Snyder had just finished first year university and he was looking for a summer job [*in 2010*] when he was introduced to Smith through his friend Alexander who had done some graphic work for Smith;

14.6. Snyder met with Smith over Skype and then over the telephone before he met Smith and Josun at a Starbucks located at Yonge and Eglington;

14.7. Smith asked Snyder a lot of questions about what he could do code wise and Snyder told Smith that he could do a lot as he had done quite a bit of programming;

14.8. Snyder was contacted a couple of days later and told that they had a project they wanted him to work on and Smith hired Snyder on contract to a company that Smith held privately, Parrot Marketing [*associated corporation*];

14.9. The project that Snyder first worked on was 150Fast which was a copy of another multi-level marketing program;

14.10. As Snyder understood the program it was a way for people to make a $150.00 quickly by buying a membership and what they were paying for was the membership and a set of marketing tools such as email addresses to contact other people and to try to resell that marketing product to more people to get a commission;

14.11. Bannersbroker came after that and when it first started it was not trying to be an ad service, it was a straight up multi-level marketing program where someone came in and their job was to recruit more people;

14.12. Smith explained multi-level marketing to Snyder and the way that Snyder understood multi-level marketing was that someone paid money for the right and ability to make money from recruiting other people;

14.13. The justification that was given to Snyder to make that okay was that Bannersbroker was selling people a product that would help them succeed in starting up as a marketer;

14.14. Smith gave Snyder some design documents and Snyder started programming the website for him using an old code called visual basics script;

14.15. On the first version of Bannersbroker, Smith did a lot of the back office work in terms of the visual layout and then Smith hired people that were more graphically inclined;

14.16. Over time, Snyder ended up replacing the program piece by piece and then

re-writing the Bannersbroker program;

14.17. Bannerbroker started getting pretty popular and Smith talked about hiring other people and establishing a formal corporation because at the time it was all done under the name Parrot Marketing [*associated corporation*];

14.18. It was in late 2011 when Bannersbroker made the switch to try and be an advertising network because before that there was no ad traffic and people could not be advertisers or publishers;

14.19. The product for Bannersbroker was advertising panels and the theory was that a person was buying ad space on a website and rather than advertising in that space themselves they were letting someone else advertise in that space for a small commission;

14.20. Bannersbroker's goal was to offer both the advertising and publisher services to their people;

14.21. The side of it that Snyder did not think added up was the publisher's side of it because Bannersbroker was offering publisher services to people who did not have a website and generally a publisher had a website to make money from advertisements;

14.22. Bannersbroker did not sell the ad space themselves but used a network partner called Yesup E-Commerce Solutions Inc. whose product, Clicksor, had an already established advertising network with publishers and advertisers for reselling the ads;

14.23. Clicksor was what Bannersbroker called their "blind network";

14.24. The theory was that the money that was coming in from those advertisements [*from Clicksor*] would be paid out to affiliates, however, the two databases were never connected;

14.25. Bannersbroker hired people as a temporary measure to take the

information from people's ad campaigns on Bannersbroker and move the information over and create the ad campaigns on Clicksor;

14.26. That started to become a huge task and that was when the idea came up for Bannersbroker to have its own publisher sites;

14.27. Smith hired people to make those publishing sites and Snyder was involved in writing a program that was to monitor the traffic on those websites, however, it was around the time Snyder was going to quit so he was not careful when he wrote the program and it had a few bugs in it;

14.28. Snyder left Bannersbroker around July 2012, so prior to that all of the money [*to be paid out to affiliates*] was supposed to be coming from Clicksor [*Snyder later corrected this statement and confirmed that the money came from new recruits*];

14.29. Josun was sent all around the world as the face of Bannersbroker and Snyder thought that was how the company got a lot of trust;

14.30. Josun spread a lot of misinformation about Bannersbroker and said things that he may have believed but that were not yet true about Bannersbroker like the fact that Bannersbroker owned publisher sites;

14.31. Josun did not understand how realistic a given technical challenge would be so he would have unrealistic expectations and would promise unrealistic things to the people that he was marketing to;

14.32. It did not last very long and Josun was kicked out of Bannersbroker in the summer when Snyder quit;

14.33. Snyder thought that was part of the reason that Smith started making publisher sites and these websites were called the "choice network";

14.34. Snyder only saw a couple of the websites but they were not very good;

14.35. One of Snyder's friends, Matthew Lynn ("Lynn"), started working with them because Snyder could not get everything done on his own;

14.36. Smith had an acquaintance, Rajiv Dixit, who he had set up the corporate side of Bannersbroker because that was not Smith's specialty;

14.37. Dixit's name showed up on Snyder's pay cheques under the name Banners Broker Canada Limited [*associated corporation*];

14.38. Banners Broker Canada Limited was supposed to be a support company and Bannersbroker sold services to them but it was the same guys running the thing;

14.39. When Smith brought Dixit on, that was when Snyder started hearing things about offshore bank accounts;

14.40. Smith was in control of Bannersbroker but in practice Dixit and Josun bled into it;

14.41. Snyder thought that Smith and Dixit probably made most of their decisions by phone and they were the decision makers on the business and financial sides;

14.42. Snyder had a confrontation with Dixit where Snyder told him that at the end of the day Snyder wrote the program and that if he went home for a few months they were screwed;

14.43. Snyder said he was not serious about doing that but he wanted more information about what was going on and after that he was brought into meetings but nothing was ever decided at the meetings;

14.44. Snyder heard from Smith, Dixit and Josun that Bannersbroker was set up in Belize;

14.45. Snyder was told that there were companies in Belize that offered the

service of owning companies so if someone did not want the legal responsibility or liability of owning a company then they could pay a Belizean guy to own it;

14.46. Smith repeatedly said he did not own Bannersbroker and Snyder believed that because Banners Broker International was probably legally owned by some person in Belize who had their name on a piece of paper but they had nothing to do with the company;

14.47. Smith, Dixit and Josun called the shots for Bannersbroker;

14.48. Monetize Group Inc. [*associated corporation*] was a name that Smith or Dixit came up with for a company that owned Banners Broker International [*associated corporation*];

14.49. Smith's plan was to use some of the money made from Bannersbroker to start up other companies under the Monetize Group Inc.;

14.50. Snyder was hoping to get his own company and the Monetize Group was going to be the parent company;

14.51. Bannersbroker had local bank accounts in Toronto but they were supposedly just for Banners Broker Canada [*associated corporation*] and that money was from Canadian affiliates and used to pay employees;

14.52. There was a bank account in Switzerland and a bank account in Belize;

14.53. Snyder worked on the Bannersbroker database related to how that information was stored and they had a piece of code that they called "the engine" that ran behind the scenes and went through the whole database;

14.54. The database consisted of a bunch of tables, with headers and rows, so when someone bought something it went into a transaction record;

14.55. That record was separate from the database table for the amount of money

for distribution which had to be manually adjusted;

14.56. Snyder, Smith, or one of the other programmers had to enter the amount of money that Bannersbroker had for distribution and that number would come from Smith;

14.57. There were six panel colours; yellow, purple, blue, green, red and black;

14.58. Snyder's program moved the panels;

14.59. It worked like a group buy so if a number of people had purchased a certain amount of ad space and the company made a certain amount of money then it was redistributed to that number of people;

14.60. There was nothing in Snyder's program [*the Bannersbroker program referred to as "the engine" and that moved the panels that visually represented the advertisements where the revenue was generated*] that kept track of traffic related to the advertisements;

14.61. The program basically took the amount provided by Smith to distribute and it automatically looked at who was first and how high their panels were and then gave out the money for distribution;

14.62. The program operated from the database it was provided so it would do calculations and give Smith instructions on who to pay and the amount;

14.63. The actual money someone might get paid was not in the database;

14.64. There may have been a flag in the program for marking it as paid but that just meant that someone went into the program and marked it as paid;

14.65. Snyder remembered Smith sitting and doing payouts and it was a multi hour process to make sure everyone got them;

14.66. When Snyder questioned Smith about why people were calling support because they were not getting paid Smith would blame it on the payment

processors;

14.67. Snyder thought that a lot of the delays in payments were genuinely due to other people's mistakes because it was multi-level marketing and not the kind of thing that everyone wanted to get involved with;

14.68. Snyder noticed that when the table with the purchases in Bannersbroker increased, that was when the pool of money for distribution was being increased;

14.69. Snyder started to realize that the rate of growth of people paying into Bannersbroker was not at all equal to the increase of traffic they were having from Clicksor;

14.70. It was almost like a Ponzi scheme because Bannersbroker had a huge influx of purchases and all of a sudden they were putting out a lot of money for distribution but Snyder was pretty sure the information from Clicksor had not changed;.

14.71. Snyder and Smith would have a lot of arguments about that because Snyder thought multi-level marketing was okay but that Ponzi schemes were not;

14.72. What Snyder thought of a Ponzi scheme was people investing money and then using the invested money to pay off old investors;

14.73. Snyder thought that Bannersbroker was technically not a Ponzi scheme but it was in some grey area;

14.74. The database of people's payments to Bannersbroker grew slow and steady in 2011 and then in 2012 it increased rapidly;

14.75. Their whole banking situation sounded so complicated because Snyder remembered that they started with TD Bank and then that account got closed by the bank because they were getting wires from different

countries and that looked suspicious;

14.76. Snyder heard about different accounts, offshore accounts, and wires but Smith never gave him access to any of the actual numbers;

14.77. Back in the beginning of 2012, Snyder could see a couple million a month coming in that was pure revenue, purchases being made;

14.78. Smith would tell Snyder to give someone 30 panels because they had sent a wire transfer but that purchase was not logged into the database so Snyder could not keep track of those payments;

14.79. At one point around March 2012, Snyder calculated that there was $27 million worth of panels or a $27 million discrepancy between the transaction records Bannersbroker had from people signing onto the website and purchasing panels and the amount of panels they had given to people;

14.80. That money was all supposed to be coming from wire transfers but Snyder never saw the accounts;

14.81. Bannersbroker used Alertpay which changed to Payza, it was a Montreal company, and then they used another payment processor called Allied Wallet [*this payment processor is located in the U.S.*]

14.82. Snyder wrote little integration scripts for Allied Wallet so that when people would sign onto the Bannersbroker website and click on the Allied Wallet link they would get taken over to the Allied Wallet site where they could make their payment;

14.83. Allied Wallet's computer would then send a message to their computer saying that the person had paid money and that would put a record in the Bannersbroker database which would then give that person the product, or panels, in the Bannersbroker database;

14.84. For the actual financial transactions, Smith had to sign on to whatever payment processor he was using and then actually move money between real accounts;

14.85. Snyder left on amicable terms and he still talked to Smith occasionally;

15. On July 14, 2014, I spoke to Snyder on the telephone. I learned the following:

15.1. Snyder clarified that Bannersbroker had tried to work towards using Clicksor as a way to cover their expenses but it was not where the Bannersbroker revenue was generated from, it was generated from new recruits.

Matthew Lynn

16. On March 20, 2014, I obtained a video witness statement from Matthew Lynn, a programmer hired by Smith. I learned the following:

16.1. Lynn was 22 years old;

16.2. Snyder introduced Lynn to Smith and Lynn was hired by Smith in February or March of 2011;

16.3. Lynn started part time as a programmer and the first thing he worked on was integration with Clicksor which was an advertising partner;

16.4. There were just four people at that time which was Lynn, Snyder, Smith and Josun;

16.5. In September Smith started bringing on more people and that was when Dixit came on;

16.6. Lynn was a PHP programmer and he did back end code for the Bannersbroker website;

16.7. In January 2012, Bannersbroker launched with version 2 because the

version 1 code was getting clunky so they re-wrote it;

16.8. Bannersbroker hired on a lot more people including a few more programmers and a few more designers and Dixit moved to a Whitby operation where support staff were hired;

16.9. Lynn's roll moved into managing the programmer team;

16.10. Lynn and Snyder always had a lot of friction with Smith so Snyder quit in the summer of 2012 to continue with university but for Lynn it was a full time job so he stayed on until he left Bannersbroker around March 2013.

16.11. Lynn signed a contract with Smith under the company Local Management Services [*associated corporation*];

16.12. Originally Bannersbroker started as multi-level marketing where people had to sign up and get ad impressions but Lynn did not think it mattered if they used the ad impressions;

16.13. Lynn believed Bannersbroker had ad impressions but they were just on one webpage that Bannersbroker set up and was not something that was publicly accessible;

16.14. A person would get sales credits for inviting someone to the program and that would qualify their panels [*activate the movement of the panel to double*] and then after a period of time a person could get the money out;

16.15. Bannersbroker wanted to integrate Clicksor as a more professional option to give the members the advertising and banner display;

16.16. Clicksor was very much a company like what Bannersbroker was where Bannersbroker just took Clicksor's functionality and integrated it into their site for a fee paid to Clicksor;

16.17. It was called white-labeling and white-labeling was branding Clicksor's

product as Bannersbroker's product but really just running it on Clicksor's network for a monthly fixed fee;

16.18. Bannersbroker made money because people signed up for advertising and paid Bannersbroker more than what Bannersbroker had to pay to Clicksor for that advertising;

16.19. Snyder wrote a program called "the engine" and what it did was distribute the money from the publisher sites to the people who bought the panels;

16.20. Smith would put in a certain amount of money to payout which was presumably from the publisher income and that would be distributed to the people from the program depending on their panel purchases and the times stamped;

16.21. The engine was based on time stamps so whoever was waiting the longest got paid first and then it would go down the list;

16.22. The Bannersbroker program did not gather any information on incoming money except for the payments for the advertisements when people bought packages [*for the Ad-Pub Combo*];

16.23. The Bannersbroker program did not use the information received from Clicksor related to the clicks and views stats to calculate anything;

16.24. Lynn's role after Clicksor was moving over to Bannersbroker version 2 which was re-writing the whole code in PHP which was a more modern programming language;

16.25. It did not change how anything worked;

16.26. There were a lot of problems working with Clicksor and they moved to a different company that Lynn thought was called Open X;

16.27. Bannersbroker used Payza and later on they used a credit card with

Beanstream;

16.28. Lynn did think that Bannersbroker had a product, the advertising impressions, but he did not think it was a very good product;

16.29. Dixit tried to mandate the use of the impressions in 2012 so that people would not make any money if they did not use their advertising impressions from their campaign [*this is the advertising side of the Ad-Pub Combo which supports that people who signed up did not care to advertise they simply wanted to make money on the publishing side*];

16.30. Lynn did feel that Bannersbroker was doing something illegal, like maybe a pyramid scheme, but without the bank information he could not prove anything;

16.31. Smith always wanted to do the financial stuff himself and when it came to doing payouts Smith would print off a long excel sheet and then he would do something with it and then Smith would upload who had been paid back into the database;

16.32. Lynn offered a few times to automate that for Smith because it took Smith a lot of time but Smith liked to manually check over things;

16.33. The company structure changed a lot but there was Banners Broker International [*associated corporation*] which was in the Isle of Man and that was owned by Monetize Group [*associated corporation*] which was in Belize;

16.34. There was a numbered company which became Banners Broker Canada and then became Stellar Point [*associated corporation*];

16.35. Stellar Point had a contract with Banners Broker International to supply support services and Lynn believed everyone working for Bannersbroker got paid by Stellar Point or by a card supplied by Vector Cards;

16.36. There was Parrot Marketing [*associated corporation*] which was run by Smith and that company handled the choice network, the people who were hired to make websites;

16.37. The choice network came along in mid to late 2012 so Bannersbroker would have their own websites for banner ads and the blind network was through Clicksor;

16.38. Smith ran Bannersbroker but Lynn did not think Smith's name would be on any of the papers for the different companies;

16.39. Lynn believed Stellar Point had a Canadian bank account;

16.40. Lynn believed there was a bank account in Belize and he also heard the Cayman Isles but he was not sure;

16.41. Lynn also heard that Josun had a bank account in Switzerland;

16.42. Dixit had been the C.O.O. of Bannersbroker but then he resigned to work at Stellar Point but Lynn did not think that it changed anything;

16.43. Smith had the final say but if Dixit told them to do something, unless Smith told them otherwise, they did what Dixit told them to do;

16.44. Lynn started with Bannersbroker at $14.00 an hour and in the end was paid $120,000.00 a year.

Terence Stern

17. I monitored an interview of Terence Stern ("Stern") taken by Det. Spratt with the Toronto Police Service on June 10, 2014. I learned the following:

17.1. Stern was originally hired as a consultant to write Bannersbroker compliance documents;

17.2. Stern was then offered a job as a marketing director with Stellar Point

[*associated corporation*] which he took but two weeks later he was thrown into an International Public Relations role for Bannersbroker;

17.3. Bannersbroker was plagued with payment issues throughout the whole thing;

17.4. People were not getting paid and the company's position was that people were not following instructions or were in violation of their conditions;

17.5. At one point, Stern was standing in the office with David Hooker ("Hooker") while Hooker was on a phone call with Smith and Stern heard Hooker ask why they were not paying people and Smith's response was that he did not have enough money;

17.6. Stern resigned from Stellar Point on July 13, 2013;

17.7. While Stern was working with Bannersbroker he responded to questions about Bannersbroker asked by a man from a website called Finch Sells;

17.8. Stern provided Det. Spratt a printout copy of the questions and answers that were put on finchsells.com and advised Det. Spratt that the answers he wrote in the document came directly from Dixit;

17.9. Dixit gave Stern the answers to the Finch Sells questions and Stern wrote them down.

18. I read the finchsells.com questions and answers that were provided by Stern and dated January 29, 2013. I learned the following:

18.1. Finch wrote, "Banners Broker regularly claims that money paid out to its affiliates is not derived from advertisers signing up on Bannersbroker.com, but rather it comes from advertisers being recruited externally on The Blind Network. Can you explain what the company means by this?";

18.2. Stern responded, "It's very simple really. The Blind Networks [*this is how Bannersbroker refers to Clicksor*] offer low pricing to direct marketers in exchange for those marketers relinquishing control over where their ads will run. Blind Networks achieve their low pricing through large bulk buys of typically remnant inventory combined with campaign optimization and ad targeting technology. "Blind" networks do not allow advertisers to know which site their message will appear on. Most general ad networks offer some transparency related to which sites are a part of a network, or allow for editorial guardians to prevent an ad from appearing on a certain type of site. Where Banners Broker International comes in, is that they purchase ad space that these ads will appear on in bulk, and the Blind Networks service those spaces through providing ads with the advertisers paying the network for doing so. There are a substantial number of websites that allow for advertising to be placed on them, and those sites are paid based on the number of impressions they boast. Since each site that's a part of the network is required by the network to have a specific traffic flow-through, the networks are able to sell those impressions and space to resellers. BBI comes in at this point. BBI purchases the ad space on the websites that are looking for ads through the Ad Network, then the ad network services those spaces with ads. BBI generates an income through the difference between what the Ad Network charges the advertiser, and what it costs to pay the publishers. When an affiliate purchases a package from BBI, they are purchasing a pre-packaged amount of ad space, with different propagation time-frames. As the panels run, they symbolize an ad space on a website in the network, and the traffic that's viewing that ad space [*Snyder said that the Bannersbroker program did not track this traffic*]. The rate the affiliate pays is more than BBI pays for the ad space, and the amount BBI pays the affiliate is less than it earns for the network [*Bannersbroker did <u>not</u> earn any revenue from Clicksor which it refers to as the blind network as seen in production order results*]. This is how BBI generates the bulk of its revenue. Some

have said that they don't see their panels moving regularly, this is because the panels don't move in real-time, and were never advertised to do so.";

18.3. Finch wrote, "You say you purchase ad space in bulk. Well, that makes Bannersbroker an advertiser (regardless of whether it resells the space). You are purchasing ad space on a publisher's site. Advertiser. You are in direct competition with other large advertisers who want to purchase that same ad space, and are also willing to buy in bulk. The only difference is that they don't have to pay any affiliates, which gives them a competitive advantage and allows them to price you out of the market. Your mark-up is unrealistic and impossible to sustain. It is an inevitability of using a model like this: advertiser – broker – broker – network – publisher. Instead of the tried and tested streamlined model: advertiser – network – publisher. So I ask again, how is this a sustainable business model?";

18.4. Finch wrote, "No further comment from Terry";

18.5. Finch wrote, "Can you detail the nature of the past relationship between Banners Broker and Clicksor? Is it not correct that until recently, the company used the Clicksor Reseller Network to serve ads?";

18.6. Stern responded, "This is actually correct. You must keep in mind that the arrangement BBI has with the Ad Networks it does business with is not a typical 'reseller' relationship. Clicksor in itself is a small piece of the whole, but still capable of meeting the demands of BBI. With the addition of another ad Network, we're now capable of meeting the growing demands and offer new products, and it's only a matter of time now before other Ad Networks come aboard." [*This suggests that Clicksor was the only ad Network used by Bannersbroker prior to these answers – January 29, 2013. Lynn identified Open X as the second (para 16.26). Open X is located in the U.S. and we have not obtained records from them.*];

18.7. Finch wrote, "The Clicksor Reseller Network specifically states that it will

only grant the third party access to its publishers, not its advertisers. So, if Banners Broker used this network, can you explain how the model works without having to recruit advertisers through Bannersbroker.com?";

18.8. Stern responded, "As I previously mentioned, we have an a-typical relationship with Clicksor due to the nature of the initial proposal we made to them. Unfortunately, I am unable to give additional details regarding that relationship as its proprietary information regarding our business model [*production order results provided by Clicksor show a standard business agreement and no funds were paid from Clicksor to Bannersbroker*].

The Limited Advertising at Clicksor

19. I read an email sent to me on July 11, 2014, from YesUp eCommerce Solutions Inc. [*Clicksor*] employee Babar Jhumra in response to my request for the amounts paid to and from Bannersbroker from his company [*identified as Bannersbroker's "blind network" by Snyder and Lynn*]. YesUp eCommerce Solutions Inc. was served with a Production Order authorized by a Justice of the Peace on June 17, 2014, for their records relating to Bannersbroker. I learned the following:

19.1. The total amount of money Bannersbroker paid YesUp eCommerce Solutions Inc. was $197,826.05;

19.2. YesUp eCommerce Solutions Inc did not pay any money to Bannersbroker [*this company is the "blind network" where Bannersbroker's third party revenue was supposedly coming from*].

