

**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

**(Motion for Approval of Receiver's Activities, Fees and Disbursements, Additional
Investigatory Authority and Approval of Settlement with 2341620 Ontario Corporation
Returnable August 7, 2015)**

July 30, 2015

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

Larry Ellis LSUC#: 49313K
Tel: 416.869.5406
Fax: 416.640.3004
lellis@casselsbrock.com

Erin Craddock LSUC #: 62828J
Tel: 416.860.6480
Fax: 416.644.9324
ecraddock@casselsbrock.com

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

Lawyers for the Receiver and Joint Liquidators

TO: ATTACHED SERVICE LIST

SERVICE LIST

AND TO: **AIRD & BERLIS LLP**
Brookfield Place, 181 Bay Street
Suite 1800, Box 754
Toronto, ON M5J 2T9
Canada

Harry Fogul
Tel: 416.865.7773
Fax: hfogul@airdberlis.com

Counsel to Christopher G. Smith and 2341620 Ontario Corporation

AND TO: **MEHRABI LAW OFFICE**
150 York Street, Suite 800
Toronto, Ontario
M5H 3S5

Esmail Mehrabi
Tel: 416.862.2502
Fax: mehrabi@mehrabilawoffice.com

Counsel to Rajiv Dixit

(Courtesy copies of motion materials where delivery can be effected):

AND TO: Kuldip Josun
1019 Nelson Street, Unit 8
Oshawa, Ontario
L1H 7N9

Tel: 905.409.5583
kjosun@bannersbroker.com

AND TO: **ONTARIO MINISTRY OF THE ATTORNEY GENERAL**
Crown Law Office – Criminal
10-720 Bay Street
Toronto, Ontario
M7A 2S9

Brian McNeely
Tel: 416 326 4654
Brian.McNeely@ontario.ca

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Confidential Appendices “P” and “Q” to be filed under seal in a separate brief.

Tab 1

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

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

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

**AND IN THE MATTER OF 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 Approval of Receiver's Activities, Fees and Disbursements, Additional
Investigatory Authority and Approval of Settlement with 2341620 Ontario Corporation)**

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 Friday, August 7, 2015 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 an order:

- (a) approving the Third Report of the Receiver, dated July 30, 2015 ("**Third Report**") and the conduct and activities of the Receiver as set out herein;
- (b) authorizing and approving the terms of a settlement between the Receiver and 2341620 Ontario Corporation ("**234**") in respect of the settlement of claims by

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the Receiver against 234 in relation to the Bayview Property (as defined herein and in the Third Report);

(c) granting the Receiver additional investigatory authority over the following corporations believed to have received significant transfers of funds from Banners Broker and to have played similar roles in Banners Broker as the Associated Corporations (as defined herein and in the Third Report):

(i) 8643989 Canada Inc. o/a Dixit Consortium Inc. ("**Dixit Consortium**"); and

(ii) Dreamscape Ventures Ltd. ("**Dreamscape**");

(d) amending the Supplemental Order (Foreign Main Recognition) of Justice Matheson, dated August 22, 2014, appointing the Receiver to conform the Receiver's powers to the authority of a model receivership order, as set out in the Commercial List Model Receivership Order;

(e) granting a sealing order with respect to Confidential Appendices "P" and "Q" to the Third Report;

(f) approving the Receiver's interim statement of receipts and disbursements as at May 31, 2015 as appended to the Third Report;

(g) approving the fees and disbursements of the Receiver and its counsel, Cassels Brock & Blackwell LLP ("**Cassels**"), for services rendered from August 22, 2014 to May 31, 2015, as particularized in the affidavits of Phillip Gennis and Larry Ellis (collectively, the "**Fee Affidavits**"), as appended to the Third Report;

(h) if necessary, abridging the time and validating service of this notice of motion and motion record and dispensing with further service thereof; and

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

THE GROUNDS FOR THE MOTION ARE:

Overview

- (a) This is a foreign recognition and cross-border insolvency proceeding involving Canada and the Isle of Man. The debtor, Banners Broker International Limited ("BBIL"), was an internet advertising business operating both directly and through related entities and agents around the world. The company is believed to have hundreds of thousands of individual unsecured creditors located around the world.
- (b) Winding up proceedings commenced in the Isle of Man in January 2014. Six months later, in August 2014, the Isle of Man proceedings were recognized in Canada as "foreign proceedings" for the purposes of Part XIII of the *Bankruptcy and Insolvency Act*, R.S.C. 1992, c. 27, s.2 ("BIA").
- (c) MSI Spergel Inc. was appointed receiver of BBIL in Canada ("**Receiver**"). The Receiver's mandate was expanded in October 2014 to include certain investigatory authority in respect of five corporations (and six business names/styles) believed to be closely associated with BBIL, and which had been identified by the Toronto Police Services Financial Crime Unit as being integral to an alleged criminal enterprise in which BBIL was a central part, namely:
 - (i) 2087360 Ontario Incorporated o/a Local Management Services ("**LMS**");

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- (ii) Parrot Marketing Inc. (formerly o/a "8264554 Canada Limited") ("Parrot");
- (iii) 234;
- (iv) Stellar Point Inc. (formerly o/a "7250037 Canada Inc." and "Bannersbroker Limited") ("**Stellar Point**");
- (v) Dixit Holdings Inc. (formerly o/a "8163871 Canada Limited") ("**Dixit Holdings**"); and
- (vi) Any other entity operating under the business names "Bannersbroker", "Banners Broker", "Bannersbroker Limited", "Bannersmobile", "BannersMobile" or "Banners Broker Belize"

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

- (d) As described in the Third Report, much progress has been made in recent months in this proceeding and the companion foreign proceeding. The Receiver accordingly believes that it is an appropriate time to report to the Court and creditors and seek approval of its actions, activities and accounts.

Approval of Receiver's Activities

- (e) The Receiver's activities to date are set out in detail in the Third Report and include:
 - (i) Efforts to secure books, records and accounting documents relevant to BBIL and the Associated Corporations;

- (ii) Working with the Foreign Representative to prepare a global "Flow of Funds Analysis" sufficient to understand how contributions from Banners Broker affiliates were received and disbursed over the period of Banners Brokers' global operations;
 - (iii) Conducting interviews and examinations of the principals of BBIL and other key witnesses;
 - (iv) Pursuit and settlement of a claim against the Associated Corporation, 234;
 - (v) The identification, location and securing of assets properly belonging to BBIL;
 - (vi) The investigation of potential claims by BBIL against Associated Corporations, individuals and other third parties;
- (f) The Receiver seeks approval on this motion of the Third Report and its activities to date as further detailed therein.

Approval of Settlement with 234

- (g) In addition to seeking certain authority in relation to the Associated Corporations, the Additional Powers Motion also asserted a claim against the Associated Corporation, 234, particularly with respect to 234's ownership a mixed use commercial/residential property at 1376 Bayview Avenue, Toronto ("**Bayview Property**"). The Bayview Property is owned by 234.
- (h) By way of background, the Bayview Property was purchased by 234 for \$2,900,000 on March 19, 2013. Smith is the sole officer, director and

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shareholder of 234. The basis for the claim against 234 was, among other things, that the Bayview Property was purchased and/or improved with monies owing to or belonging to BBIL.

- (i) From a procedural standpoint, the Foreign Representative sought and was granted leave to amend the within notice of application to assert a claim against 234 in respect of the Bayview Property. The Foreign Representative also sought and was granted a certificate of pending litigation in respect of the land.
- (j) In the course of its investigations detailed above with respect to the business of BBIL and the Associated Corporations, the Receiver determined it had a cause of action as against 234 ("**234 Claim**") with respect to 234's use of funds properly owing to BBIL for the purchase of assets, including real property in Canada.
- (k) As a result of this cooperation, the Receiver has reached a negotiated settlement of the 234 Claim ("**234 Settlement**"), the details of which are set out in the Third Report.
- (l) The Receiver is of the view that the 234 Settlement is a fair and commercially reasonable compromise of claims in the circumstances. In this regard the agreement offers the following advantages:
 - (i) brings a relatively early and cost-efficient closure to the 234 Claim;
 - (ii) avoids ongoing professional fees in relation to 234 and the Bayview Property;

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- (iii) provides a source of recovery and means of funding for receivership administration costs and potential distributions to creditors; and
- (iv) advances a conclusion of the overall receivership investigation and administration.

Additional Investigatory Authority over Dixit Consortium and Dreamscape

- (m) In the course of its investigations, the Receiver has discovered significant funds transfers to two Canadian corporations connected to BBIL principal, Dixit, which are deserving of further investigation.
- (n) Namely the Receiver has identified the following:
 - (i) Dixit Consortium; and
 - (ii) Dreamscape.
- (o) Both Dixit Consortium and Dreamscape were controlled by BBIL and Stellar Point principal Rajiv Dixit and were recipients of significant funds transfers from Banners Broker.
- (p) The Receiver is of the view that these transfers to Dixit Consortium and Dreamscape are indicative of a level of involvement in the Banners Broker enterprise consistent with that of the Associated Corporations and are therefore worthy of further investigation in support of the Receiver's ongoing efforts to investigate and recover potential BBIL assets for the benefit of creditors.

- (q) Accordingly, the Receiver seeks an order granting it further additional investigatory powers in respect of Dixit Consortium and Dreamscape consistent with those granted in respect of the Associated Corporations.

Conforming Receivership Authority to Model Order

- (r) At the time that Initial Recognition Order was granted and the Receiver was appointed, there was no evidence that BBIL had property in Canada such as would require the Receiver to have authority beyond basic possessory and investigatory powers.
- (s) As documented in the Third Report, it now appears that BBIL had extensive dealings in Canada both directly and through certain associated companies. In these circumstances the Receiver requests that its receivership administration powers be regularized to conform with Model Order receivership authority.

Sealing Order

- (t) Confidential Appendix "P" to the Third Report sets out the Receiver's preliminary conclusions as may be drawn from the Flow of Funds Analysis as it currently stands. The Confidential Appendix provides a reasonable estimate of total funds received from Banners Broker affiliates, together with how such funds were utilized. The banks, payment processors, and account holders that received monies are specifically identified.
- (u) Confidential Appendix "Q" is a Report ("**Clover Report**") by the Receiver to Cayman Island Department of Public Prosecution with a copy to the Official Liquidators of Clover Investment Advisors Limited ("**Clover**"), filed in connection with the Receiver's recovery of certain funds restrained pursuant

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to insolvency proceedings in respect of Clover, a Cayman Islands investment advisory firm. The Clover Report contains Smith Examination Information.