20. I read an Ad Serving System Agreement provided by YesUp eCommerce Solutions Inc. for Bannersbroker. I learned the following:

20.1. The company name was documented as 2087360 Ontario Incorporated [*associated company*] dba Banners Broker;

20.2. The address for Bannersbroker was 110 Cumberland Street, Suite 201,

Toronto, ON, M5R 3V5 [*this is also the address provided for the associated corporation registered in Belize, Monetize Group Inc., on wire payments received to the Bannersbroker SolidTrust Pay account. para 40.2-40.3*];

20.3. The agreement was digitally signed by Chris Smith on February 23, 2011;

The Bannersbroker Website

21. Using the website "Internet Archive Wayback Machine" at http://archive.org/web I viewed the front page of the website bannersbroker.com captured by this website on different dates. I learned the following:

21.1. The first snapshot of the website bannersbroker.com was taken on October 24, 2010, at 19:26:55 hours;

21.2. The front page of the Bannersbroker website said, "Bannersbroker A new way to double your money" and "Pre-Launch begins Monday October 25, 2010 Opt-in today and get your team ready!";

21.3. There was a Caucasian man dressed in business attire with two big buttons that said "buy" and "sell";

21.4. At the bottom of the web page it said, "Free Opt-in" and "This is a private Marketplace and you must be invited to participate. Please contact the person who sent you to this site for their specific invitation link";

21.5. A snapshot of the Bannersbroker website taken on January 10, 2011, at 17:52:27 hours, showed the same front page of the website with the following information, "We have fully Launched the Doubler! Many have already doubled Opt-in TODAY and receive 200 FREE Text Ad Impressions! Promote any program you wish, and we blast out your affiliate link."

21.6. A snapshot of the Bannersbroker website taken on January 29, 2011, at

06:12:55 hours, showed a change in the layout of the front page of the Bannersbroker website;

21.7. The Bannersbroker website said, "Banners Broker is a new concept to advertise your banners ads, increase your branding and sales, and earn money by selling advertising inventory. How are we different than other banner impression offerings? We do the selling on your behalf! You will be paid on your impressions, and will be able to choose how best to monetize all of your remaining impressions. Register today and receive 200 FREE Banner Impressions. Promote any business you wish, and we blast out your banners";

21.8. The Bannersbroker website had a button at the top that said, "Banner Impressions Sold to Date: 64,131,000";

21.9. The webpage still said, "This is a private Marketplace and you must be invited to participate. Please contact the person who sent you to this site for their specific invitation link";

21.10. A snapshot of the Bannersbroker website taken on December 22, 2011, at 12:59:52 hours, showed the same front webpage as before except the banner impressions sold to date changed to 5,804,103,000 and there were now 1000 Free Banner Impressions when someone registered;

21.11. A snapshot of the Bannersbroker website taken on December 20, 2012, at 20:33:39 hours, showed an entirely different front webpage with three columns for "Advertiser", "Ad-Pub Combo" and "Publisher";

21.12. The Ad-Pub Combo column said, "Six ways to earn more through both services. Ad-Pub Combo Packages are uniquely designed for online marketers interested in displaying content and earning revenue simultaneously. With six different packages to choose from, your ads get up and running quickly – along with your revenue."

21.13. A snapshot of the Bannersbroker website taken on March 11, 2014, showed a change to the front webpage;

21.14. The website said that Banners Broker v3 was launching in 7 days and that, "Banners Broker v3 represents an investment on the part of Banners Broker to create a website that is stable, easy to use and a great way to make money online. Right now information is being transferred from the old system to the new and improved platform";

21.15. At the bottom of the webpage it said, "Banners Mobile. The Opt-In period will be end on March 18th. This will be your last chance to purchase your Banners Mobile Orange package and retain your Banners Broker team. If you decide not to Opt-In, you will lose any of your referrals that have already chosen to Opt-In. If you Opt-In now, you will also have a chance to win a new iPad or one of five new SmartPhones. There are also prizes of millions of impressions being given away. You will have the ability to purchase your Orange package at any time but after the Opt-In period, you will require an inviter";

22. I looked at the website www.bannersbroker.com that was captured by Luc Bourgeois from the Competition Bureau of Canada on October 19, 2012. I learned the following:

22.1. The website explained the Banners Broker Ad-Pub Combo Package was a way for entrepreneurs to advertise their businesses while earning ad revenue at the same time [*many of the complainants advised they did not have a business that they wanted to advertise when they joined Bannersbroker*];

22.2. The website said the concept [*of the Ad-Pub Combo*] was simple. On the advertising side, a person signed up for the campaign of their choice and on the publishing side they [*Bannersbroker*] hosted specialized publisher sites from which the person earned attractive advertising commissions;

22.3. The Bannersbroker website said, "Unlocking the secret to turnkey publishing. Until now, distinguished publishers were required to have fully functional websites that generated significant traffic. Luckily, the Combo Package is a rebel that defies the rules and regulations for revenue earners in the online advertising industry. Now all you need is a desire to earn revenue through one of the most lucrative advertising mediums in today's market. No website or traffic stats necessary. How it works: We supply you with inventory (online ad space) on various websites owned and operated by Banners Broker – think of it as your own profitable online real estate. Each of these sites already has a sizeable amount of existing traffic. So each time your ad space produces impressions for selected banners on the site, you earn a commission [*Snyder said that the Bannersbroker program did not keep track of traffic related to the advertisements*];

22.4. At the end of the Ad-Pub Combo page was a disclosure that said a typical income of a typical Banners Broker member was $567.57 USD per year.

23. I read a Bannersbroker Training Manual Customer Support that was given to employee, Michael Lilley. I learned the following:

23.1. The training manual had a version date of January 2, 2012;

23.2. The training manual said, "How Ad-Pub Combo Packs Earn Revenue. The purpose of this document is to give you a thorough understanding of how the revenue is earned in the Ad-Pub Combo. It is crucial that this process is explained correctly and clearly. Publisher sites are where all Ad-Pub Combo member's revenue is generated in this program. The uniqueness of this product is that whatever is spent on the Ad-Pub Package, you earn twice that amount from the revenue of the Ad Inventory that is included".

Some Complainants

24. The Toronto Strategic Partnership has received over 50 online complaints about Bannersbroker from different agencies which included the Canadian Anti-Fraud Centre, The Competition Bureau, Ontario Securities Commission and Consumer Sentinel [*a fraud database operated by the Federal Trade Commission in the U.S.*]. The complainants were from many different parts of the world including Canada, the U.S., and the United Kingdom.

Garel Nugent

25. I read a written complaint completed by Garel Nugent ("Nugent") of Kelowna, British Columbia, on March 27, 2014. I learned the following:

    25.1. Nugent joined Bannersbroker in 2011;

    25.2. Nugent accessed Bannersbroker at www.bannersbroker.com;

    25.3. Nugent was a part of the Ad-Pub Combo with Bannersbroker and he put $50.00 into Bannersbroker through a third party;

    25.4. Nugent set up an account with SolidTrust Pay;

    25.5. Nugent received withdrawals from Bannersbroker;

    25.6. Nugent had friends that made deposits to Bannersbroker but they did not receive any money back;

26. I reviewed an excel spreadsheet provided by SolidTrust Pay after service of a Production Order authorized by Justice of the Peace Angelo Cremisio on June 3, 2014, for Bannersbroker transactions. I learned the following:

    26.1. There were 42 transaction records located for Nugent in the Bannersbroker SolidTrust Pay account between November 26, 2011, and June 6, 2013;

    26.2. One of the transactions was a credit [*payment to Bannersbroker*] in the

amount of $15.00 USD on May 27, 2012;

26.3. The remaining transactions were debits [*payments from Bannersbroker*] to Nugent totalling $4,963.48 USD;

27. I reviewed an excel spreadsheet provided by Payza after service of a Production Order authorized by Justice of the Peace Angelo Cremisio on June 3, 2014, for Bannersbroker transactions. I learned the following:

27.1. There was 1 transaction record located for Nugent in the Bannersbroker Payza account;

27.2. Nugent received a transfer on October 20, 2011, from the Bannersbroker Payza account for $68.00 USD.

28. I spoke to Nugent on the telephone on July 8, 2014. I learned the following:

28.1. Nugent confirmed that he made a complaint about Bannersbroker because he thought the company should be shut down;

28.2. Nugent felt bad for referring people to Bannersbroker because they had lost money;

28.3. Nugent referred approximately 110 people who made accounts with Bannersbroker but only 10 actively participated in the program;

28.4. Nugent confirmed he put $50 into Bannersbroker which he thought may have been paid through AlertPay [*I cannot locate the original payment made by Nugent to Bannersbroker in the Payza (also known as AlertPay) or SolidTrust Pay records*];

28.5. Nugent confirmed that he made around $5,000.00 from the Bannersbroker program from only putting in $50.00.

Gemma Laszlo

29. I read a complaint made by Gemma Laszlo ("Laszlo") from Lloydminister, Alberta, to the Canadian Anti-Fraud Centre on September 2, 2013. I learned the following:

    29.1. Laszlo paid $8,500.00 to Bannersbroker on August 25, 2013 [*the payments totalling $8,500.00 occurred in August and October, 2012*];

    29.2. Laszlo received one payout of $1,000.00 from Bannersbroker and then nothing else.

30. I reviewed an excel spreadsheet provided by SolidTrust Pay after service of a Production Order authorized by Justice of the Peace Angelo Cremisio on June 3, 2014, for Bannersbroker transactions. I learned the following:

    30.1. Laszlo received a payment from the Bannersbroker SolidTrust Pay account in the amount of $985.00 USD on May 20, 2013.

31. I spoke to Laszlo on the telephone on July 11, 2014. I learned the following:

    31.1. Laszlo made a complaint about Bannersbroker because she thought it was a fraud;

    31.2. Laszlo paid Bannersbroker $4,200.00 in August of 2012 to open her account;

    31.3. Laszlo's husband, Csaba Laszlo, opened an account with Bannersbroker in October 2012 because he counted as a referral for Laszlo;

    31.4. The Laszlos paid another $4,200.00 and then $100.00 to Bannersbroker for Csaba Laszlo's account;

    31.5. Laszlo made multiple withdrawal requests to Bannersbroker and only received one payment;

31.6. That request was for $1,000.00 USD of which Laszlo received $985.00 USD because Bannersbroker took a $15.00 USD fee;

31.7. Laszlo's husband made multiple withdrawal requests and never received anything.

32. I read a written complaint completed by Laszlo on July 12, 2014. I learned the following:

32.1. The Laszlos were no longer a part of Bannersbroker because they were asked to pay another fee to keep their accounts open in version 3.0 and they chose not to pay as they had not received any money for over a year.

32.2. The Laszlos were a part of the Ad-Pub Combo and had been referred by Laszlo's parents;

32.3. The Laszlos did not have a business to advertise or a website for publishing;

32.4. Laszlo sent two emails to Bannersbroker for each of their accounts asking for refunds and threatening legal action but she only ever received an automated response from them;

32.5. The following were the amounts showing in Laszlo's Bannersbroker account on February 1, 2014:

32.5.1. $6,350.00 USD in Laszlo's "eWallet – Available to Withdraw";

32.5.2. $6,350.00 USD in Laszlo's "Advertising Credits";

32.5.3. $42,367.96 USD in Laszlo's "My total Earnings";

32.5.4. $59,300.00 USD in Laszlo's "Including Unfinished Panels";

32.6. The following were the amounts showing in Csaba Laszlo's account on February 1, 2014:

32.6.1. $3,350.00 USD in Csaba Laszlo's "eWallet – Available to Withdraw";

32.6.2. $3,350.00 USD in Csaba Laszlo's "Advertising Credits";

32.6.3. $31,127.34 USD in Csaba Laszlo's "My Total Earnings";

32.6.4. $43,880.00 USD in Csaba Laszlo's "Including Unfinished Panels";

32.7. Laszlo believed that the balance in the "Available to Withdraw" was money that they had earned from Bannersbroker.

Matthias Becker

33. I read a written complaint completed by Matthias Becker ("Becker") of Toronto, Ontario, on March 22, 2014. I learned the following:

33.1. Becker was referred to Bannersbroker by someone he met online, Mark Ghobril, and he paid Bannersbroker a total of $600.00;

33.2. Becker made the two payments totalling $600.00 on January 31, 2012, to Bannersbroker through SolidTrust Pay [*this is confirmed in the SolidTrust Pay production order results*];

33.3. Becker was a part of the Ad/Pub Combo;

33.4. Becker's understanding of what Bannersbroker did was sell banner advertising on high ranking, high traffic websites;

33.5. Becker was told that he could make money as a publisher and all he had to do was fund an account and pay for panels which represented the banner real estate and he would get a cut from the company from the ads running;

33.6. This was represented by the panel doubling at the end of its run;

33.7. For each panel purchased there were also a certain number of impressions

that Becker received that he could use as views to ads he posted as an advertiser;

33.8. Becker was told that these banner ads were run on a "blind network";

33.9. At some point Becker tried making banners and advertising for himself but it seemed the ads would never run and Becker's impression bank never depleted;

33.10. Becker consulted the Bannersbroker helpdesk on the issue and he was told to redo the ads and run them again;

33.11. Becker believed it worked for a short time but despite the supposed 10,000 impression he used, nobody ever signed up under his name or contacted him regarding his ads.

33.12. Becker did have websites of his own that he was working on but Bannersbroker never showed any opportunity to host their banner ads on one of his websites;

33.13. Becker imagined that the publishing end of Bannersbroker must have been under development;

33.14. Becker thought that Bannersbroker was an investment because they talked about panels doubling and that it was run by a management team and Becker would not have to do anything until he wanted to take money out;

33.15. Bannersbroker did, however, warn Becker never to refer to it as an investment as legally it was not one because there were no shares and they did not want to comply with investment regulations. Instead, Becker was told to refer to it as a business;

33.16. Becker never made any withdrawal requests because his Bannersbroker eWallet account only went over $600.00 once;

33.17. Bannersbroker had a MasterCard debit card where a person could request a payment but that program was cancelled and Becker no longer trusted Bannersbroker to give them his bank account information;

33.18. As of January 20, 2014, Becker's Bannersbroker account showed the following balances:

33.18.1. -$224.20 [*USD*] in Becker's "eWallet-Available to Withdraw";

33.18.2. $32,320.00 USD in Becker's "My Total Earnings";

33.18.3. $46,220.00 USD in Becker's "Including Unfinished Panels";

33.19. Becker was told that the money in his Bannersbroker account "My Total Earnings" was money that he had earned from the panels which allegedly represented real ads;

33.20. Becker did not believe that this advertising [*where the revenue was generated*] ever happened.

33.21. Becker believed that Bannersbroker was a combination of a Pyramid and Ponzi scheme.

Antonio Caporrimo

34. I read a written complaint completed by Antonio Caporrimo ("Caporrimo") of Italy, on March 19, 2014. I learned the following:

34.1. Caporrimo was referred to Bannersbroker by his brother, Daniele Caporrimo;

34.2. Caporrimo was a part of the Ad/Pub Combo;

34.3. Caporrimo paid Bannersbroker *[$1,405.00 USD*] through Allied Wallet;

34.4. Caporimmo received a partial payment of $700.00 from Bannersbroker through Payza [*the Payza records show two payments made to*

Caporimmo on April 21, 2013, and September 9, 2013, totalling $688.00 USD];

34.5. Caporimmo was still involved with Bannersbroker because he was still waiting to get his original money back;

34.6. Caporimmo had written directly to Smith and to Bannersbroker support to try and get his original money back and then close his account but he never received an answer;

34.7. Caporrimo's understanding of Bannersbroker was that he was paying to rent ad spaces and when other people clicked on them he earned more money than what he had spent;

34.8. Caporrimo believed he was investing in Bannersbroker because he believed Bannersbroker used the money to buy ad spaces at a reduced price and then resell them at a higher price for a profit;

34.9. Caporrimo did not have a business to advertise or a website to publish advertisements on;

34.10. Caporimmo did not believe that the amount in his Bannersbroker Account "My Total Earnings" was the money he had earned from Bannersbroker because he thought that amount showed the growth of the virtual money where half had to be used to buy the panels;

34.11. Caporrimo sent attachments with his written complaint;

34.12. The attachments included screen shots of Caporrimo's Bannersbroker account where 8 payments were made to Bannersbroker through Allied Wallet from September 18, 2012, to November 15, 2012, which totalled $1,405.00 USD;

34.13. A screen shot of Caporrimo's Bannersbroker account withdrawal requests showed 10 pending withdrawal requests from September 2, 2013, to

February 9, 2014;

34.14. A screen shot of Caporrimo's Bannersbroker account balances showed the following:

34.14.1. $493.57 USD in Caporrimo's "eWallet – Available to Withdraw";

34.14.2. $688.00 USD in Caporrimo's "My Withdrawal History";

34.14.3. $493.57 in Caporrimo's "Advertising Credits (Available to Spend)";

34.14.4. $24,265.54 USD in Caporrimo's "My Total Earnings";

34.14.5. $27,300.00 USD in Caporrimo's "Including Unfinished Panels";

Terrence Chambers

35. I read a written complaint completed by Terrence Chambers ("Chambers") of Lenexa, Kansas, on March 19, 2014. I learned the following:

35.1. Chambers joined Bannersbroker on September 13, 2012, and was referred by Kris Darty who he had met online;

35.2. Chambers paid Bannersbroker $436.00 [*USD*] through Allied Wallet;

35.3. Chambers made two withdrawal requests to Bannersbroker and never received any payments;

35.4. Chambers was a part of the Ad-Pub Combo and he accessed his account at bannersbroker.com;

35.5. Chambers understood that Bannersbroker was involved in advertising and they placed ads on the internet and would also allow affiliates to place ads on their websites to make money like Google Adsense;

35.6. Chambers believed he was purchasing a digital product from Bannersbroker;

35.7. Chambers did want to advertise with Bannersbroker and he set up an ad and submitted it to Bannersbroker;

35.8. The ad ran for several months on the "blind network" and the Bannersbroker stats said that it only received 30-60 views which was barely anything;

35.9. Bannersbroker set up a "choice network" where the affiliate could choose the site they were going to advertise on;

35.10. Chambers looked at the websites online and thought they were crappy websites that someone threw together and Chambers did not think that they were real websites;

35.11. Chambers thought it looked like Bannersbroker threw them together to charge people to advertise on them;

35.12. Chambers had a website that he had used with Google Adsense previously and he wanted to give the Bannersbroker publisher side a try to see if it would generate any money;

35.13. Chambers submitted his website to Bannersbroker but it was always in the waiting for approval status;

35.14. Chambers contacted Bannersbroker about his website and they were supposed to look at his website but it never moved from waiting for approval;

35.15. Chambers tried to close his Bannersbroker account and he received an email that said if he wanted to close his account he would have to contact Stellar [*associated company*] in Canada but the email made it sound like he would lose everything so he did not close his account;

35.16. Chambers no longer had access to his Bannersbroker account unless he wanted to pay Bannersbroker another $10.00 plus a fee to reactivate it.

Jason Clark

36. I read a written complaint completed by Jason Clark of England on March 24, 2014. I learned the following:

36.1. Clark joined Bannersbroker in June 2012 and paid approximately $240.00 to Bannersbroker;

36.2. Clark was referred by Ross Wild;

36.3. Clark thought Bannersbroker was a business investment;

36.4. The website that Clark used was www.bannersbroker.com;

36.5. Clark was a part of the Ad-Pub Combo and he had been told that was the only way to make money;

36.6. Initially, Clark thought Bannersbroker was a great thing and then changed his mind two weeks later when he realized he had been suckered into a scam;

36.7. Clark never made any complaints to Bannersbroker because he knew it was a Ponzi scheme.

Darren Cundy

37. I read a written complaint completed by Darren Cundy ("Cundy") of England on March 23, 2014. I learned the following:

37.1. Cundy joined Bannersbroker on October 29, 2012, and paid $5,000.00 [*USD*] to Bannersbroker;

37.2. The payment to Bannersbroker was made on his bank debit card and showed up as EW Banners [*I believe this payment would have been made*

through Allied Wallet];

37.3. Cundy made over 10 withdrawal requests but only received one payment from Bannersbroker in the amount of $100.00 on April 11, 2013, through SolidTrust Pay [*the production order results from SolidTrust Pay confirm this payment*];

37.4. Cundy still had an account with Bannersbroker but Bannersbroker was going to close everybody's accounts that did not pay them $10.00 to keep their accounts going;

37.5. Cundy was not going to pay Bannersbroker any more money because he felt it was totally criminal as he had over $9,000.00 in his Bannersbroker eWallet and it showed he had earned over $80,000.00;

37.6. Cundy got his father involved in Bannersbroker but they were able to get his father's money back through a charge back because his father had paid with his credit card;

Terence Denham

38. I read a written complaint from Terence Denham ("Denham") of Japan, completed on March 20, 2014. I learned the following:

38.1. Denham joined Bannersbroker on August 22, 2012, and paid $550.00 USD through Allied Wallet;

38.2. Denham believed Bannersbroker was a broker for online advertising and that he was purchasing the right to a share of the company's revenue;

38.3. Denham was a part of the Ad-Pub Combo;

38.4. Denham did not have a business to advertise or a website for publishing;

38.5. Denham accessed his account at bannersbroker.com;

38.6. Denham received one payment from Bannersbroker through SolidTrust Pay;

38.7. Denham provided attachments with his written complaint which included a copy of the payment he received from SolidTrust Pay for $99.00 USD on April 11, 2013 [*this is confirmed in the SolidTrust Pay production order records*];

38.8. Denham's Bannersbroker account showed the following balances on February 20, 2014:

38.8.1. -$195.00 USD in Denham's "eWallet – Available to Withdraw";

38.8.2. -$195.00 in Denham's "Advertising Credits";

38.8.3. $6,400.00 USD in Denham's "My Total Earnings";

38.8.4. $8,500.00 USD in Denham's "Including Unfinished Panels";

38.9. Denham was a part of a liquidation case being brought in the Isle of Man against Banners Broker International Limited [*associated corporation*] by the law firm www.drpartners.com [*this is David Rubin & Partners in England*].