- (v) Due to the sensitive and confidential nature of the content of Confidential Appendices "P" and "Q", the ongoing nature of this proceeding and the confidentiality obligations of the Receiver as set out in the Third Report, the Receiver submits it is both necessary and proportionate that these appendices be sealed in the public court file.

Approval of Fees and Disbursements of the Receiver and Its Counsel

- (w) As set out in the Affidavits of Philip Gennis and Larry Ellis, the Receiver and its counsel have incurred fees in the course of their respective duties as Receiver and as counsel, and such fees ought to be approved.

General

- (x) Part XIII of the BIA (sections 267 to 284) which govern cross-border insolvencies.
- (y) Section 137(2) of the *Courts of Justice Act* which provides that the court may order that any document filed in a civil proceeding before it be treated as confidential, sealed and not form part of the public record.
- (z) Rule 30.11 of the *Rules of Civil Procedure*, R.R.O. 1990 Reg. 194 ("**Rules**"), which provides that the court may order that a relevant document be deposited for safe keeping with the registrar and thereafter shall not be inspected by any person except with leave of the court.

- (aa) 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.
- (bb) Rule 16 of the *Rules*, which governs service of documents.
- (cc) The grounds set out in the Third Report and the appendices thereto; and
- (dd) Such further grounds as counsel may advise.

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

- (a) The Third Report and the appendices thereto;
- (b) The Affidavit of Philip Gennis, sworn July 22, 2015;
- (c) The Affidavit of Larry Ellis, sworn July 28, 2015;
- (d) The pleadings and proceedings herein; and
- (e) Such further and other evidence as counsel may advise and this Honourable Court deems just.

July 30, 2015

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

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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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

NOTICE OF MOTION

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

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

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

Lawyers for the Receiver and Joint Liquidators

Tab 2

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

July 30, 2015

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

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

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
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CAPACITY AS JOINT LIQUIDATORS OF BANNERS BROKER INTERNATIONAL LIMITED,
UNDER PART XIII OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CROSS-BORDER
INSOLVENCIES)**

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

July 30, 2015

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- B. Second Report of the Receiver, dated January 12, 2015
- C. Affidavit of Paul Robert Appleton, in his capacity as Joint Liquidator of Banners Broker International Limited, sworn August 6, 2014 (without exhibits)
- D. Further Supplemental Order of Justice Newbould, dated October 15, 2014
- E. Amended Notice of Application
- F. Order of Justice Newbould (Certificate of Pending Litigation), dated October 15, 2014
- G. Certificate of Pending Litigation, issued October 15, 2014 against title to 1376 Bayview Avenue
- H. Order Restricting Possession, Publication, Handling, Duplication and Use of Transcript Documents and Information of Justice Newbould, issued October 23, 2014
- I. Order of Justice Newbould (Continued Restraint of Funds), dated January 14, 2015
- J. Reproduction Order of Justice Omatsu, dated May 4, 2015
- K. Correspondence from the Receiver to Macdonald Sager Manis LLP, dated May 4, 2015
- L. Emails exchanged between Counsel with respect to Macdonald Sager Manis LLP Records Production Requests
- M. Affidavit of Philip H. Gennis, sworn July 22, 2015
- N. Affidavit of Larry Ellis sworn July 28, 2015
- O. Receiver's Interim Statement of Receipts and Disbursements, as at May 31, 2015

Confidential Appendices

- P. Receiver's Preliminary Analysis of the Global Flow of Funds
- Q. Report of msi Spergel inc., in its capacity as court-appointed receiver of Banners Broker International Limited to Cayman Island Department of Public Prosecution with a copy to Michael Pearson and Andrew Childe in their capacity as Official Liquidators of Clover Investment Advisors, dated April 28, 2015

I. Overview

1. This is a foreign recognition and cross-border insolvency proceeding involving Canada and the Isle of Man. The debtor, Banners Broker International Limited ("**BBIL**"), was an internet advertising business operating both directly and through related entities and agents around the world. In many countries, BBIL contracted with local entities who acted as "independent contractors" or "resellers" for Banners Broker in a specific country or region. BBIL is believed to have hundreds of thousands of individual unsecured creditors in jurisdictions around the world.
2. Winding up proceedings commenced in the Isle of Man in January 2014. Six months later, in August 2014, the Isle of Man proceedings were recognized in Canada as a "foreign main proceeding" for the purposes of Part XIII of the *Bankruptcy and Insolvency Act*, R.S.C. 1992, c. 27, s.2 ("**BIA**").
3. msi Spergel inc. was appointed receiver of BBIL in Canada ("**Receiver**"). The Receiver's mandate was expanded in October 2014 to include certain investigatory authority in respect of five corporations (and six business names/styles) believed to be closely associated with BBIL, and which had been identified by the Royal Canadian Mounted Police ("**RCMP**"), as a member of the Toronto Police Services Financial Crime Unit, as being integral to an alleged Banners Broker (defined below) criminal enterprise in which BBIL was a central part.
4. This is the Receiver's third report to the court ("**Third Report**"). It follows and may be read in conjunction with the:

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

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

A copy of the Receiver's First Report, without exhibits, is attached as **Appendix "A"**.