Robert Ferman

39. I read a written complaint from Robert Ferman ("Ferman") of England that was completed on March 24, 2014. I learned the following:

39.1. Ferman joined Bannersbroker on July 5, 2012, and paid a total of $1,040.49 to Bannersbroker through Payza and Allied Wallet [*the records received from Payza confirmed that Ferman paid a total of $468.49 USD to Bannersbroker*];

39.2. Ferman was a part of the Ad-Pub Combo;

39.3. Ferman did not want to advertise or publish any ads but wanted to earn money through the Bannersbroker brokering concept;

39.4. Ferman used the "campaigns" part of the Bannersbroker website to promote clickbank.com in order to use up the impressions he earned from buying panels;

39.5. Ferman noticed that the campaigns that he ran did not seem to work as the impressions were not being used;

39.6. Ferman made 16 withdrawal requests from Bannersbroker and never received any money;

39.7. Ferman did try to close his Bannersbroker account but they told him that he would lose everything;

39.8. Ferman's Bannersbroker account showed the following balances on February 11, 2014:

39.8.1. $2,500.00 USD in Ferman's "eWallet – Available to Withdraw";

39.8.2. $2,500.00 in Ferman's "Available Credits";

39.8.3. $26,590.09 USD in Ferman's "My Total Earnings";

39.8.4. $32,360.00 USD in Ferman's "Including Unfinished Panels";

39.9. Ferman believed that the money in his "My Total Earnings" was money that he had earned from Bannersbroker, however, after non-payment Ferman believed that the figure was probably fictitious;

39.10. Ferman registered as a creditor with David Rubin& Partners.

Persons Holding the Property

SolidTrust Pay

40. I reviewed excel spreadsheets provided by SolidTrust Pay upon service of a production order for records related to Bannersbroker. I learned the following:

    40.1. Credits to the Bannersbroker SolidTrust Pay account totalled $26,038,368.06 USD;

    40.2. There were 13 wire transfer from the Monetize Group Incorporated [*associated corporation*] totalling $10,717,197.42 from October 26, 2012 to December 3, 2013 into the Bannersbroker SolidTrust Pay account [*I believe this money from the Monetize Group Incorporated was the money Smith determined could be paid out to the affiliates. I believe the bulk of the investors' money being taken in by Bannersbroker goes through the U.S. payment processor Allied Wallet which in turn sends it to Monetize Group Inc. We have not obtained records from this payment processor, however, a Safe Web request has been made to the U.S. Federal Trade Commission to obtain them.*];

    40.3. The address for the Monetize Group Incorporated was 110 Cumberland St, Suite 201, Toronto, M5R 3V5 [*this is the same address provided by Smith for Bannersbroker on the Clicksor agreement*];

    40.4. Credits to the Bannersmobile SolidTrust Pay account totalled $75,175.02 USD;

41. I reviewed screen shots of the SolidTrust Pay accounts for Bannersbroker and Bannersmobile. I learned the following:

    41.1. The following was Bannersbroker bank account information:

        41.1.1. Account holder name was Monetize Group Inc. [*associated corporation*] with Choice Bank Limited, account number

102104, in Belize City, Belize;

41.1.2. Account holder name was 2087360 Ontario Incorporated [*associated corporation*] with TD Canada Trust, account number 05125234643, branch number 11042004, in Toronto, Canada;

41.2. One of the accounts was in the name of Bannersbroker – 2087360 Ont. Inc Christopher Smith;

41.3. The other account was in the name of Bannersmobile – Chris Smith;

41.4. The Bannersbroker SolidTrust Pay balances were $16,602.15 USD, 10,646.22 Euros, 16,632.55 Great British Pounds, $1,833.11 CAD, $10,543.28 Australian Dollars and $586.15 New Zealand Dollars;

41.5. The Bannersmobile balance was $45,129.14 USD;

41.6. There were 119,250 transactions in the Bannersbroker account;

41.7. There were 373 transactions in the Bannersmobile account.

42. I reviewed the SolidTrust Pay Canadian EFT [*electronic funds transfers*] Authorization Forms for Bannersbroker. I learned the following:

42.1. There were two EFT forms signed by Smith on January 12, 2011;

42.2. The account holder information was 2087360 Ontario Incorporated o/a Local Management Services with a username of bannersbroker;

42.3. The email address was paybannersbroker@gmail.com;

42.4. The address provided was 110 Cumberland Street, Suite 201, Toronto, M5R3V5 [*the same address for the Monetize Group Incorporated whose bank account is in Belize*];

42.5. The financial institution information was for Canada Trust, 77 Bloor

Street W., Toronto, USD account number 0512 – 7313130 and CAD account number 0512-5234643;

43. I reviewed a photocopy of an Ontario driver's licence on top of a TD Canada bank statement for 2087360 Ontario Incorporated [*associated corporation*]. I learned the following:

43.1. The Ontario driver's licence was in the name of Christopher G. Smith, Date of Birth August 28, 1970, 250 Jarvis St., Apt. 503, Toronto, M5B 2L2;

43.2. The driver's licence number was S5778-12447-00828;

43.3. The TD Canada Trust bank statement was for account 0512-7313130 from August 31, 2010, to September 30, 2010, and had a balance of $64.79.

Payza

44. I reviewed an excel spreadsheet provided by Payza upon service of a production order for records related to Bannersbroker. I learned the following:

44.1. Payza used multiple transaction names in the excel spreadsheet which made it difficult to determine the credits and debits;

44.2. I narrowed down the credits in the excel spreadsheet to determine that there was approximately $15,479,045.96 USD credited to the Bannersbroker account from October 31, 2010, to June 5, 2014;

44.3. The Bannersbroker account had approximately 149,095 transactions;

44.4. There were multiple descriptions under the "Details" column that included Banner Ad Panel Package, Banner AdPub Combo Package, Banners Broker Commission Payment and BannersBroker.com subscription.

45. I reviewed documents that Payza had received for the Bannersbroker account. I learned the following:

45.1. There was a Certificate of Incorporation for Banners Broker International Limited [*associated corporation*] incorporated in Belize on July 23, 2013;

45.2. There was a Memorandum and Articles of Association of Banners Broker International Limited which was signed on July 18th, 2013, by Paulino Quiros and Erin Alexis Quiros for a share each of the company;

45.3. There were two "Declaration of Trust" documents which were signed by Paulino Quiros and Erin Alexis Quiros, of Belize, on July 18, 2013, for share certificate number 1 and number 2 for one ordinary share of BZD 1.00 each in the name of Banners Broker International Limited which was incorporated under the laws of Belize and registered in their names as nominees and trustees for the Monetize Group Incorporated (the "Owner");

45.4. There was another "Declaration of Trust" for Banners Broker International Limited which was incorporated under the laws of the Isle of Man;

45.5. The Declaration of Trust said, "We, Targus Investments Limited of 303 Aarti Chambers, Victoria, Mahe, Republic of Seychelles HEREBY DECLARE AND ACKNOWLEDGE that we hold Share Certificate number 2 for One ordinary share of GBP1.00 each (hereinafter "the said share"), in the name of Banners Broker International Limited a company incorporated under the laws of the Isle of Man registered in our name as nominee and trustee for Monetize Group Incorporated of No. 35 New Road, Belize City, Belize (hereinafter "the Owner") and we undertake and agree not to transfer deal with or dispose of the said share save as the Owner shall from time to time direct and we irrevocably assign to the Owner the rights to all profits accruing thereon and we further agree and undertake to exercise our voting powers as the holder of the said share as the Owner may from time to time direct. Dated this 11th Day of April, 2012";

45.6. The Declaration of Trust was signed by Mr. Stephen Mark Eppleston on behalf of Targus Investments Limited;

45.7. There was an "Appointment of First Director(s)" for the Monetize Group Incorporated where Denia Dougal, being the Sole Subscriber to the Memorandum and Articles of Association for the Monetize Group Incorporated appointed Christopher George Smith as the First Director of the Company on July 26, 2011;

45.8. It was documented that the Monetize Group Incorporated was incorporated in Belize on July 26, 2011, and that the Registered Agent for the company was Belize Offshore Formation Limited;

45.9. A Register of Shareholders for Monetize Group showed 50,000 shares held by Smith at $1.00 USD a share and a certificate for 50,000 shares from the Monetize Group Incorporated was made out to Smith and digitally signed by Smith as the Director;

45.10. A letter sent to Payza dated February 6, 2014, from Via Bank Ltd in Saint Lucia, referenced the Monetize Group Incorporated and advised that the company was a holder of a premium business account, number 1141260, which was opened on July 2013 and was in good standing.

45.11. A Via Bank statement as of January 31, 2014, for the Monetize Group Incorporated bank account showed a balance of $4,885,439.08 USD with total credits of $7,272,080.92 USD and total debits of $2,386.641.84 USD;

46. Payza provided a colour photocopy of Smith's Ontario driver's licence, S5778-12447-00828.

47. Payza provided a colour photocopy of Smith's Canadian passport, number QA928106.

48. I received an email from Payza employee Ferhan Patel on July 15, 2014. I learned the following:

48.1. The merchant account holder's name was Chris Smith and the business names on the account were Banner Broker and Banners Mobile;

48.2. The account User ID was 3809788;

48.3. The available balance in the account was $21,739.00 USD;

48.4. There was another $9,230.00 USD being held on reserve by Payza for this account that had not released to the available balance due to credit card transactions, fraudulent transactions or disputed transactions.

Beanstream

49. I read a draft flowchart of funds prepared by Forensic Accountant Scott McBride of the production order results received from CIBC for Stellar Point Inc. [*associated corporation*] USD account 07542 0215619, between March 2012 and August 2013. I learned the following:

49.1. Total credits to the Stellar Point Inc. USD account were $10,972,982.01 USD;

49.2. $8,614,524.42 USD was from Monetize Group Inc. [*associated corporation*];

49.3. $1,350,000.00 was from Banners Broker Canada [*associated corporation - these funds are from their RBC USD account 09847 4001194*];

49.4. $300,000.00 USD was from LML Payment Systems [*this company was amalgamated into Beanstream Internet Commerce Inc. on November 1, 2013*[†] *and is one of the payment processors who have funds*];

49.5. $280,000.00 USD was from 1587803 Ontario Limited [*this is Aramor which was identified as another payment processor*];

[†] OD7S

49.6. $189,916.12 USD was from Parrot Marketing Inc. [*associated corporation*];

49.7. $9,615,721.28 USD was transferred from their CIBC USD account to their CIBC CAD account 07542 7133715.

50. I read an email from Craig Thomson ("Thomson"), Vice-President Strategy and Channel Development for Beanstream, to Competition Bureau Investigator Kathleen McCoy dated June 17, 2014. I learned the following:

50.1. Beanstream ceased doing business with Bannersbroker in May 2012;

50.2. Beanstream terminated their business with Bannersbroker when Bannersbroker changed their business model and website as the change was deemed by Beanstream to violate their terms and conditions of service;

50.3. Beanstream was never made aware of any complaints of fraud regarding Bannersbroker;

51. I spoke with Thomson on the telephone on June 26, 2014. I learned the following:

51.1. The Bannersbroker merchant account was opened from March 2012 to May 2012;

51.2. When the Bannersbroker merchant account was closed by Beanstream there was a lapse of time where the bank account continued to receive money for Bannersbroker before it was closed;

51.3. This money was not discovered by Beanstream until a recent audit;

52. I read an email from Thomson sent to me on June 26, 2014. I learned the following:

52.1. The total amount held by Beanstream from the Bannersbroker merchant

account was $537,576.31 USD;

52.2. The Bannersbroker merchant ID was 251440000.

Statutory Requirements for a Restraint Order

53. Subsection 462.33(2) of the *Criminal Code* states that an application for a restraint order may be made *ex parte* and shall be made in writing to a judge, accompanied by an affidavit sworn on information and belief, deposing to the following matters:

a) The offence or matter under investigation;
b) The person who is believed to be in possession of the property;
c) The grounds for the belief that an order for forfeiture may be made under subsections 462.37(1) or 462.37(2.01) or 462.38(2) in respect of the property;
d) A description of the property; and
e) Whether any previous applications have been made under this section with respect to the property.

54. Subsection 462.33(3) of the *Criminal Code* states that a judge may make an order prohibiting any person from disposing of, or otherwise dealing with any interest in, the property specified in the order if the judge is satisfied that there are reasonable grounds to believe that the property may be made subject to an order of forfeiture under subsection 462.37(1) or 462.37(2.01) or 462.38 of the *Criminal Code.*

55. Subsection 462.33(7) of the *Criminal Code* states that before a judge makes an order under subsection 462.33(3), the judge shall require the Attorney General to give an undertaking with respect to the payment of damages and/or costs in relation to the making of the restraint order and the execution of the restraint order. It is my understanding that such an undertaking will be provided in this case.

Offence or Matter Under Investigation

56. The suspects will or could soon be charged with the following offences:

- Running a pyramid scheme, contrary to s.206(1)(e) of the *Criminal Code*;
- Fraud over $5,000.00, contrary to s.380(1) of the *Criminal Code*;
- Possession of property obtained by crime, contrary to s.354(1) of the *Criminal Code*;
- Laundering the proceeds of crime, contrary to s.462.31 of the *Criminal Code*; and
- Making false and misleading representations, contrary to s.52(1) of the *Competition Act*.

Persons Believed to be in Possession

57. Beanstream Internet Commerce Inc., 2659 Douglas Street, Suite 302, Victoria, British Columbia, is the merchant account provider that is in possession of the property and that holds the property for the benefit of, and at the direction of Rajiv Dixit and the associated corporation known as 7250037 Canada Inc. o/a Banner's Brokers Canada. Rajiv Dixit is the registered account holder of the merchant account.

58. SolidTrust Pay, 47 William Street, P.O. Box 551, Bobcaygeon, Ontario, is the merchant account provider that is in possession of property and that holds the property for the benefit of, and at the direction of Christopher Smith and/or Chris Smith and the associated corporations known as 2087360 Ontario Inc. o/a Bannersbroker and Bannersmobile. Christopher Smith and/or Chris Smith (Date of Birth 1970-08-28) is the registered account holder of these merchant accounts.

59. Mazarine Commerce Inc. o/a Payza.com, 100-8255 Mountain Sights, Montreal, Quebec, is the merchant account provider that is in possession of the property and that holds the property for the benefit of, and at the direction of Chris Smith and associated corporations known as Banners Broker and Banners Mobile. Chris

Smith is the registered account holder of these merchant accounts.

Description of the Property

60. On June 26, 2014, I spoke with Craig Thompson ("Thompson"), Vice-President, Strategy and Channel Development at Beanstream Internet Commerce Inc. I learned from Thompson that the balance of the account that is the subject matter of this application is as follows:

- Merchant ID 251440000 - $537,576.31 USD

61. On July 10, 2014, I received an email from Denise Mahoney, Verifications Manager and Compliance Officer, from SolidTrust Pay. I learned that the balances provided in the production order results were accurate. The balances of the accounts that are the subject matter of this application are as follows:

- Bannersbroker - $16,602.15 USD, 10,646.22 Euros, 16,632.55 Great British Pounds, $1,833.11 CAD, $10,543.28 Australian Dollars and $586.15 New Zealand Dollars
- Bannersmobile - $45,129.14 USD

62. On July 15, 2014, I received an email from Payza employee Ferhan Patel. I learned from Patel that the balance of the account that is the matter of this application was as follows:

- User ID 3809788 - $21,739.00 USD and $9,230.00 USD [on reserve].

Grounds for Believing Property is Proceeds of Crime

63. A trier of fact, based on the circumstances described in the foregoing paragraphs, would be entitled to find that the respondents' dealings were objectively and subjectively dishonest and that, as a consequence of that dishonesty, the victims of their pyramid/Ponzi scheme were deprived of an amount exceeding $5,000. That being so, I believe that a trier of fact could find the respondents guilty of fraud over $5,000. I also believe, based on essentially the same evidence, that a

trier of fact could find the respondents guilty of the other offences listed in paragraph 56. Specifically:

a) In 2010, the respondent Smith explained his view of multi-level marketing to Kuldip Josun. People lost money in such schemes, explained Smith, because that is what the schemes were designed for; they bring people in, make some money and shut down: para. 13.4.
b) As the respondent Smith explained Bannersbroker to his programmer, Ian Snyder, the operation was a multi-level marketing scheme where someone paid money for the right to make money from recruiting other people (ie. pyramid): para. 14.12.
c) In late 2011, said Ian Snyder, Bannersbroker shifted from a straight multi-marketing scheme to one that allowed investors to become publishers by buying ad space ("banners") on websites that Bannersbroker would then supposedly sell to third party advertisers in a blind network: para. 14.11, 14.18-14.19.
d) Visitors to the Bannersbroker website, including those who decided to invest under the favoured Ad-Pub Combo, were told that the cost of the advertising they were purchasing with real money paid into Bannersbroker would be offset by the advertising revenue the investor earned from the "banners" and "panels" they controlled.
e) Novice investors in Bannersbroker Ad-Pub Combo experienced a quick "doubling" of their initial commitment and were further led to believe that this was the result of the strong and steady advertising revenue stream associated with the banners they were acquiring from Bannersbroker as publishers from this blind network:
f) Investors in Bannersbroker's Ad-Pub Option had access to individual account statements that had summary boxes that encouraged the average investor's belief in strong and steady advertising revenues and a corresponding growth in actual cash credits that were available to be withdrawn. As a result of these account statements, investors believed they had ready access to real profits whenever they decided to make withdrawals: Ex. "C".

g) A trier of fact would be entitled to conclude that Bannersbroker had no blind network that supplied advertising revenue for the investors' banners. Specifically:

- The compliance officer Rock was told a blind network existed but never saw it and came to believe Bannersbroker did not have a real product but was forcing investors to purchase advertising promoting Bannersbroker as a condition for participating in the seemingly profitable publishing side of the business: paras. 12.18 to 12.23.
- The programmer Snyder explains that Bannersbroker's computer program had no way to track the publishing side of the business and that the supposed earnings from that revenue stream were determined manually by the respondent Smith: paras. 14.58 to 14.61.
- The programmer Snyder explains that the real determinant of revenue on the publishing side of the business was the growth in money paid by new or fresh investors on the advertising side of the business: para. 15.1.
- Contrary to the explanation offered by the respondent Dixit, Clicksor (the named "blind network") provided no revenue to Bannersbroker: paras. 18 to 20.
- Snyder came to think of Bannersbroker's model as being almost like a Ponzi scheme: paras. 14.68 to 14.73.

h) If the money accessible to Bannersbroker did not come from a blind network, then a trier of fact could conclude that all its revenue was derived from recruiting new customers and getting existing customers to increase their investments by buying more advertising from Bannersbroker. If this was the only revenue source Bannersbroker had, then any money paid to investors wearing their "publisher" hats would have to come from that revenue stream.

i) The conclusion in h) is bolstered by the fact that the respondent Smith controlled the distributions to the account statements – which were "virtual" – and approved or rejected actual withdrawal requests from investors in an opaque manner that breached the representation in the investor's account

statements that their accounts had funds "available for withdrawal.": paras. 13.29 to 13.30 and 14.61 to 14.67.

j) The conclusion in h) is further bolstered by the comparatively meagre amount that Bannersbroker actually spent on advertising compared to the millions of dollars it took in from investors who believed they were purchasing such advertising. Although Bannersbroker was taking in upwards of two million dollars a month as early as 2012, the total paid for actual advertising to Clicksor was less than $200,000. A trier of fact could conclude that most of the balance was used to pay salaries, pacify older investors with (irregular) real money account withdrawals (in addition to generous "virtual" profits) and line the pockets of those, like Smith and Dixit, who controlled the real money: paras. 14.77 and 19.1.

k) The pyramid-style imbalance between Bannersbroker's revenue flow as compared to its virtual commitments to investors (as shown on account statements) was glimpsed in or around March 2012 when the programmer Snyder calculated what appeared to be a $27 million discrepancy between the number of advertising panels paid for and the value of panels distributed virtually to investors: para. 14.79; and

l) Bannersbroker had an overly elaborate ring of associated corporations (all controlled by the respondents and at some point perhaps by Josun), an anonymous ownership structure located in Belize, and foreign (including Swiss, Belize and St. Lucia) bank accounts which attributes were consistent with efforts to obscure responsibility for criminal activities and hide proceeds of crime: para. 13.5, 14.52, 16.33 to 16.36, 41.1.1, 45.1 to 45.11.

64. If the trier of fact were to find the respondent guilty of fraud over $5,000 (and/or the other offences listed in paragraph 57), I believe that a sentencing court, acting under s.462.37(1) of the *Criminal Code* and for the reasons described in paragraphs 57 to 63, could be satisfied, on a balance of probabilities, that said fraud was committed in relation to the property now sought to be restrained. Specifically:

- $537,576.31 USD held by Beanstream Internet Commerce Inc. ("Beanstream"), 2659 Douglas Street, Suite 302, Victoria, British Columbia V8T4M3, in a merchant account for 7250037 Canada Inc. o/a Banner's Brokers Canada for registered account holder Rajiv Dixit, merchant ID 251440000;

- $16,602.15 USD, 10,646.22 Euros, 16,632.55 Great British Pounds, $1,833.11 CAD, $10,543.28 Australian Dollars and $586.15 New Zealand Dollars, held by SolidTrust Pay, 47 William Street, P.O. Box 551, Bobcaygeon, Ontario K0M1A0, in a merchant account for 2087360 Ontario Inc. o/a Bannersbroker for registered account holder Christopher Smith and a merchant account for Bannersmobile for registered account holder Chris Smith;

- $21,739.00 USD and $9,230.00 USD [*on reserve*] held by Mazarine Commerce Inc. o/a Payza.com ("Payza"), 100-8255 Mountain Sights, Montreal, Quebec H4P 2B5, in a merchant account for Banners Broker and a merchant account for Banners Mobile, both for registered account holder Chris Smith, user ID 3809788.

Previous Applications

65. To my knowledge, there have not been any previous applications for a restraint order in respect of the property.

Persons Who Should Receive Notice

66. If the restraint order sought in this application is made, I believe the following persons should receive notice of that order:

a) Christopher Smith, 503 – 250 Jarvis Street, Toronto, Ontario;
b) Rajiv Dixit, 1036 Coyston Court, Oshawa, Ontario;
c) Beanstream Internet Commerce Inc. ("Beanstream"), Legal Department,

10380 Bren Road West, Minnetonka, MN 55343, United States;

d) SolidTrust Pay, 47 William Street, P.O. Box 551, Bobcaygeon, Ontario, K0M 1A0, attention Denise Mahoney; and

e) Mazarine Commerce Inc., o/a Payza.com ("Payza"), 100-8255 Mountain Sights, Montreal, Quebec H4P 2B5, attention Patel Ferhan.

Conclusion on the Merits

The Presumed Defence Position

67. The respondents have not yet been charged with the present offences. For the purposes of this application, the Crown is assuming that the respondents will plead not guilty, will vigorously contest any and all criminal charges laid and will further deny that the property sought to be restrained is proceeds of crime.

The Ex Parte Nature of This Application

68. Notwithstanding that this application may be brought *ex parte* as of right, a judge hearing it may, in accordance with s.462.33(5) of the *Criminal Code*, require that prior notice be given to any person who appears to have a valid interest in the property. In this regard, Crown counsel with carriage of the present applicant wishes this Honourable Court to be aware that counsel for one of the respondents' associated companies has, in the very recent past, sought access to some of the property now sought to be restrained.

69. Crown counsel has not spoken to any of the respondents or to their counsel or their corporations' counsel but is prepared to assume that the respondents will take the position stated above.

70. I do not know what efforts are being or could be made by the respondents or their agents should no restraint order be put in place on an *ex parte* basis. Nor can the police predict what position those in possession of the property might take if no order is made soon. In this respect, Crown counsel notes that it would always be open to the respondents to seek post-restraint relief under s.462.34 of the *Criminal*

Code. It is the Crown's position, in light of the uncertainty about prospective secretion efforts by the respondents, that the criminal courts should assert immediate control over the property by means of an *ex parte* order. Any competing interests of the respondents or others can then be accommodated in the context of a later s.462.34 hearing should any person who receives notice of the restraint order object to it or seek to have it revoked or modified. Should any such s.462.34 applicant be brought, the Crown will state its position on such an application at that time.

71. Based on the information contained in this affidavit, I believe that the property is proceeds of crime as defined by section 462.3 of the *Criminal Code* and, therefore, may be subject to an order of forfeiture under section 462.37 of the *Criminal Code*. I believe further that a restraint order under s.462.33 is necessary to prevent the possible disposal of the property and to ensure that the property will be available for forfeiture at trial should the respondents be convicted.

SWORN before me this 17th day of	)	
July, 2014, at the City of Toronto, in	)	
the Province of Ontario	)	K Judd #50167
	)	Katie Judd
	)	
A Commissioner etc.	)	
Rima Shamlian		

THIS IS EXHIBIT ....A.... TO THE
AFFIDAVIT OF ....Katie Judd....
SWORN BEFORE ME
THIS 17 DAY OF July 20 14

.....
A Commissioner, etc.
Rian Shandler

Home

Marketplace

Advertiser

Publisher

Ad-Pub Combo

Ad-Coordinator

Testimonials

Media

FAQ

Support

Sign Up

Contact Us

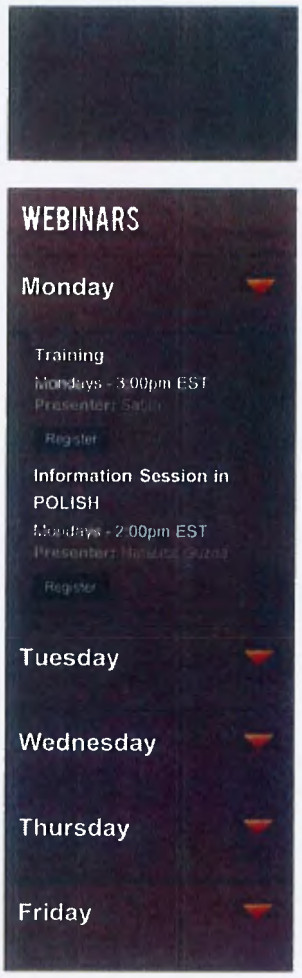
Advertising and publishing – together at last.

Unlike other online marketing techniques, our unique Ad-Pub Combo Package allows entrepreneurs to advertise their businesses while earning ad revenue simultaneously. The concept is simple: on the advertising side, you sign up for the campaign of your choice. On the publishing side, we host specialized publisher sites from which you earn attractive advertising commissions.

An entrepreneur's lifesaver.

Ad-Pub Combos are designed to get your ads up and running quickly in a simple and straightforward approach. If you haven't mastered the inner workings of the online ad industry yet, this option is for you. The only details we require are:

- The name of your campaign
- Your industry target (pick the right package with keywords, tags and channels)
- Number of impressions
- Country and/or city to display your ads
- Banners you want to advertise



Make the most of your campaign.

With our new Advertising Coordinator.

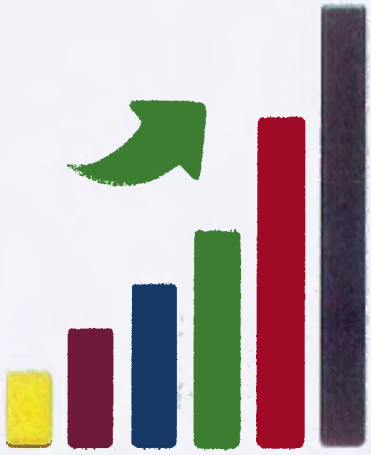
Banners Broker is proud to announce a new, more personable way we can help manage the effectiveness and productivity of your campaign. Our experts will provide professional guidance on how to maximize your advertising within our extended network of publishing sites – using targeted keywords, search engine optimization, efficient tracking tools, and increased visibility.

Together we can create a marketing solution that works specifically for you.

Unlocking the secret to turnkey publishing.

Until now, distinguished publishers were required to have fully functional websites that generated significant traffic. Luckily, the Combo Package is a rebel that defies the rules and regulations for revenue earners in the online advertising industry. Now all you need is a desire to earn revenue through one of the most lucrative advertising mediums in today's market. No website or traffic stats necessary.

How it works: We supply you with inventory (online ad space) on various websites owned and operated by Banners Broker – think of it as your own profitable online real estate. Each of these sites already has a sizeable amount of existing traffic. So each time your ad space produces impressions for selected banners on the site, you earn a commission.



Your commission potential.

We offer six different Combo Packages, which are outlined below. Your commission potential depends on the type of package you choose For a set price, each package gives you a certain number of impressions (for advertised banners) and a specific amount of earning potential (traffic cap).

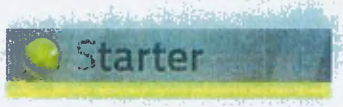
In order to choose the most optimal Combo Package, consider your needs as both an advertiser and as a publisher. How much marketing does your business require? How much commission do you want to earn from online advertising? Choose from $25–$3655 packages that cater to your individual objectives.

Using Your Earnings

One of the most appealing features of the Combo Package is the way in which way your advertising revenues are used. The packages are designed to offset your advertising costs. Once you reach your designated revenue for a particular package, half of your earnings are used to obtain additional ad impressions and the other half is yours to keep Banners Broker gives you the ability to participate in your chosen Combo Package twice in a row, reaching your designated earnings each time. Your final result is triple the amount of ad impressions you started with, and two rounds of complimentary advertising revenue.

Combo Packages build additional revenue streams and help you grow your existing business.

Packages	Price	Includes



$25

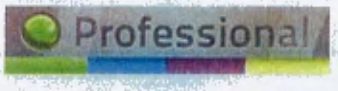
First Month Admin Fee $15
Yellow Panel ($10)
1,000 Impressions

$55

First Month Admin Fee $15
Yellow Panel ($10)
Purple Panel ($30)
4,000 Impressions

$145

First Month Admin Fee $15
Yellow Panel ($10)
Purple Panel ($30)
Blue Panel ($90)
13,000 Impressions



$415

First Month Admin Fee $15
Yellow Panel ($10)
Purple Panel ($30)
Blue Panel ($90)
Green Panel ($270)
40,000 Impressions

$1225

First Month Admin Fee $15
Yellow Panel ($10)
Purple Panel ($30)
Blue Panel ($90)
Green Panel ($270)
Red Panel ($810)
121,000 Impressions

$3655

First Month Admin Fee $15
Yellow Panel ($10)
Purple Panel ($30)
Blue Panel ($90)
Green Panel ($270)
Red Panel ($810)
Black Panel ($2430)
364,000 Impressions

Get Started

The signup process is quick and easy. Simply click on the Register link below to choose your preferred Combo Package.

Click Here and Sign Up Now!

- Typical income of a typical Banners Broker member: USD $567.57/year

*All prices shown in USD currency.

Social Scene

Tweet with us, join our Facebook page, or comment on our blog. It's where all the action is.

Click here to learn more

Testimonials

Tell us about your experience with us, share stories, or have a laugh. We're all ears.

Click here to learn more

Register

Let's start our journey together developing your online campaign. The first step is right here.

Click here to learn more

Contact Us

We're approachable. Any questions or comments you have for us are gladly received.

Click here to learn more

Login Sign Up

bb banners broker

Marketplace Advertiser Publisher Ad-Pub Combo FAQ

Advertiser

The ultimate online marketplace.

Our globally renowned network matches your ads with the most suitable publishing sites available in order to attract optimal traffic. Plus, we assist you in targeting and monitoring your campaign daily using the advertiser package that's specified for you.

Banners Broker. Your place to advertise.

Ad-Pub Combo

Six ways to earn more through both services.

Ad-Pub Combo Packages are uniquely designed for online marketers interested in displaying content and earning revenue simultaneously. With six different packages to choose from, your ads get up and running quickly – along with your revenue

Banners Broker. Get in on the action, we can get you started.

Publisher

Display ads and boost your website revenue.

As a valued publisher on our network, you'll display carefully selected ads from our expanding database that are relevant to your industry and website theme The page views say it all, and your online notability will prosper

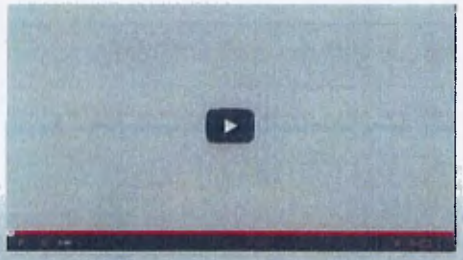
Banners Broker. A new way to increase your site generated revenue.

Testimonials

Feedback from our affiliate is essential for us to continue to provide the best in customer service and improve what we do.

Take a look at what our affiliate are saying right now...

Read Testimonials



We're Social

Let us introduce ourselves.

Click here to learn more

Banners Broker is a new approach to online advertising that's intent on increasing your sales revenue while promoting your brand. What differentiates us from other banner impression sites is our initiative to

sell on your behalf – you get paid for your impressions, while maintaining full control over the monetization of your campaign.

Plus, register today and receive 1000 FREE banner impressions. It's our way of welcoming you to the team.

Login Sign Up

bb banners broker

Marketplace Advertiser Publisher Ad-Pub Combo FAQ

Sign Up

Home

Marketplace

Advertiser

Publisher

Ad-Pub Combo

Testimonials

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Support

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Contact Us

Upcoming Events

Eventbrite

WEBINARS

Monday

For sales related questions, please contact the sales department at (905) 233 4475

Register with us now in just 3 easy steps!

1 2 3

Referred By: Invalid Username

No user found.

First Name:

Last Name:

Username:

Password:

Confirm Password:

Primary Email:

Phone:

Your Country: Select a country

Training
Mondays - 3:00pm EST
Presenter: [illegible]

Register

Information Session in POLISH
Mondays - 2:00pm EST
Presenter: [illegible]

Register

Tuesday

Wednesday

Thursday

Friday

Social Scene

Click here to learn more

Testimonials

Click here to learn more

Register

Click here to learn more

Contact Us

Click here to learn more

THIS IS EXHIBIT .....B..... TO THE
AFFIDAVIT OF ..Katie Judd.....
SWORN BEFORE ME
THIS ..17.. DAY OF ..July.... 20 ..14.

.....
A Commissioner, etc.
Rinn Shandler

Stellarpoint

Banners Broker Success Manual

CUSTOMER SUPPORT

NOVEMBER 2012

CONFIDENTIAL

BANNERS BROKER SUCCESS MANUAL

Everything You Need To Know To Be Successful With US

To be successful and have a pleasant experience with any product you purchase, you need to know how to use it and as well develop reasonable expectations of your product. The purpose of "Banners Broker Success Manual" is to equip you with the knowledge needed to maximize your success.

Please note that this is a living document, meaning that as the need arises, adjustments [illegible] to ensure that Banners Broker (BB) is always viable and able to provide world class service and products. There will always be a version number and date at the beginning of the BB Success Manual which will be your way of knowing if you are reading the most current and up to date version

About Us

Banners Broker has a revolutionary way to enhance your web presence. We have not re-invented the wheel, but rather have taken existing technology and enhanced it. The Executives of Banners Broker International have all been either in the I.T. Field, Management or Direct Sales Industry (or a combination all fields) for over 20 years each.

The team brings fresh, innovative ideas and technology with the sole purpose of making sure that, YOU, our customer are able to take our product and services and have them help you increase your revenue in your current endeavours.

Over the past 24 months banners Broker has grown at an exceptional rate, generating revenue for thousands of people. We are extremely proud to announce that we have surpassed 200 000 affiliates and are growing rapidly.

Purpose and Mission

Banners Broker's purpose is to provide easy, innovative new ways to help the average person give their business a presence on the Internet.

Our mission is to revolutionize how Advertisers and Publishers function on the Internet to ensure that the average person can make a good living, and not just the giant conglomerates.

How Our Product and Services Work

Banners Broker offers everyone a chance to try out our system first hand and see the results for themselves. When a potential customer comes to our site, all he/she has to do is register for a free membership. Once you have done that, you will have access to our complete marketing campaign software and be able to try if first hand.

With Banners Broker we offer three services, which are as follows:

Advertiser

Traditional forms of marketing tend to lack the focus and direction of those more current. One of today's biggest and most successful marketing mediums is online banner advertising When compared to television, radio or print, it is less expensive, more specific and greater in scope. The Banners Broker program offers all the benefits listed above and provides you with an efficient and effective way to capitalize on this opportunity

We take the guesswork out of finding the right places to advertise online. You tell us what you need We find it, publish it and track it

Publisher

You own a website. Your website generates a significant amount of traffic each month. Yes, you make money but you're looking for a way to boost your online revenues. Banners Broker has the answer It's time to take advantage of the website traffic that's taken you years of hard work to build. Banners Broker presents you with an opportunity to create an additional revenue stream for your business.

Ad-Pub Combo

Unlike any other online marketing opportunity available, Banners Broker offers its Combo Package to entrepreneurs who want to advertise their businesses and earn advertising revenue. The concept is simple. On the advertising side, you sign up for the campaign of your choice. On the publisher side, Banners Broker designs and hosts your very own virtual online store from which you earn attractive advertising commissions.

Products

To be clear, we currently offer Ad Impressions as our core product. We have developed several other products all meant to make your website stand out from the rest. *An Ad Impression is one appearance or view of an advertisement on a Publisher's site.*

We offer this product as a stand-alone item in our Advertiser option or in our Ad-Pub Combo option. Whichever option you choose, we know you will be pleased with the results of your campaign. We are so confident with our product and services that we offer a 30 day money back guarantee.

Service

We offer an amazing service for owners of websites that have significant traffic. We call you a "Publisher" and offer a very unique opportunity for you to take your current traffic and turn it into additional revenue.

Banners Broker can help you grow your business through a new revenue stream. As a Banners Broker Publisher, your website is included in our database of viable advertising space. When we make a match,

advertisements are placed on your website. For every ad impression generated by your website, you earn a pre-set amount of money. Through our program, Banners Broker publishers are able to grow their corporate revenues by taking full advantage of their web traffic.

FREE ACCOUNT

Banners Broker is so confident that our program works and that we will exceed your expectations, we are willing to put our money where our mouth is. You do not have to spend a dime to try our product, which allows you, worry free, to see the results.

To receive 1000 Complimentary Ad Impressions and access to our Marketing Campaign Software, please follow these simple steps:

- Go to www.bannersbroker.com and register
- Have a banner created (see Banner Specifications for guidelines)
- To begin your campaign, simple click on "Campaigns"
- Manage Campaigns (use the tutorial if you need additional help)
- Create your campaign
- Select whether you are going to use the Blind or Choice Network
- Select the type of websites you want your ad to be on (Contextual Targeting)
- Select the geographic location (country, city : Geo-targeting)
- Check your stats and tweak your campaign as needed

Once you have used the 1000 Complimentary Ad Impressions, we are confident you will want to purchase more and keep benefiting from the use of our software and products. If you have questions and would like to speak to one of our sales representative, please give us a call at 905-233-2351.

In this option, you get the best of both worlds. Ad Impressions for personal use, as well Ad Inventory that is purchased across our Publisher Network (over 200,000 sites).

What makes this unique is whatever you spend on Ad Impressions: you will earn twice that amount from the revenue you earn as a Publisher. That is right! Twice!

This is what makes our program so effective and unique, you get to take advantage of the Ad Impressions to increase your web presence, while at the same time earn revenue from Publisher sites that you have rented space on. This is why Banners Broker is one of the fastest growing online advertising companies on the web today.

1. ACCOUNTS TYPE

1.1. Standard Account

1.2. Premium Account

If you choose a Standard account you can upgrade to a Premium Account at any given time. However, if your initial choice is a Premium Account you cannot downgrade.

STANDARD vs. PREMIUM

Description	Standard Account	Premium Account
Monthly Subscription	$ 15	$ 100
Traffic Booster Price	$ 8	$ 5
Traffic Booster Usability	Sales Credited panels only	All Panel Colors
Traffic Pack Allowance	Only one per month	Unlimited
Traffic Pack Usability	Yellow, Purple, Blue and Green Panels	All Panel Colors

PLEASE NOTE : Banners Broker allows you to have only 1 personal account

You may have more than one business account if you have several businesses and can prove this through documentation.

The Affiliate has to be the age of majority (18 years);

- If any Affiliate is found to have more than 1 account, all the accounts of that Affiliate will be erased and he/she will be blocked from joining Banners Broker indefinitely

Active Affiliate: One who has an active subscription and pays monthly fees towards their account.

2 PRODUCT (AD IMPRESSIONS) - AD-PUB COMBO

Ad-Pub Combo Banners Broker offers its Combo Package to entrepreneurs who want to advertise their businesses and earn advertising revenue. The concept is simple. On the Advertising side, you sign up for the campaign of your choice. On the publishing side, Banners Broker designs and hosts your very own virtual online store from which you earn attractive advertising commissions.

In this option you get the best of both worlds: Ad-Impressions for personal use as well Ad- Inventory (Panels) that is purchased across our Publisher network (200,000 websites).

What makes this unique, is whatever you spend on Ad-Impressions, you will earn twice that amount from the revenue you earn as a Publisher. THAT IS RIGHT!! TWICE.

This is what makes our program so effective and unique. you get to take advantage of the Ad-Impressions to increase your web presence, while at the same time earn revenue from Publisher sites that you have rented space on. This is why Banners Broker is one of the fastest growing on-line advertising companies on the web today.

The Publisher is where all the revenue is generated in this program. It is NOT based on sales from new affiliates, which we use to payout existing members, as the math would not work and it would make us illegal.

The uniqueness of this product is, that whatever you spend on the Ad-Pub Combo Package, you earn twice that amount from the revenue of your Ad-Inventory (Panels) - which are included in the package of your choice.

2.1. New Affiliates: Are allowed to purchase only 1 Ad-Pub Combo + Panels up to the maximum amount of $5000, above which will be considered as a "Corporate Sale";

2.2. Existing Affiliates: Are allowed to buy only Panels (as they already have 1 Ad-Pub Combo in their account), up to the maximum amount of $5000.

Are allowed to use money generated from the program to purchase additional packages and transfer them to New Affiliates.

2.3. Corporate Sale: Any Sale above $5000 is considered to be a Corporate Sale and will be directed to Mr. Rajiv Dixit, COO of Banners Broker International, for approval.

Support will forward the email to rdixit@bannersbroker.com (Note: Do not give this email out to the public).

PACKAGE COST / STANDARD ACCOUNT

Starter Pack	25 USD	First Month Admin Fee $15 1Yellow Panel ($10) 1,000 Impressions
Basic Pack	55 USD	First Month Admin Fee $15 1Yellow Panel ($10)1 Purple Panel ($30) 4,000 Impressions
Business Pack	145 USD	First Month Admin Fee $15 1 Yellow Panel ($10) 1 Purple Panel ($30) 1 Blue Panel ($90) 13,000 Impressions
Professional Pack	415 USD	First Month Admin Fee $15 1 Yellow Panel ($10) 1 Purple Panel ($30) 1 Blue Panel ($90) 1 Green Panel ($270) 40.000 Impressions
Enterprise Pack	1225 USD	First Month Admin Fee $15 1 Yellow Panel ($10) 1 Purple Panel ($30) 1 Blue Panel ($90) 1 Green Panel ($270) 1 Red Panel ($810) 121,000 Impressions
Ultimate Pack	3655 USD	First Month Admin Fee $15 1 Yellow Panel ($10) 1 Purple Panel ($30) 1 Blue Panel ($90) 1 Green Panel ($270) 1 Red Panel ($810) 1 Black Panel ($2430) 364,000 Impressions

The Panels included in the above Packages are already qualified with 2 complimentary cycles All you need to do is activate the panels and start earning revenue as a Publisher When you activate a panel this means that you've taken possession of that space on the website and are actively earning revenue If you do not activate the panel no revenue is earned and the Ad-Inventory you purchased is just sitting there waiting There is no expiration on the panels as long as you are an Active Affiliate.