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

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

A copy of the Receiver's Second Report, without exhibits, is attached as **Appendix "B"**.

5. As described in the balance of this report, much progress has been made in recent months in this proceeding and the companion foreign proceeding. The Receiver accordingly believes that it is an appropriate time to report to the Court and creditors and seek approval of its actions, activities and accounts.

6. This Third Report is filed in support of a motion for or an order:

- (a) approving the Third Report and the conduct and activities of the Receiver as set out herein;
- (b) authorizing and approving the terms of a settlement between the Receiver and 2341620 Ontario Corporation ("**234**") in respect of the settlement of claims by the Receiver against 234 in relation to the Bayview Property (as defined herein);
- (c) granting the Receiver certain additional investigatory authority over the following corporations that are believed to have received significant transfers of funds from Banners Broker and to have played similar roles in Banners Broker as the Associated Corporations (as defined herein):
 - (i) 8643989 Canada Inc. o/a Dixit Consortium Inc. ("**Dixit Consortium**"); and
 - (ii) Dreamscape Ventures Ltd. ("**Dreamscape**");
- (d) granting a sealing order with respect to Confidential Appendices "P" and "Q" to this Third Report;

- (e) amending the Supplemental Order (Foreign Main Recognition) dated August 22, 2014 to conform the Receiver's powers to those set out in the Commercial List Model Receivership Order;
- (f) approving the Receiver's interim statement of receipts and disbursements as at May 31, 2015;
- (g) approving the fees and disbursements of the Receiver and its counsel, Cassels Brock & Blackwell LLP ("**Cassels**"), for services rendered from August 22, 2014 to May 31, 2015, as particularized in the affidavits of Phillip Gennis sworn July 22, 2015, and Larry Ellis sworn July 28, 2015, (collectively, the "**Fee Affidavits**"); and
- (h) such further and other relief as this Honourable Court may deem just.

II. Foreign Recognition Proceedings

7. As indicated, BBIL was central to a group of several related companies and service providers. Together they operated the "Banners Broker" online enterprise, a platform whereby registered members known as "affiliates" could advertise their businesses on websites within the Banners Broker network of publishers while, at the same time, earn revenues as an advertising publisher through specialized and targeted publisher sites created, designed and hosted by BBIL ("**Banners Broker**").

8. Pursuant to an Order of His Honour the Deemster Doyle, First Deemster and Clerk of the Rolls of the High Court of Justice of the Isle of Man, BBIL was placed into liquidation under section 174 of the *Companies Act 1931* of the Isle of Man on February 26, 2014. Miles Andrew Benham and Paul Robert Appleton were appointed as joint liquidators ("**Joint Liquidators**" with the Receiver, collectively, the "**Court Officers**") of BBIL ("**Isle of Man Proceedings**").

9. On August 22, 2014, on application of the Joint Liquidators, the Honorable Madam Justice Matheson, of the Ontario Superior Court of Justice (Commercial List) granted an order (**"Initial Recognition Order"**):

- (a) recognizing the Isle of Man Proceedings as a "foreign main proceeding" for the purposes of section 268 of the BIA;
- (b) recognizing the Joint Liquidators as the "foreign representative" (**"Foreign Representative"**) of BBIL for the purposes of section 268 of the BIA; and
- (c) granting a stay of proceedings in respect of actions concerning BBIL's property, debts, liabilities or obligations.

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

- (a) appointing the Receiver, as receiver of BBIL's assets, undertakings and properties, including the proceeds thereof (**"Property"**);
- (b) empowering the Receiver to identify and realize upon the Property, including taking steps to access all information relating to BBIL's accounts at any financial institution;
- (c) authorizing the Receiver to conduct examinations of the former principals of BBIL, as well as any other persons that the Receiver reasonably believes may have knowledge of BBIL's trade, dealings and Property;
- (d) authorizing the Receiver to provide such information and assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request; and

- (e) authorizing the Receiver to coordinate the administration and supervision of BBIL's assets and affairs with the Joint Liquidators as Foreign Representative of the Isle of Man Proceeding.

11. An important ground for the Canadian foreign recognition application, and the appointment of a Canadian receiver, was that BBIL appeared to have ownership and business connections to Canada, as well as financial dealings tied to Canada, that were deserving of investigation. These Canadian connections, as they were then understood, were detailed in the Affidavit of Paul Robert Appleton, in his capacity as Joint Liquidator of BBIL, sworn August 6, 2014 and filed with this court at the time that foreign recognition of the Isle of Man Proceeding was sought ("**JL Affidavit**"). A copy of the JL Affidavit (without exhibits) is attached hereto as **Appendix "C"**.

12. The Supplemental Order that appointed the Receiver provides the Receiver with the mandate to assist the Foreign Representative in the wind-up of BBIL, including the identification of and realization upon BBIL assets for the benefit of creditors. Consistent with the Model Receivership Order, the Receiver's powers in respect of BBIL extend to accessing all manner of relevant information, and the taking of possession of assets. Additionally, the Receiver is authorized to undertake examinations under oath of persons believed to have knowledge of the Banners Broker business, including the connections to Canada described in the JL Affidavit.

III. Receiver's Initial Activities and Orders Obtained

A. Notices

13. As described in the First Report, the Receiver published court approved media notices, and established and activated an e-protocol URL: <http://www.spergel.ca/banners/>.