PACKAGE COST / PREMIUM ACCOUNT

Starter Pack	110 USD	First Month Admin Fee $100 1 Yellow Panel ($10) 1,000 Impressions
Basic Pack	140 USD	First Month Admin Fee $100 1 Yellow Panel ($10) 1 Purple Panel ($30) 4,000 Impressions
Business Pack	230 USD	First Month Admin Fee $100 1 Yellow Panel ($10) 1 Purple Panel ($30) 1 Blue Panel ($90) 13,000 Impressions
Professional Pack	500 USD	First Month Admin Fee $100 1 Yellow Panel ($10) 1 Purple Panel ($30) 1 Blue Panel ($90) 1 Green Panel ($270) 40,000 Impressions
Enterprise Pack	1310 USD	First Month Admin Fee $100 1 Yellow Panel ($10) 1 Purple Panel ($30) 1 Blue Panel ($90) 1 Green Panel ($270) 1 Red Panel ($810) 121 000 Impressions
Ultimate Pack	3740 USD	First Month Admin Fee $100 1 Yellow Panel ($10) 1 Purple Panel ($30) 1 Blue Panel ($90) 1 Green Panel ($270) 1 Red Panel ($810) 1 Black Panel ($2430) 364,000 Impressions

PANELS COST - STANDARD [illegible]

Are essentially the gauge for the Ad-Inventory that is included in the Panel. Panels represent the amount of revenue a person can earn from their Ad Inventory.

We have 6 Panels which represent our six bundles of Ad-Inventory. They are as follows:

PANEL COLOR	PRICE	IMPRESSIONS	TRAFFIC REQUIRED	REVENUE CAP
Yellow Panel	**10 USD**	**1,000 Impressions**	**5.000 Hits**	**20 USD**
Purple Panel	**30 USD**	**3,000 Impressions**	**15.000 Hits**	**30 USD**
Blue Panel	**90 USD**	**9,000 Impressions**	**45.000 Hits**	**180 USD**
Green Panel	**270 USD**	**27,000 Impressions**	**135.000 Hits**	**540 USD**
Red Panel	**810 USD**	**81,000 Impressions**	**405.000 Hits**	**1620 USD**
Black Panel	**2430 USD**	**243 000 Impressions**	**1 215.000 Hits**	**4860 USD**

Note: For a Panel to generate revenue it must first be qualified.

Ad-Inventory represented by Panels is like rented space on a website. You rent your Ad-Inventory through the space on Publisher sites across our network. The term of the lease for the space is based on the Panel you own. Once that Panel has reached its revenue cap your lease for that space is over. The Company still keeps earning revenue, which always allows us to stay profitable Another customer may lease that space again at a later date.

NOTE :IMPRESSION BANK: *The impression Bank is the amount of impressions that you have to advertise your banners. The Impression Bank should not be confused with the Traffic Bank.*

3.1. How can an Active Affiliate Qualify Panels?

Qualifying Panels: Means you need enough traffic hits on a particular Panel for it to start earning revenue. Each Color Panel has a set amount of traffic hits it needs to begin earning revenue (see above chart)

There are 3 Ways to qualify a Panel

- Direct Referrals - Every time you refer a customer who makes a purchase you are given traffic (2 referrals will give you enough traffic to qualify one panel)
- Purchasing Traffic Packs
- Organic Traffic Sending traffic to specific sites we suggest. You can do this by advertising on your own social media, word of mouth or any other way you choose to drive traffic. (5 traffic hits per click)
- Roll Up Traffic When your immediate direct referral takes three panels of the same color and rolls them up to the next panel color, you will get traffic for the roll up panels that have not issued traffic yet.

TRAFFIC BANK:

Contains the total amount of traffic hits that have been accumulated through:
Organic Media, Referrals and Traffic Packs.

***Use this Bank to Qualify your Panels ***

4. PRODUCT (TRAFFIC PACK)

Description: A Traffic Pack is purchased traffic used to qualify your Panels

For internal use: 50 USD (50.000 hits) If you apply the Traffic Pack to your BB Panels you will get an additional Bonus of 50,000 hits. So the 50 USD = 100.000 Hits

For external use: 50 USD (50.000 hits), you can use this traffic outside Banners Broker program.

Commissions on Traffic Packs: Every time your referral buys a traffic pack, you will get 10 % commission from that purchase.

*Note: **The amount of traffic that you can purchase per month will depend on whether your account is Standard or Premium.***

VERY IMPORTANT Before you start purchasing Traffic Packs please be clear of the terms and conditions (which you must agree upon before the purchase). Traffic packs are a monthly obligation and there are penalties if you want to stop using this product.

Example: If you purchase 2 Traffic Packs (2 x 50.00 USD = 100.00 USD) every coming month you are committed to this same purchase.

If you do decide to cancel your monthly Traffic Pack the PENALTY will be: YOU WILL NOT BE ABLE TO PURCHASE ANY MORE TRAFFIC PACKS FOR 6 MONTHS AND ALL THE BONUS TRAFFIC THAT YOU RECEIVED WILL BE DEDUCTED FROM YOUR TRAFFIC BANK.

TRAFFIC RATIOS

- TRAFFIC LIMIT: Is the amount of traffic that an affiliate can apply to a range of panels. (eg. You can qualify 5 panels of the same color and then your traffic limit has been reached. Complimentary panels do not count as part of the 5.)

- THE 2:1 RATIO : When you have reached your traffic limit you must qualify one panel of the color directly above. This will allow you to qualify two more panels of the color below (previous color panel being activated before the traffic limit was reached).

- 5 PRODUCT (TRAFFIC BOOSTER Cor Text 1

- Description: The Traffic Booster is a product that will speed up your panels, allowing them to cap 20 % faster than a panel without this product.

- Cost: 8 USD per booster for a (Standard Account) and 5 USD for a (Premium Account)

- Quantity: The number of traffic boosters that you can buy, depends on your account type. (Standard or Premium) please check the table in page 1.

- Commissions on Traffic Boosters: Every time your referral purchases a traffic booster you will receive a 10 % commission.

Note: The only Panels that Traffic Boosters cannot be used on are your complimentary panels.

Panel Color Cost	No of Boosters Standard Account	%	Total Amount in USD	No of Boosters Premium Account	Total Amount in USD	%
2430 USD	32 TB x 8 USD	10.5	256.00	32 TB x 5 USD	160.00	0.065
[illegible] USD	16 TB x 8 USD	15.8	128.00	16 TB x 5 USD	80.00	0.098
270 USD	8 TB x 8 USD	23.7	64.00	8 TB x 5 USD	40.00	14.8
90 USD	4 TB x 8 USD	35.5	32.00	4 TB x 5 USD	20.00	22.2
30 USD	2 TB x 8 USD	53.3	16.00	2 TB x 5 USD	10.00	33.3
10 USD	1 TB x 8 USD	80	8.00	1 TB x 5 USD	5.00	50

COMMISSIONS

Ad-Pub Combo Customers have the ability to earn extra revenue in the form of Commissions. They will earn 10 % Commission on the following items:

- Advertiser: Ad-Impressions
- Publisher Revenue
- Traffic Packs
- Traffic Boosters
- Promo 121 Monthly Subscription

7. OPPORTUNITIES

Banners Broker offers an amazing service for owners of websites that have significant traffic. We call you a "Publisher" and offer a very unique opportunity for you to take your current traffic and turn it into additional revenue

Publisher: A Publisher is someone who has a website with a significant amount of traffic. With Banners Broker you have the opportunity to create an additional revenue stream for your business If you want to be one of our Publishers please contact Banners Broker International for approval.

Advertiser only: If you wish to be just an advertiser in Banners Broker. The cost of the Ad-Impressions is:

50 USD for 70,000 Ad Impressions. This account is free, no subscriptions fees.

Free Account: Banners Broker is confident in our program and we know that we will exceed your expectation. You do not have to purchase anything, just try our product and see for yourself that it really does work.

To receive a 1000 FREE complimentary Ad Impressions and access to our Marketing Campaign Software, please do the following steps:

- Go to www.bannersbroker.comand register
- Have a banner created (see Banner Specifications for guidelines). To begin your campaign, simply click on "campaigns"
- Manage Campaigns (use the tutorial if you need additional help) * Create your Campaign
- Select if you are going to use the Choice or Blind Network
- Select the type of websites you want your ad to be on (contextual targeting) Select geographical location (country, city- geo targeting)
- Check your status and tweak your campaign as needed.

Once you have used your 1000 complimentary Ad-Impressions we are confident that you will purchase more and keep benefiting from the use of our software and products

Banner Ads

Banners Broker supports the following sizes in banners

Banners	Size
Leaderboard	728 x 90
Full Banner	468 x 60
Large Rectangle	336 x 280
Skyscraper	120 x 600
Wide Skyscraper	160 x 600
Medium Rectangle	300 x 250
Square Box	250 x 250
Vertical Banner	120 x 240
Button	125 x 125
Small Rectangle	180 x 150

BANNERS FORMAT ACCEPTED:

GIF

Animated GIF

JPEG

PNG

Banners Broker Prepaid MasterCard

Turn your E-Wallet funds into cash easily with our Banners Broker Prepaid MasterCard. Use your Banners Broker Prepaid MasterCard card for all the things you use cash for – shopping, gift-giving, travel or everyday purchases. Available Now

KEY TERMS / VOCABULARY

Online Advertising Network

An online advertising network is a pool of website owners (who we refer to as publishers) and businesses who want to participate in online marketing (who we refer to as advertisers). Together, they form a powerful group of companies that connect with one another. On one side of the equation, advertisers find excellent places to advertise, and on the other, publishers find targeted ads to display on their websites.

Banner ad

A banner ad is an online advertisement. It is placed on other companies' websites, and more specifically, on those that relate to the advertiser's business.

Ad Impression

An ad impression is one appearance of an advertisement on a particular web page (i.e. a pageview).

Advertiser

Someone who wants to advertise their product or business

Publisher

Someone that owns a website

Ad/Pub Combo

Allows you to advertise your business (advertiser) and earn advertising revenue (publisher). Allows you to be both the advertiser and the publisher. You receive ad impressions for personal use as well as ad inventory (rented Ad Space) that is purchased across BB Publisher Network.

Active Affiliate

One who has an active subscription and pays monthly fees towards the account.

Impression Bank

Shows you the amount of impressions you have to advertise.

Panel

The visual representation of your rented ad space.

Complementary Panels

The panels you have from your package upon activation. They are automatically qualified when you activate the package. (2 complimentary panels per colored panel)

Re- purchased Panels

Panels purchased when your initial panel is complete, and according to the settings you choose on your panel (either 50% or 100%) would lead to 1 panel re-purchase or 2 panels re-purchase. Re-purchased panels can be complimentary, when they come from a complimentary panel (and a complimentary panel can bring 2 generations of new complimentary panels)

Purchased Panels

Are additional panels that are purchased via your E-Wallet.

Panel Settings

When you buy a panel or have a complimentary or re-purchased panel you have to set up the "re-purchase" option to 50% or 100%.

- 50% option: 50% of the money you earned from the panel will be used to re-purchase a new panel and the other 50% will be sent to your E Wallet.
- 100% option: means that the total earnings will be used to buy 2 new panels

Roll Up

If a customer has 3 panels of one color, they can be rolled up to form one panel of the next color. You can roll-up panels manually from the "manage inventory" menu.

Traffic

People coming to your website

General Traffic

The traffic from purchased traffic packs and organic traffic.

Organic Traffic

Traffic driven from social networks (promo 121, Facebook, twitter etc)

Traffic Pack

Purchased traffic

Traffic Booster

Is a product that you can purchase that will increase the traffic speed up to 20%, so your panel will reach its completion faster.

Traffic Limit

Is the amount of traffic that an affiliate can apply to a range of panels.

Ex: you can only qualify 5 panels of the same color and then your traffic limit has been reached (complimentary panels do not count as part of the 5) -

2:1 Ratio

When you have reached your traffic limit you must qualify one panel of the color directly above which will allow you to qualify two more panels of the color below.

Sales Credits

Credits you receive from referrals

Campaign

Your advertisement/ banners you upload

Blind Network

Your campaign will be shown on a large network with many different options for getting your ads seen by your targeted demographic. However, you will not be able to select the specific sites you will be advertising on.

Choice Network

You can choose exactly which websites you would like your campaign to appear on.

- **Contextual targeting**

  Match your ad to a relevant site

  (ex your campaign for your diet shake will appear on sites that are in the Health/fitness category)

- **Geo targeting**

  The ability to target a marketing or advertising campaign at a limited set of visitors based on their physical location.

THIS IS EXHIBIT C TO THE
AFFIDAVIT OF Katie Judd
SWORN BEFORE ME
THIS 17 DAY OF July 2014

A Commissioner, etc.
Rian Shandler

BannersBroker

https://bannersbroker.com/adpubcombo_ewallet/ewallet

Fund eWallet

Fund eWallet (STP assistance)

Funding Logs

Withdraw Money

Withdrawal Logs

Repurchase Logs

Revenue Logs

Publisher Funds Logs

eWallet Tutorials

Live Support

Withdraw Money | Load Ad Credits | Purchase Products

Please allow 30 minutes for any changes to your balance to appear on this eWallet page.

eWallet - Available to Withdraw
USD 493.57

My Withdrawal History
USD 688.00

Advertising Credits
(Available to Spend)
493.57

My Total Earnings
USD 24,265.54
(Including Unfinished Panels)
USD 27,300.00

All Recent Transactions

Only the last 500 Transactions will be shown

Posted Date	Account	Description	Debit	Credit	Running Balance
2014-01-28 17:01:12	eWallet	Traffic Pack Subscription #890848	$ 50.00		493.57
2014-01-26 06:31:49	eWallet	Automatic re-purchase of panel 9004933816668948	$ 90.00		543.57

Panel 2d408186ae073817 reached

Court File No.

COURT OF ONTARIO
SUPERIOR COURT OF JUSTICE
(Toronto Region)

IN THE MATTER OF an application by the Attorney General of Ontario pursuant to section 462.33 of the *Criminal Code of Canada* for an Order restraining certain property

BETWEEN:

HER MAJESTY THE QUEEN

Applicant

-and-

Christopher George SMITH
and Rajiv DIXIT

Respondents
(*ex parte*)

AFFIDAVIT

Brian McNeely
Counsel for the Applicant
Ministry of the Attorney General
Crown Law Office – Criminal
10th Floor, 720 Bay Street
Toronto, ON M7A 2S9
Phone: (416) 326-4600
Fax: (416) 326-4656
Email: brian.mcneely@ontario.ca

Tab 7

Police File Number: RCMP 2014-1863297
Registry file number:

CANADA
PROVINCE OF ONTARIO
CITY OF TORONTO

AFFIDAVIT IN SUPPORT OF AN APPLICATION FOR A FURTHER RESTRAINT ORDER IN RELATION TO AN ADDITIONAL FINANCIAL ACCOUNT

This is the information of:

Constable Katie Judd

a member of the Royal Canadian Mounted Police, Peace Officer, of the City of Toronto in the Province of Ontario, now called the "Informant", taken before me.

This information incorporates and relies on the contents of an affidavit sworn by me on July 17, 2014 in support of a related application (targeting different proceeds of the same allegedly fraudulent scheme) which application was granted by Madam Justice Kelly on July 18, 2014. If another judge considers this application, they may wish to read the earlier affidavit first.

The Informant says there are reasonable grounds to believe, and does believe, that Christopher George Smith (Date of Birth: 1970-08-28), Rajiv Dixit (Date of Birth: 1970-09-23), and others known or unknown, using associated companies, have committed sometime between October 2010 to present day the following offences:

Pyramid Scheme, contrary to Section 206(1)(e) of the *Criminal Code;*

Fraud, contrary to Section 380(1) of the *Criminal Code*;

Possession of Property Obtained by Crime, contrary to Section 354(1) of the *Criminal Code*;

Laundering the Proceeds of Crime, contrary to Section 462.31 of the *Criminal Code*;

Making False or Misleading Representations, contrary to Section 52(1) of the *Competition Act*;

(the "Offences").

And that the following property or monetary funds are believed to be proceeds of crime related to the Offences:

Any and all funds held by 6003061 Canada Inc. o/a UseMyServices, Inc. ("UseMyServices"), 1881 Steeles Avenue West, Ste. 348, Toronto, ON M3H 0A1, to the credit of Monetize Group Incorporated for registered account holder Christopher Smith, Merchant ID SMPDAA and user ID SMPDAA paybannersbroker@gmail.com.

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Introduction

I, Constable Katie Judd of the City of Toronto, in the Province of Ontario, a member of the Royal Canadian Mounted Police ("RCMP"), make oath and say:

1. I am a peace officer and have been a member of the RCMP since April 22, 2003. My current duties are with the Toronto Strategic Partnership, which is a joint law enforcement operation formed in response to cross border fraudulent mass marketing schemes and based out of the Toronto Police Services Financial Crime Unit.

2. I am an investigator in this case and I either have personal knowledge of these matters or I have received information from others. I believe the information in this document to be true, unless I state otherwise.

3. I have used parentheses () in this information to abbreviate names or titles.

4. From time to time in this information, I will provide my interpretation of witness statements or documents or I will insert a commentary if I need to draw a conclusion to support my reasons for belief. These interpretations, commentaries and conclusions are either enclosed in sections which are identified as summary sections, or they will be enclosed in square brackets [ ] and italicized.

Definitions

5. The following references and abbreviations used in this information include the following:

   5.1. The following are "associated corporations" to Christopher Smith and Rajiv Dixit which mean that one or both of those respondents had effective control of the corporations at the relevant times:

   - Banners Broker International Limited (also known as Bannersbroker, Banners Broker, Bannersbroker Limited, Bannersmobile, Banners Mobile, Banners Broker Belize);
   - 2087360 Ontario Incorporated o/a Local Management Services;
   - 8264554 Canada Limited o/a Parrot Marketing Inc.;

- 2341620 Ontario Corporation;
- Monetize Group Incorporated;
- 7250037 Canada Limited o/a Stellar Point Inc. (previously Bannersbroker Limited and also known as 7250037 Canada Inc., Banners Broker Limited, Banners Broker Canada, Banner's Brokers Canada, Banners Broker International and Bannersbroker);
- 8163871 Canada Limited o/a Dixit Holdings Inc.

5.2. Unless otherwise stated, all places referred to in this information are places within the Province of Ontario ("ON");

5.3. U.S. represents the United States of America;

5.4. All references within my information to currency or other monetary instruments are references to Canadian funds unless otherwise noted;

5.5 USD represents U.S. currency;

Overview

6. The main target of what is an ongoing police investigation in the Bannersbroker operation is Christopher George Smith ("Smith"). Bannersbroker is still up and running and no arrests have yet been made. In October of 2010, Smith set up a website called bannersbroker.com that promised visitors a doubling of their money if they would recruit others in a multi-level marketing scheme involving the sale of online advertising. It is the position of investigators that this business was a pyramid scheme that over time evolved into a straight Ponzi scheme in which new victims were recruited to stave off requests for withdrawals and complaints from older ones. As the scheme progressed, Smith recruited another principal wrongdoer named Rajiv Dixit ("Dixit") and set up a host of associated corporations to mask both their illegal activities and the flow of money. Throughout the scheme, Smith, Dixit and their associated corporations had

investors pay their "investment" money to merchant account providers (i.e. legitimate corporations that process credit card payments). Those funds were then diverted by the suspects and their associated corporations to various offshore and other bank accounts controlled by them. Except for limited window dressing to promote the fraudulent scheme, there was no *bona fide* advertising publishing operation and the investors were being misled as to the source and nature of their "profits".

7. Police earlier identified roughly $700,000.00 CAD located in three Canadian payment processor accounts; Beanstream Internet Commerce Inc., SolidTrust Pay and Mazarine Commerce Inc. o/a Payza.com, and standing to the credit of the suspects' various associated corporations. Legal counsel for one of the suspects had been in contact with Beanstream Internet Commerce Inc. regarding accessing the funds and so police needed to restrain the funds. An Application for Restraint was made in respect of those funds by the Attorney General of Ontario and a Restraint Order was issued by the Honourable Madam Justice Kelly on July 18, 2014. The three payment processors were provided copies of the Restraint order on July 21, 2014, with hard copies mailed out to them on July 22, 2014. The respondents have not yet been located and served personally but attempts continue to be made to do so.

8. Police have recently identified funds on deposit at another Ontario merchant account provider, standing to the credit of one of the suspects' various associated corporations. Police are unable to confirm the exact amount from the payment processor so are asking that any and all funds to the credit of Monetize Group Inc. and Christopher Smith be restrained. At the time of the last Application, police were waiting to confirm a balance of the funds held by that merchant account provider and therefore I did not include them in my first sworn Affidavit. As there are grounds to believe that this money exists and is also proceeds of the crimes now under investigation, the Attorney General of Ontario brings this application to restrain the newly discovered property.

Previous Affidavit in Support of an Application for a Restraint Order

9. I swore an affidavit in support of an Application for a Restraint Order on July 17, 2014. In addition to the following circumstances, I am relying on the information set out in that affidavit as the grounds for my belief that the respondents, Christopher Smith and Rajiv Dixit, committed the offences and that the property now sought to be restrained may be forfeited as proceeds of crime. A copy of my sworn Affidavit filed in support of the application for the restraint order issued by Madam Justice Kelly on July 8, 2014, is attached to this affidavit and marked as Exhibit "A". I hereby adopt, under oath, the information and beliefs detailed in that earlier affidavit.

How UseMyServices Was Identified as a Payment Processor

10. A complainant in our investigation, Karen Harmon, sent me an email on March 21, 2014, with attachments she had captured from the Bannersbroker website. I read the attachments and learned that the Bannersbroker operation was now using a new merchant account provider, namely, UseMyServices. Specifically as a result of reading the attachment I learned that:

    10.1. The attachments were about a new version of Bannersbroker and they read, "Welcome to BBv3! Your account is on hold right now but once you have paid your first month's admin fee, you will be able to purchase inventory, start campaigns and qualify panels. You have 90 days from the launch of BBv3. If you haven't paid your first month's admin fee within the 90 days, your account will be closed and removed from our system. The reason for this is that there a lot of abandoned accounts in the system and we want to see which accounts are still being managed and which are not. By choosing to pay the first month's admin fee, that is your way of telling us that you wish to be a part of Banners Broker and are going to help us grow into the future. The first month's admin fee is $10 and needs to be funded from an external source. You can fund through any of our payment gateways that are available in your

country. These include:

- World eWallet
- Payza
- STP
- Allied Wallet
- UseMyFunds [*I was not previously aware of this payment processor used by Bannersbroker. The company name is 6003061 Canada Inc. o/a UseMyServices, Inc.*]

There will be two Wallets that you can withdraw from in BBv3. The BBv3 eWallet will be paid out weekly and you can withdraw the revenue that you have created from BBv3 panels. The second wallet, the Legacy Wallet, is the revenue that you have earned in BBv2.9 and any Legacy panels that you have that cap in BBv3 will continue to add revenue to your Legacy Wallet. They Legacy wallet will be paid out monthly. We're glad to have you with us! Affiliates outside of India will be charged a 5% processing fee to load their eWallet";

11. On the attachment it provided the total amount the investor was required to pay for the admin fee plus the 5% processing fee which was $10.53 USD.

12. Cathy McCormick, a Bannersbroker employee who worked for the company from November 2012 until May 2013, was interviewed by Detective Constable Chad Nickels with the Toronto Police Service on May 26, 2014. McCormick provided police documents she still had in her possession from when she worked at Bannersbroker. I read the documents provided by McCormick and learned the following:

    12.1. In the attachment that described Bannersbroker's E-Wallet it stated that the E-Wallet had to be funded through secure payment methods that included SolidTrust Pay, Payza, Allied Wallet and UseMyFunds [*which is the payment processor UseMyServices*].

Person Holding the Property

UseMyServices

13. On July 24, 2014, I reviewed documents provided by UseMyServices upon service of a production order authorized on June 17, 2014, by Justice of the Peace M. Churley, for records related to Bannersbroker and its associated corporations. I learned the following:

    13.1. A Payment Service Agreement between UseMyService Inc. and Monetize Group Incorporated [*associated corporation*] was electronically signed by the respondent Smith on August 8, 2012;

    13.2. UseMyServices account information [*with the date January 2012 printed at the bottom of each page*] contained the following:

        13.2.1. The business name on the account was Monetize Group Incorporated, 35 New Road, Belize City, Belize, with a phone number of 416-519-8948;

        13.2.2. Chris Smith was documented as the "Contract Signator Name" with phone number 647-497-9238, email address csmith@monetizegroup.com, Canadian passport number QA928106 and residential address 250 Jarvis Street, Suite 503, Toronto, M5B 2L2;

        13.2.3. The "Web Site Information" documented the URL as http://bannersbroker.com;

        13.2.4. The "Wire Instructions" documented the bank as Choice Bank Ltd., 1 Coney Drive, 3rd Floor, Belize City, Belize, and the company name on the bank account as Monetize Group Incorporated, account 102104, routing number 400-871-5740 and IBAN or Swift Code as CHOIBZBZ;

13.2.5. The "Payment methods currently accepted online" showed that Visa and MasterCard were accepted with the monthly volume documented as $5,000,000.00, Bank Wires were accepted with the monthly volume documented as $300,000.00, and online eWallet, Payza and STP [*these are other payment processors*] were accepted with a monthly volume of $500,000.00;

13.2.6. The primary business was documented as online advertising with the products or services offered as banner impressions and campaign management;

13.3. Incorporation documents for Monetize Group Inc. in Belize showed the company was incorporated on July 26, 2011, and Christopher Smith was appointed as the first Director and owner of 50,000 shares of the company on July 26, 2011;

13.4. A copy of Smith's Ontario driver's licence, S5778-12447-00828, was certified on October 6, 2011, by Asiya Jennifer Hirji, Barrister & Solicitor, with a stamp for Mamann, Sandaluk, Barristers & Solicitors, 82 Richmond Street East, Toronto, Ontario M5C1P1;

13.5. A letter from Choice Bank Limited in Belize dated August 30, 2012, was addressed to Mr. Christopher Smith, 250 Jarvis St., Apt. 503, Toronto, Canada, referenced Monetize Group Inc. USD account 102104 and stated that as per Smith's request they could advise that he had been a valued customer of Choice Bank Ltd. as of November 16, 2011, and that Smith's relationship with them was by way of a Corporate Demand Deposit Account with a balance in the low seven-figure bracket which had been conducted satisfactorily and was in good standing;

13.6. A letter from Royal Bank of Canada dated August 1, 2012, referenced Christopher Smith, 250 Jarvis Street, Suite 503, Toronto, Ontario, and accounts 02112-0055010 CDN, 06742-4518064 USD, 06802-5028436

CDN and 06802-5034632 CDN. The letter stated Smith had been a customer since May 1979 and that the accounts were operating to RBC's satisfaction [*production order results for these accounts showed that they were all personal deposit accounts for Smith*];

13.7. An email dated April 3, 2013, from csmith@bannersbroker.com to Joseph at UseMyServices documented the following:

13.7.1. Bannersbroker's new ad supplier was Adzerk [*Adzerk is located in the U.S. and was contacted by Cst. Ari Krieger of Toronto Police Service on July 24, 2014. Adzerk confirmed that they would have records available if served with an order. A Safe Web Act request will be made through the U.S. Federal Trade Commission to obtain these records*];

13.7.2. Bannersbroker's advertisers were still on Clicksor until the switchover [*suggesting that Clicksor was the only Ad Network being used by Bannersbroker at the time of the email. As mentioned in my earlier affidavit, the production order results for Clicksor showed less than $200,000.00 being paid to Clicksor with no money coming back to Bannersbroker*];

13.8. An email dated September 13, 2013, from csmith@bannersbroker.com to Melody Wigdahl at UseMyServices documented that they were using the following ad partners:

13.8.1. www.adprudence.com;

13.8.2. www.152media.com;

13.8.3. www.adzerk.com;

13.8.4. www.clicksor.com.

13.9. An excel spreadsheet provided by UseMyServices in compliance with the

production order detailed the transactions in the UseMyServices account for Monetize Group Incorporated and showed 7038 transactions in total, most of which appeared to be regular investor payments, made before March 18, 2014, into the main fraudulent scheme I described in my affidavit sworn July 17, 2014;

13.10. There were also 1929 transactions listed in the UseMyService spreadsheet in the amount of $10.53 USD with the first transaction in this amount starting on March 18, 2014 [*this was the required admin fee for Bannersbroker version 3 to prevent an investor's Bannersbroker account from being closed and removed from the system (see the anticipated evidence of Karen Harmon described in paragraph 10). It should be noted that investors were required to send outside (i.e. real) money to Bannersbroker instead of using funds that should have been available in their virtual Bannersbroker eWallet*];

13.11. Of those 1929 transactions, 1920 were described under the column "Item Description" as "Virtual Currency for buying advertising inventory on Banners Broker", with the remaining 9 being described as "Virtual";

13.12. The majority of all the transactions in the excel spreadsheet were split into the following two categories under the column "Item Description":

13.12.1. "Virtual Currency for buying advertising inventory on Banners Broker" which totalled approximately $1,491,412.00 USD;

13.12.2. "Virtual Currency for buying advertising inventory on Banners Mobile" which totalled approximately $9,362.79 USD;

14. The total amount that was deposited into the suspects' merchant account, as part of the Bannersbroker scheme, was roughly $1,500,774.79 USD;

15. In my affidavit sworn July 17, 2014, I detailed the grounds for my believing that any money held in accounts at merchant account providers to the credit of the two

suspects or their associated corporations were proceeds of the crimes being investigated. Specifically, I detailed my grounds for believing that the Bannersbroker scheme was a pyramid/Ponzi type scheme that, apart only from the real money paid into it by investors, did not have any appreciable income and, in particular, did not have the advertising revenue that Bannersbroker told investors was the source of the virtual earnings and "money available for withdrawal" shown in the investors' personal accounts they accessed through the Bannersbroker website. If the Bannersbroker scheme had no appreciable income other than new payments from investors, then it follows that any money held to the credit of the accused (or an associated corporation) at a merchant account provider, and relating to said scheme, must be proceeds of the scheme. The same holds true of the money now being held at UseMyServices.

Statutory Requirements for a Restraint Order

16. Subsection 462.33(2) of the *Criminal Code* states that an application for a restraint order may be made *ex parte* and shall be made in writing to a judge, accompanied by an affidavit sworn on information and belief, deposing to the following matters:

a) The offence or matter under investigation;
b) The person who is believed to be in possession of the property;
c) The grounds for the belief that an order for forfeiture may be made under subsections 462.37(1) or 462.37(2.01) or 462.38(2) in respect of the property;
d) A description of the property; and
e) Whether any previous applications have been made under this section with respect to the property.

17. Subsection 462.33(3) of the *Criminal Code* states that a judge may make an order prohibiting any person from disposing of, or otherwise dealing with any interest in, the property specified in the order if the judge is satisfied that there are reasonable grounds to believe that the property may be made subject to an order of forfeiture under subsection 462.37(1) or 462.37(2.01) or 462.38 of the

Criminal Code.

18. Subsection 462.33(7) of the *Criminal Code* states that before a judge makes an order under subsection 462.33(3), the judge shall require the Attorney General to give an undertaking with respect to the payment of damages and/or costs in relation to the making of the restraint order and the execution of the restraint order. It is my understanding that such an undertaking will be provided in this case.

Offence or Matter Under Investigation

19. The suspects will or could soon be charged with the following offences:

- Running a pyramid scheme, contrary to s.206(1)(e) of the *Criminal Code*;
- Fraud over $5,000.00, contrary to s.380(1) of the *Criminal Code*;
- Possession of property obtained by crime, contrary to s.354(1) of the *Criminal Code*;
- Laundering the proceeds of crime, contrary to s.462.31 of the *Criminal Code*; and
- Making false and misleading representations, contrary to s.52(1) of the *Competition Act*.

Persons Believed to be in Possession

20. 6003061 Canada Inc. o/a UseMyServices, Inc., 1881 Steeles Avenue West, Ste. 348, Toronto, ON M3H 0A1, is the merchant account provider that is in possession of the property and that holds the property for the benefit of, and at the direction of Chris Smith and the associated corporation known as Monetize Group Incorporated. The respondent Chris Smith is the registered account holder of the merchant account.

Description of the Property

21. I read an email dated July 23, 2014, from Joseph Iuso ("Iuso"), CEO of UseMyServices, to investigator Kathleen McCoy of the Competition Bureau. Iuso confirmed that Monetize Group Incorporated, CEO Chris Smith has the

following merchant ID:

- Merchant ID SMPDAA (User ID SMPDAA paybannersbroker@gmail.com) – and that there are funds to the credit of the named Monetize Group Incorporate C.E.O. Chris Smith.

Grounds for Believing Property is Proceeds of Crime

22. A trier of fact, based on the circumstances described in the foregoing paragraphs and in the attached affidavit (Exhibit "A"), would be entitled to find that the respondents' dealings with investors were objectively and subjectively dishonest and that, as a consequence of that dishonesty, the victims of their pyramid/Ponzi scheme were deprived of an amount exceeding $5,000. That being so, I believe that a trier of fact could find the respondents guilty of fraud over $5,000. I also believe, based on essentially the same evidence, that a trier of fact could find the respondents guilty of the other offences listed in paragraph 19.

23. If the money accessible to Bannersbroker did not come from a "blind" advertising network, then a trier of fact could conclude that all its revenue was derived from recruiting new customers and getting existing customers to increase their investments by buying more advertising from Bannersbroker or paying the "admin fees" described in paras. 10, 11 and 13.10. If this was the only revenue source Bannersbroker had, then any money paid to investors wearing their "publisher" hats would have to come from that revenue stream, namely, new investments.

24. If the trier of fact were to find the respondent guilty of fraud over $5,000 (and/or the other offences listed in paragraph 19), I believe that a sentencing court, acting under s.462.37(1) of the *Criminal Code* and for the reasons described, could be satisfied, on a balance of probabilities, that said fraud was committed in relation to the property now sought to be restrained. Specifically:

- Funds held by 6003061 Canada Inc. o/a UseMyServices, Inc., 1881 Steeles Avenue West, Ste. 348, Toronto, ON M3H 0A1, in a merchant account for

Monetize Group Inc. for registered account holder Christopher Smith, Merchant ID SMPDAA and user ID SMPDAA paybannersbroker@gmail.com.

Previous Applications

25. There has been one other Application for Restraint made by counsel for the Attorney General of Ontario resulting in a Restraint Order authorized by the Honourable M Justice Kelly on July 18, 2014. That restraint order targeted other property. To my knowledge, this is the first restraint order sought in respect of the property.

Persons Who Should Receive Notice

26. If the restraint order sought in this application is made, I believe the following persons should receive notice of that order:

a) Christopher Smith, 503 – 250 Jarvis Street, Toronto, Ontario;
b) Rajiv Dixit, 1036 Coyston Court, Oshawa, Ontario;
c) 6003061 Canada Inc. o/a UseMyServices, Inc., 1881 Steeles Avenue West, Ste. 348, Toronto, ON M3H 0A1, attention Joseph Iuso.

Conclusion on the Merits

The Presumed Defence Position

27. The respondents have not yet been charged with the present offences. For the purposes of this application, the Crown is assuming that the respondents will plead not guilty, will vigorously contest any and all criminal charges laid and will further deny that the property sought to be restrained is proceeds of crime.

The Ex Parte Nature of This Application

28. Notwithstanding that this application may be brought *ex parte* as of right, a judge hearing it may, in accordance with s.462.33(5) of the *Criminal Code*, require that

prior notice be given to any person who appears to have a valid interest in the property. In this regard, Crown counsel with carriage of the present applicant wishes this Honourable Court to be aware that counsel for one of the respondents' associated companies has, in the very recent past, sought access to some of the property restrained by the order of Madam Justice Kelly.

29. Crown counsel has not spoken to any of the respondents or to their counsel or their corporations' counsel but is prepared to assume that the respondents will take the positions stated above.

30. I do not know what efforts are being or could be made by the respondents or their agents should no restraint order be put in place on an *ex parte* basis. Nor can the police predict what position those in possession of the property might take if no order is made soon. In this respect, Crown counsel notes that it would always be open to the respondents to seek post-restraint relief under s.462.34 of the *Criminal Code*. It is the Crown's position, in light of the uncertainty about prospective secretion efforts by the respondents, that the criminal courts should assert immediate control over the property by means of an *ex parte* order. Any competing interests of the respondents or others can then be accommodated in the context of a later s.462.34 hearing should any person who receives notice of the restraint order object to it or seek to have it revoked or modified. Should any such s.462.34 applicant be brought, the Crown will state its position on such an application at that time.

31. Based on the information contained in this affidavit, I believe that the property is proceeds of crime as defined by section 462.3 of the *Criminal Code* and, therefore, may be subject to an order of forfeiture under section 462.37 of the *Criminal Code*. I believe further that a restraint order under s.462.33 is necessary to prevent the possible disposal of the property and to ensure that the property will be available for forfeiture at trial should the respondents be convicted.

SWORN before me this 28th day of	)	
July, 2014, at the City of Toronto, in	)	
the Province of Ontario	)	K Judd #50167.
	)	Katie Judd
	)	
A Commissioner etc.	)	
MELISSA ADAMS.		

Tab 8

facebook

Email or Phone | Password

Keep me logged in | Can't log in?

Create Page

Recent
2014
2013
2012

Banners Broker Ponzi Scam

Community

Timelineselected | About | Photos | Likes

PEOPLE

11,357 likes

ABOUT

Banners Broker Ponzi Scam seeks the truth about BB. We support TaraTalks blog: http://taratalkstoday.blogspot.co.uk/

http://taratalkstoday.blogspot.co.uk/

POSTS TO PAGE

Tara Talks
Today at 12:00pm

I've just discovered a great foreign forum about BB. NO idea what th... See More

Like · Comment · Share 2

Julian Fox
September 21 at 9:57am

Ok guys, I'm new here.. Lost around 450$ with this crap, how do I get it back?

Like · Comment · Share 3

Gianluca Pascarella
September 20 at 11:54pm

Has anyone attempted a chargeback with Natwest and been told they wo... See More

Like · Comment · Share 1 7

Banners Broker Ponzi Scam
Yesterday

We have decided tonight to release a short post from a private conversation we had with Mark.

We made a promise to him not to report this conversation and for various reasons we will keep that promise.
However, he has ignored our requests ... See More

Mark [redacted] 13 September 12:50

I am thinking carefully about this I of course am serious and I am about to make a statement as my gut tells me that too many believe still believe BB is going to come back. Just give me a couple of days to get something together

Like · Comment · Share

Tara Talks, Stewart Cambridge, Frank Walters and 3 others like this.

View 29 more comments

Andrew Handy Mark Ghobril = Scammer SCUMBAG
55 minutes ago · 2

Andrew Handy In foreclosure too
55 minutes ago · 2

Banners Broker Ponzi Scam
September 21

We are returning to Iain Sheriff tonight to quote this post he made on the Talking BB Forum:

'We have outed a number Johno but I wouldn't be at all surprised if there are still more spineless little shits under rocks here. After all most of them are ex-BB'ers.'

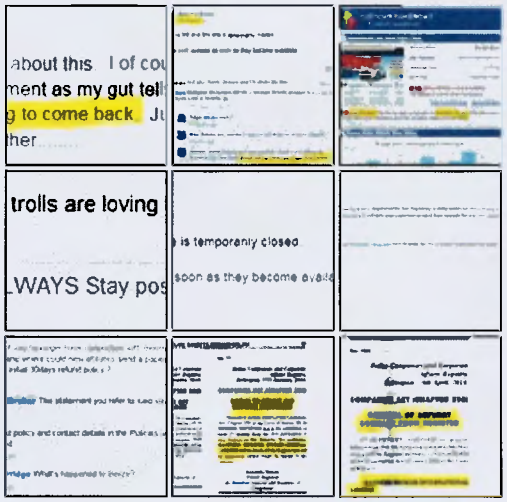
For this man to call affiliates 'spineless little shits' for daring to question why Chris Smith has taken all their money is repulsive.

LIKED BY THIS PAGE

Truffati da Banners Broker: Ripre...

Tara Talks

PHOTOS



Like · Comment

Tara Talks, Steve Thomas, Tilly Loveday and 8 others like this.

View 17 more comments

Brian Ski Who cares what this yokel has to say? Cheezy ponzi like BB stiffs all its most vocal supporters w/everyone else. His BB millions are worth ZERO.
Yesterday at 11:20am · 1

Marlies Pipho zero is also a number very important..huhhh
18 hours ago

Banners Broker Ponzi Scam
September 20

Another post on BB Facebook today saying that BB will come back stronger than ever! How exactly? It's been gone almost ONE MONTH. The Twitter and Facebook pages have been deserted. The sites are CLOSED. BB is GONE.

If your upline is feedi... See More

Banners Broker
28 August

FYI: The BB and BM site is temporarily closed

We will post updates as soon as they become available.

Share 18 Shares

Graham Mulcahy David Johnson and 74 others like this Top Comments

Gary Nicholas We believe BB WILL be back SOON stronger than ever. If you agree LIKE & SHARE
77 29 August at 16:13

Tiago Neves really?
11 hours ago

Atila Ramin any updates? any news? anybody at home here?!
8 hours ago

Jacson Jacob hoping and very positive. i have been telling my downlines to have faith things will be more staronger than before
5 hours ago

Like · Comment · Share 1 Share

Frank Walters, Gary Wellman, Terence M. Blackett and 9 others like this.

View 16 more comments

Tilly Loveday That post about BB coming back stronger - and the one inviting people to like and share - have now vanished from the BB Fb page. How very strange!
23 hours ago

Banners Broker Ponzi Scam Maybe he's seen the light Tilly lol?
14 hours ago

Banners Broker Ponzi Scam
September 17 · Edited

We've had some reports of ongoing posts at the Talking BB Forum by Iain Sheriff.
He's stating that affiliates do not have a case against BB as they were known as BBIL and the company now trading as BB is unknown(?)

We'd like to clear this lie up.

BANNERS BROKER / BANNERS BROKER INTERNATIONAL/STELLARPOINT/ MADE UP UNKNOWN COMPANY is ALL the same PONZI scam!

If you joined Banners Broker at any time since its inception, then you can CLAIM either a Chargeback from your Bank or Credit Card Company AND/OR join the Liquidators list.

It's that simple!

Who would you rather believe? A two bit PONZI forum operator or the worlds legal system?

Like · Comment 1 Share

Eveline Carter, Rudi Knödl, John Baylis and 5 others like this.