14. Banners Broker deactivated its entire social media presence shortly after these proceedings commenced. The corporate website (<http://www.bannersbroker.com>), Facebook and Twitter accounts have been inactive since in or around early August 2014.

B. Discovery of Criminal Investigation and Restraint Orders

15. In September 2014, the Receiver was made aware of criminal proceedings before the Ontario Court of Justice arising from a Toronto Police Services Financial Crime Unit investigation into Banners Broker's operations in Canada and Banners Broker principals, Christopher G. Smith ("**Smith**") and Rajiv Dixit ("**Dixit**").

16. Specifically, the Receiver obtained copies of several *ex parte* restraint orders ("**Criminal Restraint Orders**") obtained by the Ministry of the Attorney General, Crown Law Office-Criminal ("**Crown**"). The orders, issued pursuant to section 462.33 of the *Criminal Code of Canada*, froze funds held by third party electronic payment processors for accounts associated with Banners Broker.

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

18. As explained in the First Report, the RCMP Affidavits detail the basis for what the RCMP investigators state is their reasonable belief that Smith and Dixit, through their operation of Banners Broker – 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*, R.S.C. 1985, c. C-34.

19. Constable Judd identified a number of other Canadian incorporated entities believed to be operated by Smith and/or Dixit and associated with BBIL and the Banners Broker business. The Joint Liquidators' independent investigations, conducted prior to the Receiver's review of the RCMP Affidavits, identified certain of the same parties as being associated with BBIL.

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

- (a) 2087360 Ontario Incorporated o/a Local Management Services ("**LMS**");
- (b) Parrot Marketing Inc. (formerly o/a "8264554 Canada Limited") ("**Parrot**");
- (c) 234;
- (d) Stellar Point Inc. (formerly o/a "7250037 Canada Inc." and "Bannersbroker Limited") ("**Stellar Point**");
- (e) Dixit Holdings Inc. (formerly o/a "8163871 Canada Limited") ("**Dixit Holdings**");
and
- (f) Any other entity operating under the business names "Bannersbroker", "Banners Broker", "Bannersbroker Limited", "Bannersmobile", "BannersMobile" or "Banners Broker Belize"

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

C. Receiver's Motion for Additional Investigative Authority

21. In reliance in part on the RCMP Affidavits, the Receiver sought and obtained an order for, among other things, the grant of certain additional investigative authority in respect of the Associated Corporations ("**Additional Powers Motion**"). The motion was returned on October 15, 2014. The Receiver filed its First Report in support of this motion.

22. The Honourable Mr. Justice Newbould issued an Order ("**Further Supplemental Order**") granting the Receiver the requested additional investigative authority in respect of the

Associated Corporations on October 15, 2014. Attached hereto as **Appendix "D"** is a copy of the Further Supplemental Order.

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

24. The Further Supplemental Order also approved the actions and activities of the Receiver as set out in the First Report. Accordingly, the Receiver's activities for the period August 22, 2014 to October 15, 2014 have been approved.

D. Claim against 234

25. In addition to seeking certain authority in relation to the Associated Corporations, the Additional Powers Motion also asserted a claim against the Associated Corporation, 234, particularly with respect to 234's ownership of a mixed use commercial/residential property at 1376 Bayview Avenue, Toronto ("**Bayview Property**").

26. By way of background, the Bayview Property was purchased by 234 for \$2,900,000 on March 19, 2013. Smith is the sole officer, director and shareholder of 234. The basis for the claim against 234 was, among other things, that the Bayview Property was purchased and/or improved with monies owing or belonging to BBIL.

27. From a procedural standpoint, the Foreign Representative sought and was granted leave to amend the within notice of application to assert a claim against 234 in respect of the Bayview Property. The Foreign Representative also sought and was granted a certificate of pending litigation in respect of the land. Attached hereto as Appendices "**E**", "**F**" and "**G**", respectively, are copies of the amended notice of application, the order granting leave to issue a certificate of pending litigation dated October 15, 2014, and the certificate of pending litigation.

E. Confidentiality Order

28. In furtherance of its administration, the Receiver sought evidence and documentary production from BBIL principal and founder, Smith.

29. Smith, through counsel, raised confidentiality and other concerns having to do with the use of any information or documentation produced to the Receiver in the context of the receivership. The Receiver understands that Smith's concerns in this regard have to do with his desire to avoid having the evidence provided to the Receiver under the compulsion of the Supplemental Order and the Further Supplemental Order used in the context of any other court proceeding.

30. Smith's concerns were acknowledged and resolved in the form of an order of this court dated October 23, 2014, entitled "Order Restricting Possession, Publication, Handling, Duplication and Use of Transcript Documents and Information" ("**Confidentiality Order**"). A copy of the Confidentiality Order is attached as Exhibit "H".

F. Order for Continued Restraint of Payment Processor Monies

31. The Criminal Restraint Orders, described in paragraph 16, above, statutorily expired six months after issuance.

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

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

34. By motion returnable January 14, 2015, the Receiver brought a motion for an order that all monies held pursuant to the terms of the Criminal Restraint Orders (as defined in paragraph, 16, above) continue to be held pursuant to the terms of the Criminal Restraint Orders, and not be released without the written consent of the Receiver or further order of the court on notice to the Receiver. The motion was granted by order of the Honourable Mr. Justice Newbould made January 14, 2015 ("**Order: Restraint of Funds**"). A copy of the Order: Restraint of Funds is attached hereto as **Appendix "I"**.