View 23 more comments

Lee Mcalister Some interesting observations.I was in contact with some 10 heavy BB supporters last days.You would imagine they defend old crap heavily but guess what - not at all - I was bombard with new scams and crap offers.Only first words were about BB something... See More
September 20 at 2:50am · 1

Banners Broker Ponzi Scam Professional fleas...
September 21 at 2:42am

Banners Broker Ponzi Scam
September 12

There's quite a bit of chatter around at the moment from people questioning the 'clawback' process.
This is the process used by the 'Zeek Rewards' receivers to get back any money 'overpaid' to affiliates and give it to the affiliates who have lost money instead.
The chatter seems to hinge on the status of 'Independent Affiliate', the T&C's entered into, and that any payments made were 'commissions' and therefore untouchable.

All we can add to this discussion is that Banners Broker were NEVER a genuine business. They were, are, and always will be, a very clever PONZI scam.

All the T&C's and written contracts you have associated with this 'business' aren't worth the paper there written on.

Like · Comment

Jack McGrath, Tara Talks, Stavros Frangoudes and 6 others like this.

View 30 more comments

Brian Ski Markus,you like to run your mouth without thinking. No surprise your a sucker who lost your $ in a ponzi.
I was never in BB or any money game ever. I expose them only.
September 15 at 11:59am · Edited

Steve Thomas He does
September 15 at 1:25pm

Banners Broker Ponzi Scam
September 12

So here we are.

The third Friday in a row with not a peep out of BB (except to delete abusive posts on Facebook and post a strange cryptic message!)

Its like the Marie Celeste. The boat is still there but the people have all mysteriously vanished.

We have to admit tonight though, to missing our usual Friday night dose of B******t. Waiting to see what excuse they would come up with for not payi... See More

Like · Comment

Tilly Loveday, Dave Driver, David Goodwin and 11 others like this.

View 6 more comments

David Goodwin I reported their facebook page 3 times last week and got no reply so I wrote to facebook..."because of the large number of reporting we are unable to look at all the reports....etc etc etc...bullshit...crap....etc etc.. " suggests that facebook is in bed with them....we all need to the report them....and keep doing it...
September 12 at 2:20pm

Markus Winngate DAVE ,, no facebook means no evidence.. how else would you suggest we get the names and addresses of the players..
September 13 at 1:00am · 2

Banners Broker Ponzi Scam
September 7

Below is a snip from 'Is It Down Right Now?'
As you can see, Banners Broker is OVER!
Ten days without ONE word of explanation.
Not ONE Facebook post.
Not ONE Tweet.
The whole Webinar Series CANCELLED!... See More

Like · Comment · Share

1 Share

Trevor Bourgeois, Kevin Gristock, Robert Ferman and 18 others like this.

View 42 more comments

Steve Thomas haw haw haw
September 16 at 9:11am · 1

Robert Ferman Yep, truth, Rajiv is a Dikshit as well!!
September 17 at 7:20am

Banners Broker Ponzi Scam
September 7

BBPS Admin Notice:
Please note that any posts containing phone numbers and/or email addresses of individuals will be deleted.
Thank you for your co-operation.

BBPS Team.

Like · Comment

Friedrich Kalleitner, Tara Talks, Shaz Haq and 5 others like this.

View 3 more comments

Andrew Handy Mark Ghobril seems to be worried that they will come for him
September 8 at 10:55am · 3

Koko Vasiles Handy and they will for sure as few hundreds of the elite scammers
September 8 at 11:27am · 1

Banners Broker Ponzi Scam shared a link.
September 6 · Edited

Finch has a new update on his blog site, 'FINCH SELLS'.
He was one of the first people to draw attention to Banners Broker as a PONZI scam and deserves recognition for his brilliant blog posts. His been proved right, despite the horrendous onslaught he received.
Nice work Finch!

http://finchsells.com/2014/09/06/deeply-insolvent-banners-broker-to-surrender-assets/

"Deeply Insolvent" Banners Broker to Surrender Assets
finchsells.com

It looks like justice is finally catching up with Chris Smith, Rajiv Dixit and the men behind Banners Broker. Two years ago, I wrote a series of posts exposing Banners Broker, a so-called 'online advertising broker', as a sordid ponzi scheme. I recei

Like · Comment Share 3 Shares

Ria Taverne, Steve Thomas, George O'Connell and 27 others like this.

View 11 more comments

Μουζος Βασιλειος The police must arrest all of them , find the files from their PCs and return the money to all people....Where is the justice of you where ever
September 14 at 12:30am

John E Grss This is insane, if your looking for a real company! hit me up
September 20 at 5:31pm

Banners Broker Ponzi Scam
September 4

We would like to offer our sincere condolences to the family of John Baylis's friend who sadly committed suicide last week due to Banners Broker.
This page and our many supporters are here 24/7 to help anybody who needs financial advice or emotional support.

A very sad day.
The BBPS Team.

Like · Comment 3 Shares

Paul Foulkes, Eric Jason, Tara Talks and 11 others like this.

View previous comments 2 of 51

Steve Thomas Ok, I've seen it all now@both Julie's comments and that jaw-dropping Facebook page - We Want Our Banners Broker Back? Really? REALLY???!!!
September 7 at 1:08pm · 1

Steve Thomas Delusional to the nth degree
September 7 at 1:12pm · 1

Banners Broker Ponzi Scam
September 3

Were posting this to the main board because it absolutely says it all about Banners Broker and what a nasty scam it really is:
Please pass our sympathy's onto your friend Gary.

'Right I am sick and tired of all the morons on the bbfb page having a go at every opportunity. So here's my ten cents worth!!
Sadly I sponsored a good friend of mine into this shit scape of a business. He was overjoyed a... See More

Like · Comment 1 Share

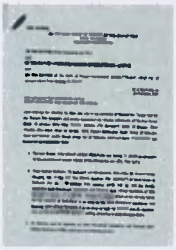
Mo Smith, Mike Amor-Wilkes, John Scott and 36 others like this.

View 19 more comments

Ria Taverne I've been in BB since August 2012 and have had a one time payment of $143,50 out of my nearly $6000,- initial seed. Like many others I kept quiet, never said a wrong word about BB hoping to get paid, at the same time knowing deep down that it was never going to happen. It therefore came as no surprise that finally BB folded. What I'm trying to say is that not everybody is stupid but we all live in hope.
September 16 at 1:43am · 2

Steve Thomas Ria Taverne let me know how it went with your charge back claims as I've said in PM Mo Smith - please look at this link for details as you MAY be able to claim back your initial money you put in BB: http //taratalkstoday.blogspot.co.uk/p/get-your-money.html

TARA TALKS: Get Your Money Back From Banners Broker - 'CHARGEBACK' and 'LIQUIDATION' Information
taratalkstoday.blogspot.com
Banners Broker is a PONZI scheme that has been Liquidated. This blog has up to d... See More



September 16 at 4:40am

Banners Broker Ponzi Scam
August 31 · Edited

It's taken us a while to digest these 6 volumes of Banners Brokers demise but these are our initial findings:

FACT:
The Canadian Courts judgement is that Banners Broker International is Insolvent and should be wound down.

FACT:
The courts have decreed that Chris, Raj and Kul must be examined under oath.

FACT:
The explanation from Chris that he 'voluntarily' liquidated the IOM company becaus... See More

Like · Comment 1 Share

John Scott, Louise Rakowski, 'Graham Friend and 16 others like this.

View 44 more comments

Steve Thomas I love that pic of David 'T J' Hooker - he couldn't look less like a 2nd rate used car salesman/stand up comedian. "40 years experience of talking around the world". Funny then that one cannot find hardly anything on this guy or any of the so called motivational talks he's given?
September 5 at 3:24am · 3

Diana Kirkpatrick He is another liar and scam artist.
September 6 at 5:48am · 1

Banners Broker Ponzi Scam
August 30

Some information for our new visitors:

This is the Liquidators Website:
http://dm.epiq11.com/BBB/Project
Address and contact details:
Paul Appleton @ David Rubin and Partners.
Email paul.cooper@drpartners.com.
020 7400 7900
The address is in England but ALL affiliates (regardless of nationality) can register.
... See More

Like · Comment

Markus Winngate, Funke Kinda, Gilles Peringuey and 6 others like this.

View previous comments 2 of 74

Gary Wellman Steve I like you. Kinds blows his shite he posted the other day about being "sick and tired" outta the water don't it!! A fully paid up member of the BBTG.
September 8 at 10:19am · 1

Steve Thomas Cheers, Gary the feeling's mutual And yes, I saw all about his recent turnaround comments. Just what you'd expect from a slimy little weasel like Ghobbels alright. I am absolutely certain that had BB still been going on quietly under the radar of the courts, insolvency firms and especially Mark Davella etc, he would still be parading around trying to elicit/dupe people into that wretched shit-show
September 9 at 6:23am · Edited

Banners Broker Ponzi Scam
August 29

Both Banners Broker AND Banners Broker Mobile are still SHUT.
The court papers must weigh a ton and look like a legal version of '50 shades of Gray'. Todays Scaminar has also been cancelled but STILL they don't get it! Unbelieveable!

Julie Templeton Oh.... the trolls are loving this
40 minutes ago

Julie Templeton But we ALWAYS Stay positive!
40 minutes ago

Like · Comment Share 1 Share

Nicole Burris, EverFabulous Andrea Constantlyfighting Uphillbattles-Payne, Nikolina Žižek and 4 others like this.

View 26 more comments

Banners Broker Ponzi Scam The liquidator is your best bet, info on our main board, but may be worth a shot at Chargeback. Info on here:
http //taratalkstoday.blogspot co.uk/p/get-your-money html
September 1 at 1:16pm

Chris Smith Thank you, will try tomorrow.
September 1 at 1:44pm · 1

Banners Broker Ponzi Scam shared a link
August 28

Great news in this morning!
Canadian Receivers MSI SPERGEL INC
http://www.spergel.ca/corporate/activefiles_bn php
were appointed in a Canadian Court on August 22nd 2014.
They have recognized the Liquidation of Banners Broker International ...
See More

Trustee in Bankruptcy, Corporate Insolvency, Restructuring, Consulting, and Corporate Finance -...
www.spergel.ca

A summary of some of our active engagements and their related documents for reference.

Like · Comment · Share 3 Shares

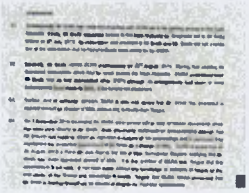
Mostafa Easa, Mark Davella, Nikolina Žižek and 14 others like this.

View previous comments 2 of 61

Tara Talks I've started to break these down into bite size chunks for you to read a bit more easily! http://taratalkstoday.blogspot.co.uk/p/court-documents html

TARA TALKS: Court documents
taratalkstoday.blogspot.com

Banners Broker is a PONZI scheme that has been Liquidated. This blog has up to d... See More



August 29 at 11:30am · Edited

Koko Vasiles Well well well guys can you remember that ...lol propaganda and fear of blocking you off in action ..

August 29 at 3:22pm · 3

Banners Broker Ponzi Scam
August 28

Banners Brokers sites are CLOSED. Temporarily??????

Banners Broker
55 seconds ago

FYI: The BB and BM site is temporarily closed.

We will post updates as soon as they become available.

Share

Like · Comment · Share

2 Shares

George O'Connell, Stavros Frangoudes, Nancy Ng and 6 others like this.

View 17 more comments

Steve Thomas For Tilly Loveday https://vimeo.com/96352726

The Party's Over

This is "The Party's Over" by Jack Tolerance on Vimeo, the home for high quality videos and the people who love them.

August 29 at 7:05am · 3

Marlies Pipho no way...what a surprice this is...or did we know this will happen 1 1/2 years ago..yes we would if we would have taken attention
August 29 at 10:04am

Banners Broker Ponzi Scam
August 27

So what's a 'White Label Processor'?
It's a processor who you can use but not identify.
You can use your own branding and adjust it to suit your own individual needs. So how long does it take to set this up?

Chris will tell you weeks/mont... See More

Hi Tara

Thank you for being back in touch and clarifying your requirements. Yes, PayVector's white labels solution takes a couple of weeks to set-up. In this case, the 10 to 14 business days timescale is how long it will take your customers to have their services for payment processing up and running.

Please complete and return the attached Information Request Form in order for me to better understand the scale and scope of your project.

All the best.

Emma

Like · Comment · Share

Alan Dunne, Lee Childs, Stewart Cambridge and 2 others like this.

View 14 more comments

Michael Bowe Markus, could be a lot of coughing tomorrow and maybe the sound of a flushing toilet again just as the .... hits the you know what!!!!!
August 28 at 1:18pm · 1

Koko Vasiles It will be coughing/ soon / complance / around the corner/ then finish with have a nice weekend thanks for anticipating end of scaminar and the last thanks for Linda ...
August 28 at 2:15pm

Banners Broker Ponzi Scam
August 22

So now WeW has Officially been dropped, (despite Chris proclaiming undying allegiance to Mike Kraemer) we have a new 'white label' payment processor that Chris won't name in case we scare it away!
This NEW processor will have a NEW timeline that you won't like (weeks, not months!) and, guess what, a NEW system of registering. So that's MORE ID's to upload. More personal info that you'll be asked ...
See More

Like · Comment 10 20 1 Share

Banners Broker Ponzi Scam
August 21

Some clarification this morning:

If Banners Broker is Officially Defunct (as they have admitted to) that means that all the terms/conditions etc that you signed up to are NULL AND VOID.
It means that any money that Banners Broker owes you ... See More

James Hart BB if you no longer have connection with Belize (based on your same statement) how and where could new affiliates send a paper mail if they want to take advantage of the initial 30days refund policy ?

9 hours ago

Banners Broker The statement you refer to said we still have a company in Belize

The refund policy and contact details in the Policies and Procedures remain unchanged

7 hours ago

Scott Burridge What's happened to Belize?

6 hours ago

Like · Comment Share

5 15 1 Share

Banners Broker Ponzi Scam

August 20

Operating under a private name now BB?

What's your new name then?
If you are trading under this name, show us the registration documents? It must be Official, there would be a record?

Does this mean that all your hugely amassed assets (as you aren't paying people!) have now been transferred to this new company?

This would mean that technically BB can close any day now and this NEW company (who has all the money) can start again?

Like · Comment

7 25 1 Share

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2013 HIGHLIGHTSALL STORIES

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2012 HIGHLIGHTSALL STORIES

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Tab 9

Fears for investors as suspected pyramid scheme wound up

Thursday, February 27, 2014

By Conor Ryan, Investigative Correspondent, Isle of Man

Thousands of Irish investors have been left counting the cost after the company behind Banners Broker, a suspected online pyramid scheme, was wound up owing millions.

Liquidators were appointed to Banners Broker yesterday following a hearing in the Isle of Man. The scheme had attracted investment from more than 12,000 Irish people and thousands more internationally. The court agreed with an uncontested application that Banners Broker International Ltd (BBIL) should be shut down. It came five months after BBIL withdrew support for its Irish office, redirected service calls to Belize and put heavy restrictions on the withdrawals people could make from their accounts.

The court in Douglas heard the company had $6m (€4.4m) in assets but it had nobody from its Canadian operators present.

"The company is currently in limbo. It has no registered office, nobody providing secretarial services, no representative who will appear and significant assets of $6m," said Judge David Doyle.

The judge said under the Isle of Man's Companies Act 1931 it was just and equitable for the company to be wound up.

He appointed joint liquidators. One, from local firm Mann Benham, was put forward by Targus Investments. Targus had previously provided BBIL's Canadian principal, Chris Smith, with nominee services for BBIL in the Isle of Man.

The second appointee was London-based Paul Appleton, of David Rubin and Partners LLP.

Mr Appleton presented the court with claims from people whose money is still locked in BBIL's complicated internet advertising packages.

A standard letter circulated among some investors asked the Isle of Man court to appoint Mr Appleton as joint liquidator. In it individual claimants set out how much they had put in and what they were owed.

"There are genuine concerns as to the manner in which the business has been operated by others.

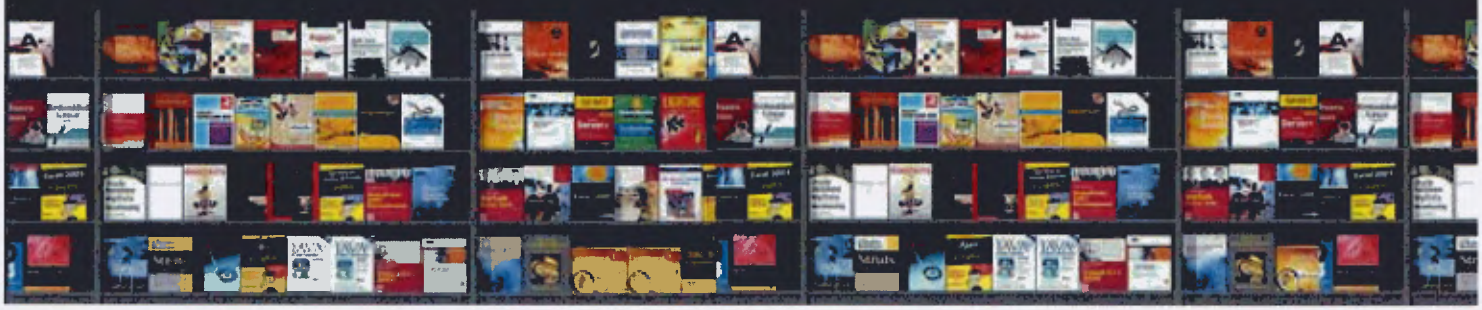
"A full and thorough investigation into BBIL's affairs is, therefore, required to determine the position and explore how best to secure and recover funds for the benefit of its creditors," the letter said.

The effect on creditors and investors will become clearer over the coming days.

Under Isle of Man law, a committee of inspection will oversee the work of the liquidators. It is expected to take up to a month to establish the extent of BBIL's remaining assets and debts.

HOME

MORE FROM THE IRISH EXAMINER



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Defence Minister approves continuing Irish deployment in Golan heights

No plans to charge for wifi on Dublin Bus, management says

SF calls for almost €1bn social housing investment

Boy, 17, part of armed raid which threatened to kill garda

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Taxpayers urged to boycott water bills


Bono hits at 'haters' of iTunes album launch


Three Cork teenagers win Google's grand prize for science

Staff 'refused to believe' they had won the lotto

Demands for ban oncamper van parking

Shamrock Rovers fans break man's nose at wake

Tab 10

CASSELS BROCK
LAWYERS

MEMORANDUM

DATE	October 2, 2014
TO	msi Spergel inc.
CC	Joint Liquidators of Banners Broker International Limited ("**BBIL**")
FROM	Cassels Brock and Blackwell LLP
OUR FILE #	47327-1
RE	BBIL: Summary of Corporate Profile Searches

Please find below a summary of the corporate profile searches we have conducted in respect of the Associated Corporations identified in the RCMP evidence obtained by the Receiver:

Name	Jurisdiction	Directors	Officers	Registered office	Date of Incorporation	Name Changes / Registrations
Stellar Point Inc.	Federal with extra-provincial registration in Ontario	Rajiv Dixit	Not disclosed	27-1300 King Street East, Suite 234, Oshawa, ON, L1H 8J4	September 28, 2009	Incorporated as 7250037 Canada Inc. in 2009. Name changed to "Bannersbroker Limited" on February 22, 2012. Has an active Business Names registration for "BANNERSBROKER". Name changed to Stellar Point INC. on July 30,

CASSELS BROCK
LAWYERS

						2012.
Parrot Marketing Inc.	Federal with extra-provincial registration in Ontario	Christopher Smith	Not disclosed	181 Bay Street, Suite # 1800, Toronto, ON, M5J 2T9	August 1, 2012	Incorporated as "8264554 Canada Limited" and name immediately changed to "Parrot Marketing Inc."
Dixit Holdings Inc.	Federal	Rajiv Dixit	Not disclosed	150 York Street, Suite 800, Toronto, ON, M5H 3S5	April 11, 2012	Incorporated on April 11, 2012 as 8163871 Canada Limited. Name changed to Dixit Holdings Inc. on June 12, 2013.
2341620 Ontario Corporation	Ontario	Christopher G. Smith	Christopher G. Smith (President and Secretary)	1800-181 Bay Street Toronto ON M5J 2T9	September 7, 2012	N/A
2087360 Ontario Incorporated o/a Local Management Services	Ontario	Edmund A. Clarke	Not disclosed	120 Adelaide Street West Richmond Adelaide Centre Suite # 2401 Toronto ON M5H 1T1	November 25, 2005	Active Business Names registrations for "Driven Ads" and "Hive Digital".

Tab 11

CASSELS BROCK
LAWYERS

September 12, 2014

VIA E-MAIL

dward@casselsbrock.com
tel: 416.869.5960
fax: 416.640.3154

Aird & Berlis LLP
Brookfield Place
181 Bay Street
Suite 1800, Box 754
Toronto, ON, M5J 2T9

Attention: Harry Fogul

Dear Mr. Fogul:

Re Applicant of Miles Andrew Benham and Paul Robert Appleton, in their capacity as Joint Liquidators of Banners Broker International Limited ("Banners Brokers") Court File No. CV-14-10663-00CL

On Friday, August 22, 2014, following the Initial Recognition Order hearing, you advised that you had asked Christopher Smith to assemble Banners Broker books and records for your review and production to the Receiver.

Would you please advise, in writing, what Mr. Smith has done to comply with his obligations regarding Records and Property as such terms are defined in the enclosed order of Justice Matheson dated Friday, August 22, 2014.

Your early attention to this matter would be appreciated.

Yours truly,
Cassels Brock & Blackwell LLP

David Ward
Services provided through a Professional Corporation
DW/mjc

c. Phil Gennis
Paul Appleton
Miles Benham
Larry Ellis
Chris Horkins

Legal*12376759.1

Carreiro, Mary

From: Harry Fogul [hfogul@airdberlis.com]
Sent: Friday, September 12, 2014 1:52 PM
To: Carreiro, Mary
Cc: 'PGennis@spergel.com'; 'paula@drpartners.com'; 'milesbenham@mannbenham.com'; Ellis, Larry; Horkins, Christopher; Ward, David
Subject: RE: Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1975140]

I acknowledge receipt of your letter. I did not need a copy of the Order as I am familiar with its terms. I have asked Mr. Smith to assemble all documents and records that he has regarding BBIL Isle of Mann. I will review the documents that Mr. Smith has assembled when I return to Toronto after the mediation I am involved in.