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

36. Pursuant to the terms of the Order: Restraint of Funds, msi Spergel inc., in its capacity as court officer, received the following payments:

- (a) Beanstream Internet Commerce Inc. ("**Beanstream**") : CAD\$537,576.31 received on January 29, 2015;
- (b) SolidTrust Pay ("**STP**") : CAD\$104,260.51 received on February 11, 2015;
- (c) Mazarine Commerce Inc. o/a Payza.com ("**Payza**") : USD\$33,374.80 received on February 13, 2015; and
- (d) 6003061 Canada Inc. o/a UseMyServices ("**UMS**") : total of USD\$93,336.70 received on February 10, 2015, February 19, 2015, and March 6, 2015.

(Beanstream, STP, Payza and UMS are collectively referred to herein as the **"Payment Processors"**)

37. msi Spergel inc. has accordingly received a total of CAD\$126,711.50 and USD\$641,836.82 from the Payment Processors, which monies are and will remain invested in an interest-bearing trust account pending further order of this court (**"Restrained Funds"**).

38. The Receiver is satisfied that the Payment Processors have provided all Restrained Funds without deduction and have also produced documents reflecting the inflow of funds into the Payment Processor accounts and the outflow of funds to various entities and individuals.

IV. Summary of Receiver Activities Since the Date of the First Report

39. By way of summary, the Receiver's activities, working closely in coordination with the Foreign Representative, since the First Report was filed on October 2, 2014 include:

- (a) pursuing a claim against 234, including registering the certificate of pending litigation against title to the Bayview Property, further investigating and assessing the merits of the claim and entering into a settlement of the claim with 234, subject to final documentation and court approval;
- (b) negotiating and obtaining the Confidentiality Order on October 23, 2014, as described in paragraph 30, above;
- (c) taking all required steps, on an ongoing basis, to safeguard the Smith Examination Information (as defined in the Confidentiality Order) in accordance with the terms of the Confidentiality Order;
- (d) implementing the Order: Restraint of Funds, by liaising with the Payment Processors to secure receipt of all Restrained Funds, with such steps being taken by msi Spergel inc., as described in paragraphs 31 to 38, above;

- (e) undertaking real property, corporate profile, internet, and other public record searches so as to better understand the trade, dealings, and property of the Associated Corporations, in accordance with the terms of the Further Supplemental Order;
- (f) conducting examinations under oath of several executive-level employees and service providers to BBIL and/or the Associated Corporations;
- (g) obtaining and reviewing information provided in answers to undertakings given at the examinations conducted;
- (h) general ongoing correspondence, meetings and discussion with counsel for Smith, Dixit (to a lesser extent), and counsel who have been engaged by one or other of the former Banners Broker employees and contractors who have attended examinations by counsel for the Receiver;
- (i) attending meetings, not under oath, with Smith, Dixit and alleged Banners Broker principal Kuldip Josun;
- (j) monitoring public aspects of the ongoing Banners Broker criminal investigation, including seeking production of relevant materials in the criminal court file;
- (k) corresponding with banks, trust companies and financial institutions in Canada and abroad in an effort to locate and secure BBIL assets and financial information relevant to BBIL and the Associated Corporations, to the extent permitted by the Supplemental Order and the Further Supplemental Order;

- (l) corresponding with electronic payment processors in an effort to obtain disclosure of relevant account agreements, account transaction histories and supporting documentation;
- (m) working with Smith and his counsel to coordinate and secure his full and proactive cooperation in terms of assisting the Receiver and the Foreign Representative in fulfilling their mandate, including regular weekly meetings with Smith, and the receipt and review of all manner of Banners Broker-related information and documentation from Smith, in hard copy and electronic form;
- (n) the pursuit of relevant BBIL and Associated Corporation corporate records and legal files from these companies' lawyers, including considering and responding to various assertions of privilege and confidentiality over such records;
- (o) the pursuit of BBIL and Associated Corporation tax and accounting records from tax preparation and bookkeeping firms believed to have been involved in the creation and maintenance of such records;
- (p) the pursuit of inquiries in respect of, and the recovery of BBIL assets held by, BBIL parent company Monetize Group Inc. ("**MGI**"), a Belizean entity that was the recipient of tens of millions of dollars of affiliate contributions,
- (q) in conjunction with the Foreign Representative, the assembly, review and analysis of bank and accounting information, including bank statements provided by Canadian financial institutions for the Associated Corporations as well as information obtained with the extensive assistance of Smith regarding offshore accounts, with a view to reconstructing the source, inter-company transfer(s) and disposition of all monies contributed by the estimated tens of thousands of

Banners Broker affiliates who may be creditors of BBIL and the Associated Corporations;

- (r) the receipt and direction of creditor claims and inquiries to the Foreign Representative, who currently has primary responsibility for managing claims and responding to creditor inquiries;
- (s) more generally, the coordination of all receivership administration efforts in respect of BBIL and the Associated Corporations with the Foreign Representative, including the sharing of information, accounting expertise and resources with the Foreign Representative;
- (t) working to recover, in conjunction with the Foreign Representative, and with the assistance of Smith, a USD\$1,999,873.04 deposit, which was held nominally for the account of MGI at Clover Investment Advisors Ltd., an investment firm in the Cayman Islands that was itself subject to an unrelated criminal investigation and formal insolvency proceeding;
- (u) correspondence, discussions and meetings with Allied Wallet, Inc., an online payment processing service that had substantial dealings with BBIL and that presently holds monies on account of Banners Broker estimated to be in the range of USD\$1.06 million;
- (v) the pursuit of account agreement(s), letters of instruction, bank account statements and transaction details from G Cube Media Inc., a service provider to Banners Broker used to coordinate receipts and disbursements to and from Banners Broker affiliates as well as "commission payments" to itself as a reseller for Banners Broker;

- (w) working with former BBIL management (particularly Smith) and information obtained from Payment Processors to begin to assemble an accurate accounting of contributions received from affiliates, collections of funds by resellers from affiliates, "pay-outs" to (or withdrawals by) affiliates and fees collected by the payment processors;
- (x) reviewing the relationship between BBIL and Stellar Point. Stellar Point was Formerly named "Banners Broker Limited" and was renamed "Stellar Point Inc." in July 2012. This Associated Corporation was the primary worldwide service provider to Banners Broker up until August 2013. The Receiver is working to secure an accounting of payments made to Stellar Point by and on behalf of BBIL, and to understand the contractual or other basis for such payments;
- (y) identifying and considering the appropriateness of certain non-core business and investments activities undertaken by BBIL, the Associated Corporations and/or the former principals of Banners Broker and the extent to which the former principals used BBIL funds for such investments. The Receiver's objective is to determine whether such investments are realizable assets that ought to be pursued on behalf of creditors;
- (z) a review of BBIL and Associated Corporation business contracts, including, employment and consulting agreements, account agreements, reseller agreements and releases and indemnities;
- (aa) inquiries into the circumstances surrounding the October 2012 purchase and the March 2014 sale of a commercial property in Whitby, which property was jointly owned by two Associated Corporations and was, for a period of time, used in the operation of the Banners Broker business;

- (bb) efforts to understand the extent to which BBIL and the Associated Corporations conducted business on the basis of cash and other undocumented, or partially documented, transactions and arrangements;
- (cc) the review and consideration of possible claims against Banners Broker re-sellers, being persons with responsibility for promoting and selling Banners Broker's business at a national or regional level around the world;
- (dd) the consideration of possible claims against individuals who may have received transfers of money, automobiles, gifts and/or payments for services not provided, that could potentially be attacked and set aside as fraudulent transfers;
- (ee) the investigation into whether or not certain persons associated with BBIL may have established bank accounts in foreign jurisdictions in an effort to hide amounts improperly withdrawn from the company; and
- (ff) the investigation into whether or not persons associated with BBIL may have converted monies improperly taken from affiliates by means of investing, either directly or indirectly, in residential real estate including by paying off and discharging mortgage(s), and/or financing the acquisition of property for no good or valid consideration.

40. Certain of the activities and inquiries of the Receiver are sensitive in nature. This is because the work that is involved is the assembly and assessment of evidence that may be used to pursue BBIL assets in circumstances where efforts may have been made to put such assets beyond the reach of creditors. For this reason, the Receiver's work in this regard has been described at a general level with particulars omitted. Additional details of the Receiver's investigation and recommendations/conclusions will be the subject of a future report to the

court. Additionally, or in the alternative, it may be that the Receiver will pursue proceedings by way of motions litigation or an action to assert an interest in assets that the Receiver believes should properly form part of the receivership administration.

41. As has been the case from the outset, the Receiver is not in a position to express an opinion as to whether or not BBIL (or the Banners Broker enterprise) was engaged in the operation of an illegal Ponzi and/or pyramid scheme, nor is it the Receiver's mandate to reach a conclusion on this point. It is important to note that although a criminal investigation is evidently ongoing, no charges have been laid.

42. The balance of this report provides additional details of the Receiver's ongoing efforts to secure BBIL and the Associated Corporations' books, records and accounts, as well as to recover assets in the name of BBIL, or properly belonging to BBIL but held in the name of the Associated Corporations or third parties. These actions are being undertaken with the support and assistance of the Foreign Representative, as is further described below.

A. Efforts to Secure Books, Records, Accounting

43. Securing BBIL and Associated Corporations' "Records" in accordance with the Receiver's court authority has proved difficult and time-consuming for the following reasons:

- (a) Banners Broker's business did not have a document management system, company owned servers or any other organized records retention system;
- (b) receipts and pay-outs, including affiliate debits and credits, were frequently handled non-systematically. Inter-company transfers were not recorded properly, or at all. Other payments were made in cash. Although transaction records exist at the financial institution end, there is no single source of Banners Broker maintained financial records or support documentation;