Harry Fogul

From: Carreiro, Mary [mailto:mcarreiro@casselsbrock.com]
Sent: September-12-14 11:46 AM
To: Harry Fogul
Cc: 'PGennis@spergel.com'; 'paula@drpartners.com'; 'milesbenham@mannbenham.com'; Ellis, Larry; Horkins, Christopher; Ward, David
Subject: Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1975140]

Attached please find correspondence from David S. Ward of today's date.

Mary Carreiro • Legal Assistant
Direct: +1 416 860 6566 • mcarreiro@casselsbrock.com
2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada M5H 3C2
www.casselsbrock.com

September 15, 2014

VIA E-MAIL

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Suite 1800, Box 754
Toronto, ON, M5J 2T9

Attention: Harry Fogul

Dear Mr. Fogul:

Re: Applicant of Miles Andrew Benham and Paul Robert Appleton, in their capacity as Joint Liquidators of Banners Broker International Limited ("Banners Brokers") Court File No. CV-14-10663-00CL

I write further to your e-mail of Friday, September 12, 2014 at 1:52 p.m. (copy attached).

The Receivership Order was granted on August 22, 2014. You are the lead counsel for Christopher Smith. Mr. Smith appears to be the sole officer, director, and shareholder of Banners Broker. Notwithstanding this, your client has yet to produce a single document in response to the Order of Justice Matheson and the Receiver's requests.

In the circumstances, it is simply not acceptable for you to advise that your client will address his document production obligations after you complete a lengthy mediation on another file.

Kindly confirm by return correspondence that arrangements are in place to address this matter on a timely basis. Please advise, as well, who at your office will deal with this matter in your absence.

The Receiver is obligated to report on this issue to the Court, creditors, and the Joint Liquidators. We look forward to your early constructive response.

Yours truly,
Cassels Brock & Blackwell LLP

David S Ward

David Ward
Services provided through a Professional Corporation
DW/mjc

c. Phil Gennis

Paul Appleton
Miles Benham
Larry Ellis
Chris Horkins

Legal*12402518.1

Copy Centre

From: Harry Fogul [hfogul@airdberlis.com]
Sent: Monday, September 15, 2014 4:22 PM
To: Carreiro, Mary
Cc: Ward, David; Horkins, Christopher
Subject: RE: Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1975140]

Whether you think it is reasonable or acceptable, I am the only person in the office who has addressed these issues with Chris Smith. I need to review the documents before they are released.

Harry Fogul

From: Carreiro, Mary [mailto:mcarreiro@casselsbrock.com]
Sent: Monday, September 15, 2014 3:27 PM
To: Harry Fogul
Cc: 'PGennis@spergel.com'; 'paula@drpartners.com'; 'milesbenham@mannbenham.com'; Ellis, Larry; Horkins, Christopher; Ward, David
Subject: Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1975140]

Attached please find correspondence from David S. Ward of today's date.

CASSELS BROCK LAWYERS
Mary Carreiro • Legal Assistant
Direct: +1 416 860 6566 • mcarreiro@casselsbrock.com
2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada M5H 3C2
www.casselsbrock.com

CASSELS BROCK
LAWYERS

September 16, 2014

VIA E-MAIL

dward@casselsbrock.com
tel: 416.869.5960
fax: 416.640.3154

Aird & Berlis LLP
Brookfield Place
181 Bay Street
Suite 1800, Box 754
Toronto, ON, M5J 2T9

Attention: Harry Fogul

Dear Mr. Fogul:

Re: Application of Miles Andrew Benham and Paul Robert Appleton, in their capacity as Joint Liquidators of Banners Broker International Limited ("Banners Brokers") Court File No. CV-14-10663-00CL

We acknowledge receipt of your e-mail of September 15, 2014 at 4:22 p.m.

Unfortunately, the e-mail is not at all responsive to the Receiver's concerns or outstanding production requests and we accordingly have no choice but to bring this matter to the attention of the Court.

With regard to your personal unavailability to address this matter, we would remind you that in the Chambers appointment on Wednesday, September 10, 2014 Mr. Justice Newbould specifically asked that you advise as to who at your office would be available to deal with these matters in your absence.

We anticipate that our complete exchange of correspondence will form part of the Receiver's report to the Court to be filed in the next few days and we would again invite your constructive response.

Yours truly,
Cassels Brock & Blackwell LLP

David Ward

David Ward
Services provided through a Professional Corporation
DW/mjc

c. Phil Gennis
Paul Appleton
Miles Benham

Larry Ellis
Chris Horkins
Legal*12402518.1

CASSELS BROCK
LAWYERS

September 16, 2014

VIA E-MAIL

dward@casselsbrock.com
tel: 416.869.5960
fax: 416.640.3154

Aird & Berlis LLP
Brookfield Place
181 Bay Street
Suite 1800, Box 754
Toronto, ON, M5J 2T9

Attention: Harry Fogul
Don Johnston

Dear Sirs:

Re: Application of Miles Andrew Benham and Paul Robert Appleton, in their capacity as Joint Liquidators of Banners Broker International Limited ("Banners Brokers") Court File No. CV-14-10663-00CL

We write to you as counsel for msi Spergel Inc., the court-appointed receiver ("Receiver") of Banners Broker.

The Joint Liquidators' affidavit filed in support of the Recognition Motion evidences an Aird & Berlis LLP legal retainer with Banners Broker as client. The Receiver further understands that Aird & Berlis LLP may have acted for Banners Broker in relation to a variety of other tax, corporate, mergers and acquisition, and technology matters.

Would you please confirm, on behalf of Aird & Berlis LLP, that you will make appropriate inquiries within your firm and make production to the Receiver of all Banners Broker client files and other Banners Broker's Records as such term is defined in Madam Justice Matheson's Order of August 22, 2014.

If it is more appropriate that this inquiry be directed to others within your firm please advise and we will so arrange.

Thank you for your anticipated co-operation.

Yours truly,
Cassels Brock & Blackwell LLP

David Ward

David Ward
Services provided through a Professional Corporation
DW/mjc

c.

Phil Gennis, Receiver
Paul Appleton, Joint Liquidator
Miles Benham, Joint Liquidator
Larry Ellis
Chris Horkins

Legal*12421404.1

Tab 12

Prepared by: MARIA FIACCO, Administrator
SHORN REALTY INC., BROKERAGE
262 Wilson Ave, Toronto, ON M3H1S6
416-638-9633
09/16/2014 1:50:41 PM

1376 Bayview Ave — **List: $4,100,000.00 For Sale**
Toronto Ontario M4G3A3
Toronto C10 Mount Pleasant East Toronto 115-21-M **For:** Sale
Taxes: $24,367.25 / 2013 / Annual **SPIS:** N **Last Status:** Sus
Legal: Plan Ms Part Lot 113 **DOM: 138**

Commercial/Retail **Occup:** Vacant **Lease Term:** /
Multi-Use **Freestanding:** Y **SPIS:** N **Holdover:** 180
Other **Franchise:**
Possession: Tba/Flex **Com Cndo Fee:**
Dir/Cross St: Bayview/Merton

MLS#: C2667243 **Sellers:** 2341620 Ontario Corporation **Contact After Exp:** N
PIN#: **ARN#:** 190410302016200

Total Area:	7,224 Sq Ft	**Survey:**		**Soil Test:**	
Ofc/Apt Area:	3,900 Sq Ft	**Lot/Bldg/Unit/Dim:**	50 x 120 Feet Lot	**Out Storage:**	
Indust Area:		**Lot Irreg:**		**Rail:**	
Retail Area:	0 Sq Ft	**Bay Size:**		**Crane:**	
Apx Age:		**%Bldg:**		**Basement:**	Y
Volts:		**Washrooms:**	5	**Elevator:**	None
Amps:		**Water:**	Municipal	**UFFI:**	
Zoning:	Cr T2.5 C2.0 R2.0	**Water Supply:**		**Assessment:**	
Truck Level:		**Sewers:**	San+Storm	**Chattels:**	
Grade Level:		**A/C:**	Y	**LLBO:**	
Drive-In:		**Utilities:**	A	**Days Open:**	
Double Man:		**Garage Type:**	Double Detached	**Hours Open:**	
Clear Height:		**Park Spaces:**	4 **#Trl Spc:**	**Employees:**	
Sprinklers:	N	**Energy Cert:**		**Seats:**	
Heat:	Gas Forced Air Open	**Cert Level:**		**Area Infl:**	Public Transit
Phys Hdcp-Eqp:		**GreenPIS:**			

Bus/Bldg Name: 2341620 Ontario Corporation **For Year:** **Financial Stmt:**
Actual/Estimated:

Taxes:	**Heat:**	**Gross Inc/Sales:**	**Est Value Inv At Cost:**
Insur:	**Hydro:**	**-Vacancy Allow:**	**Com Area Upcharge:**
Mgmt:	**Water:**	**-Operating Exp:**	**% Rent:**
Maint:	**Other:**	**=Net Inc B4 Debt:**	

Client Remks: Modern All Brick Building Features Office Space On Both Levels And Residential On Upper. 7+ Private And Open Offices With An Abundance Of Natural Light, 2 Storey Free Standing Unique Office/Res Building! Close To All Facilities, 5 Washrooms, Meeting Area, Bullpen, Residential Upper Includes 6 Walk-Outs To Sunroom With Sky-Lights!
Extras: 40 Foot Long Great Room With 3 Way Gas Fireplace, Over-Sized Gourmet Kitchen, Spacious Master With 2 Person Shower And Jacuzzi Jet Tub, Second Bedroom Has Full Ensuite And Jacuzzi! Washer, Dryer, Double Stove/Oven, Double Fridge/Freezer!
Brkage Remks: Lockbox For Easy Showings! Toll Free 1-866-525-4111. Offers To Inc. Schedule B Re: Deposits.

Mortgage Comments: Tac

ROYAL LEPAGE FRANK REAL ESTATE, BROKERAGE **Ph:** 1-866-525-4111 **Fax:** 905-435-5383
80 Athol Street East Oshawa L1H8B7
J. WARREN FROMM, Broker 905-576-4111
Appt: Thru Lbo

Contract Date: 6/14/2013	**Condition:**	**Ad:** N
Expiry Date: 5/30/2014	**Cond Expiry:**	**Escape:**
Last Update: 10/31/2013	**CB Comm:** 2.5% + Hst	**Original:** $4,100,000.00

Tab 13

LRO # 40 **Transfer** **Registered as DR1253611** on 2014 03 27 at 16:01

The applicant(s) hereby applies to the Land Registrar. yyyy mm dd

Properties

PIN 26508 - 0327 LT *Interest/Estate* Fee Simple

Description PT LTS 45 & 46 PL 63, PTS 4 & 5 40R19173; S/T EASEMENT OVER PT 5 40R19173 IN FAVOUR OF PT 6 40R19173 AS IN LT963286; TOWN OF WHITBY

Address 5 CARLOW
WHITBY

Consideration

Consideration $1,200,000.00

Transferor(s)

The transferor(s) hereby transfers the land to the transferee(s).

Name 2341620 ONTARIO CORPORATION

Address for Service c/o Donald Johnston, Aird & Berlis, 181 Bay St., Suite 1800, Toronto, ON M5J 2T9

I, Donald B. Johnston, Director, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Name DIXIT HOLDINGS INC.

Address for Service c/o 150 York St., Suite 800, Toronto, ON M5H 3S5

I, Rajiv Dixit (A.S.O.), have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Transferee(s) *Capacity* *Share*

Name GREEN FACILITIES SUPPLIES AND SERVICES LTD.

Address for Service 108 Thickson Road, Whitby, ON L1N 3R1

STATEMENT OF THE TRANSFEROR (S): The transferor(s) verifies that to the best of the transferor's knowledge and belief, this transfer does not contravene the Planning Act.

STATEMENT OF THE SOLICITOR FOR THE TRANSFEROR (S): I have explained the effect of the Planning Act to the transferor(s) and I have made inquiries of the transferor(s) to determine that this transfer does not contravene that Act and based on the information supplied by the transferor(s), to the best of my knowledge and belief, this transfer does not contravene that Act. I am an Ontario solicitor in good standing.

STATEMENT OF THE SOLICITOR FOR THE TRANSFEREE (S): I have investigated the title to this land and to abutting land where relevant and I am satisfied that the title records reveal no contravention as set out in the Planning Act, and to the best of my knowledge and belief this transfer does not contravene the Planning Act. I act independently of the solicitor for the transferor(s) and I am an Ontario solicitor in good standing.

Signed By

Kevin George Bateman 800-150 York St. Toronto M5H 3S5 acting for Transferor(s) Signed 2014 03 27

Tel 416-364-1553

Fax 416-364-1453

I am the solicitor for the transferor(s) and I am not one and the same as the solicitor for the transferee(s).

I have the authority to sign and register the document on behalf of the Transferor(s).

James Norman Aitchison 185-419 King St. W. Oshawa L1J 8L8 acting for Transferee(s) Signed 2014 03 27

Tel 905-433-1174

Fax 905-433-1645

I am the solicitor for the transferee(s) and I am not one and the same as the solicitor for the transferor(s).

I have the authority to sign and register the document on behalf of the Transferee(s).

Submitted By

JAMES N AITCHISON
185-419 King St. W.
Oshawa
L1J 8L8
2014 03 27

Tel 905-433-1174
Fax 905-433-1645

Fees/Taxes/Payment

Statutory Registration Fee	$60.00
Provincial Land Transfer Tax	$16,475.00
Total Paid	$16,535.00

File Number

Transferor Client File Number :	141181
Transferee Client File Number :	140054

LAND TRANSFER TAX STATEMENTS

In the matter of the conveyance of: 26508 – 0327 PT LTS 45 & 46 PL 63, PTS 4 & 5 40R19173; S/T EASEMENT OVER PT 5 40R19173 IN FAVOUR OF PT 6 40R19173 AS IN LT963286; TOWN OF WHITBY

BY: 2341620 ONTARIO CORPORATION
DIXIT HOLDINGS INC.

TO: GREEN FACILITIES SUPPLIES AND SERVICES LTD.

1. FRANK CAMPBELL

I am

- ☐ (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
- ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
- ☐ (c) A transferee named in the above-described conveyance;
- ☐ (d) The authorized agent or solicitor acting in this transaction for _____ described in paragraph(s) (_) above.
- ☑ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for GREEN FACILITIES SUPPLIES AND SERVICES LTD. described in paragraph(s) (c) above.
- ☐ (f) A transferee described in paragraph() and am making these statements on my own behalf and on behalf of _____who is my spouse described in paragraph(_) and as such, I have personal knowledge of the facts herein deposed to.

2. I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land being conveyed herein:

does not contain a single family residence or contains more than two single family residences.

3. **The total consideration for this transaction is allocated as follows:**

(a) Monies paid or to be paid in cash	1,200,000.00
(b) Mortgages (i) assumed (show principal and interest to be credited against purchase price)	0.00
(ii) Given Back to Vendor	0.00
(c) Property transferred in exchange (detail below)	0.00
(d) Fair market value of the land(s)	0.00
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	0.00
(f) Other valuable consideration subject to land transfer tax (detail below)	0.00
(g) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f))	1,200,000.00
(h) VALUE OF ALL CHATTELS –items of tangible personal property	0.00
(i) Other considerations for transaction not included in (g) or (h) above	0.00
(j) Total consideration	1,200,000.00

PROPERTY Information Record

A. Nature of Instrument: Transfer
LRO 40 Registration No. DR1253611 Date: 2014/03/27

B. Property(s): PIN 26508 – 0327 Address 5 CARLOW WHITBY Assessment Roll No 1809040 – 02618612

C. Address for Service: 108 Thickson Road, Whitby, ON L1N 3R1

D. (i) Last Conveyance(s): PIN 26508 – 0327 Registration No. DR1130269

(ii) Legal Description for Property Conveyed: Same as in last conveyance? Yes ☑ No ☐ Not known ☐

E. Tax Statements Prepared By: James Norman Aitchison
185–419 King St. W.
Oshawa L1J 8L8

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT LTS 45 & 46 PL 63, PTS 4 & 5 40R19173; S/T EASEMENT OVER PT 5 40R19173 IN FAVOUR OF PT 6 40R19173 AS IN LT963286; TOWN OF WHITBY

PROPERTY REMARKS: CONSENT RE THE PLANNING ACT IS ENDORSED IN LT963286.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
DIVISION FROM 26508-0260

PIN CREATION DATE:
2000/09/15

OWNERS' NAMES
GREEN FACILITIES SUPPLIES AND SERVICES LTD.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 2000/09/14 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
**	SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *					
**	AND ESCHEAT, OR FORFEITURE TO THE CROWN.					
**	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF					
**	IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY					
**	CONVENTION.					
**	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.					
**DATE OF CONVERSION TO LAND TITLES: 2000/02/21 **						
CO100974	1962/02/13	BYLAW REMARKS: SUBDIVISION CONTROL				C
D137663	1982/04/16	AGREEMENT			THE CORP OF THE TOWN OF WHITBY	C
D273723	1988/03/08	AGREEMENT REMARKS: SITE PLAN			TOWN OF WHITBY	C
D289745	1988/09/02	AGREEMENT			TOWN OF WHITBY	C
D526337	1998/11/20	CHARGE		*** DELETED AGAINST THIS PROPERTY *** WONG, ANDREW CHUN CHEE SKRIBE, WILLIAM ALLAN AMBLER, STEPHEN NICHOLAS AMBLER, CATHERINE MARGARET	BUSINESS DEVELOPMENT BANK OF CANADA	
D526987	1998/12/01	NOTICE		*** DELETED AGAINST THIS PROPERTY *** WONG, ANDREW CHUN CHEE SKRIBE, WILLIAM ALLAN	BUSINESS DEVELOPMENT BANK OF CANADA	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				AMBLER, STEPHEN NICHOLAS AMBLER, CATHERINE MARGARET		
REMARKS: RE: D526337						
40R19173	1999/07/26	PLAN REFERENCE				C
LT963286	2000/06/19	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** SKRIBE, WILLIAM ALLAN WONG, ANDREW CHUN CHEE AMBLER, STEPHEN NICOLAS AMBLER, CATHERINE MARGARET	WONG, ANDREW CHUN CHEE	
DR612008	2007/06/11	APL (GENERAL)		*** COMPLETELY DELETED *** SKRIBE, WILLIAM ALLAN	WONG, ANDREW CHUN CHEE	
REMARKS: DELETING S/T EASEMENT OVER PT 3 40R19173 IN FAVOUR OF PTS 4 & 5 40R19173 AS IN LT963285 FROM PIN 26508-0326 AND DELETING T/W EASEMENT OVER PT 3 40R19173 AS IN LT963285 FROM PIN 26508-0327						
DR1123449	2012/09/18	DISCH OF CHARGE		*** COMPLETELY DELETED *** BUSINESS DEVELOPMENT BANK OF CANADA		
REMARKS: D526337.						
DR1130269	2012/10/12	TRANSFER		*** COMPLETELY DELETED *** WONG, ANDREW CHUN CHEE	2341620 ONTARIO CORPORATION 8163871 CANADA LIMITED	
DR1251851	2014/03/19	APL CH NAME OWNER		*** COMPLETELY DELETED *** 8163871 CANADA LIMITED	DIXIT HOLDINGS INC.	
DR1253611	2014/03/27	TRANSFER	$1,200,000	2341620 ONTARIO CORPORATION DIXIT HOLDINGS INC.	GREEN FACILITIES SUPPLIES AND SERVICES LTD.	C
REMARKS: PLANNING ACT STATEMENTS.						
DR1253612	2014/03/27	CHARGE	$840,000	GREEN FACILITIES SUPPLIES AND SERVICES LTD.	ROYAL BANK OF CANADA	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

Tab 14

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #66

21122-0131 (LT)

PREPARED FOR LOliveira
ON 2014/09/08 AT 09:46:57

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PCL 113-3 SEC M5; PT LT 113 W/S BAYVIEW AV PL M5 TORONTO COMM AT THE S ELY ANGLE OF THE SAID LT 1113; THENCE NLY MEASURED ALONG THE ELY LIMIT OF SAID LT, 50 FT MORE OR LESS TO A POINT 102 FT MEASURED SLY FROM THE NE ANGLE OF LT 112 ON SAID PL; THENCE WLY PARALLEL WITH THE SLY LIMIT OF SAID LT 113, 120 FT; THENCE SLY PARALLEL WITH THE ELY LIMIT OF SAID LT, 50 FT MORE OR LESS TO THE SLY LIMIT OF SAID LT 113; THENCE ELY ALONG THE LAST MENTIONED LIMIT 120 FT TO THE POB; TORONTO , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2001/04/23

OWNERS' NAMES
2341620 ONTARIO CORPORATION

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 2001/04/20 **						
E331074	2000/05/31	TRANSFER		*** COMPLETELY DELETED ***	BANTON, DAVID BANTON, PATRICE	
REMARKS: PLANNING ACT STATEMENT						
E331075	2000/05/31	CHARGE		*** COMPLETELY DELETED ***	THE TORONTO-DOMINION BANK	
AT1591853	2007/10/01	CHARGE		*** COMPLETELY DELETED *** BANTON, DAVID BANTON, PATRICE	THE TORONTO-DOMINION BANK	
AT3257873	2013/03/19	TRANSFER	$2,990,000	BANTON, DAVID BANTON, PATRICE	2341620 ONTARIO CORPORATION	C
REMARKS: PLANNING ACT STATEMENTS.						
AT3273083	2013/04/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		
REMARKS: E331075.						
AT3274264	2013/04/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		
REMARKS: AT1591853.						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

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 *BANKRUTPCY AND INSOLVENCY ACT* (CROSS-BORDER INSOLVENCIES)

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD OF THE RECEIVER AND FOREIGN REPRESENTATIVES

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON 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 Receiver and Joint Liquidators