- (c) Banners Broker wound down operations after the commencement of the Isle of Man Proceedings and the Receiver is advised by Smith that Banners Broker ceased operating on August 6, 2014. Employees were laid off, office space was vacated and such records as did exist became more difficult to locate and retrieve as a result;
- (d) Banners Broker's main service provider, the Associated Corporation, Stellar Point, ceased operating in or about October 2013. Such Stellar Point records as existed at that time became less accessible as a result;
- (e) the Receiver understands that Stellar Point was subject to an audit by the Canada Revenue Agency ("**CRA**"), resulting in certain records being turned over to CRA and becoming unavailable as a result;
- (f) Banners Broker entities did not utilize a professional accounting firm or have an in-house accounting professional. Neither BBIL nor many of the Associated Corporations filed tax returns as may have been required during the period that is of interest to the Receiver;
- (g) as further discussed below, the police executed eight search warrants in February 2015 to assist in their investigation. Thousands of documents and over one hundred computer data and storage devices were seized and are currently not available to the Receiver for the purposes of its investigation;
- (h) in September 2013, the police made application for and obtained eight Banners Broker-related production orders under section 487.012 of the *Criminal Code*. The production orders were served on Canadian banks and financial institutions, including the Royal Bank of Canada, Scotia Bank, TD Bank Group, Canadian Imperial Bank of Commerce and HSBC Bank Canada as well as payment

processors STP and Payza. The Receiver's document production requests followed these earlier production orders, creating some uncertainty within the recipient financial institution as to how the several orders related to each other and whether or not additional work was required to respond to the Receiver. Such concerns have had to be addressed by the Receiver and its counsel on an institution-by-institution basis;

- (h) certain off-shore banks, payment processors and third parties not subject to this court's jurisdiction have declined to recognize the Receiver's authority and have failed or refused to provide documents to the Receiver; and
- (i) BBIL and the Associated Corporations have instructed counsel to assert claims of privilege over certain files in the possession of their lawyers. These privilege claims have yet to be particularized or resolved, resulting in the underlying records being unavailable to the Receiver for the time being.

44. Notwithstanding the challenges identified above, the Receiver has diligently pursued production of relevant Banners Broker records. In the months following its appointment, the Receiver has made and pursued written documentary production requests of all depository Schedule I, II and III financial institutions in Canada. The production requests made were initially specific to BBIL, but were subsequently expanded to include financial records and accounts in respect of the Associated Corporations following the granting of the Further Supplementary Order.

45. Similar document production requests, including for relevant account agreements, account statements and transaction histories, were also made of a number of offshore banks and financial institutions, as well as online payment processing companies in Canada and abroad.

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

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

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

48. The Receiver has obtained information and/or financial records that are responsive to its inquiries from the following offshore banks and foreign financial institutions:

- (a) Via Bank Ltd (St. Lucia) ("**Via Bank**");
- (b) Choice Bank Limited (Belize) ("**Choice Bank**"); and
- (c) Clover Investment Advisors Ltd (Cayman Islands) ("**Clover**").

49. The Receiver has received and/or reviewed financial records that are responsive to its inquiries from the following payment processing companies and other Banners Broker service providers:

- (a) Allied Wallet, Inc.;
- (b) STP;
- (c) Beanstream;
- (d) Payza;
- (e) UMS;

- (f) Aramor Payments;
- (g) Vector Card Services Limited; and
- (h) G Cube Media Inc.

50. In aggregate, the banks, payment processors and other third parties contacted have produced hundreds of thousands of pages of documents to the Receiver.

51. As would be expected, the financial information provided to the Receiver is of varying degrees of completeness and frequently raises additional questions requiring follow up with the relevant producing party. Focusing first on larger and related party transactions, the Receiver has and continues to seek additional explanation and supporting documentation where it considers it appropriate to do so in its preparation of the Flow of Funds Analysis, as described below, and for the purposes of identifying potential realizations.

B. Flow of Funds Analysis

52. Working closely with the Foreign Representative, the Receiver has made it a priority to prepare a global "Flow of Funds Analysis" sufficient to understand how affiliate contributions were received and disbursed over the period of Banners Broker's global operations ("**Flow of Funds Analysis**"). The analysis is based primarily on third party provided financial information in addition to information obtained from BBIL and related parties and is designed to understand how the monies that were contributed by affiliates to Banners Broker were returned to them, invested, expended, diverted or otherwise utilized.

53. The Flow of Funds Analysis is currently incomplete. The Receiver and Joint Liquidators continue to seek further information from financial institutions, payment processors and third parties to finalize the Flow of Funds Analysis on an expedited basis.

54. Once complete, the Receiver anticipates that the Flow of Funds analysis will serve three primary purposes:

- (a) to provide an overall accounting of Banners Brokers operations to creditors and the courts in Canada and the Isle of Man;
- (b) to allow the Receiver and the Foreign Representative to identify additional BBIL assets or claims that may be appropriate for realization;
- (c) to provide evidence in respect of any claims litigation that the Receiver and/or the Foreign Representative may elect to pursue against persons believed to have benefited improperly from Banners Broker.

55. **Confidential Appendix “P”** to this Report sets out the Receiver and Foreign Representative’s preliminary conclusions with respect to the Flow of Funds Analysis. This Confidential Appendix provides a reasonable estimate of total funds received from affiliates, together with how such funds were utilized. The banks, payment processors, and account holders that received monies are specifically identified.

56. By way of overview, it appears that something in the order of USD\$152.35 million was received from affiliates, with approximately USD\$75.77 million, representing approximately 50% of the monies being returned to affiliates in the form of “pay-outs”. Notable payments made to third parties include:

- (a) At least USD\$18.38 million paid to BBIL principals and Associated Corporations, particularly Stellar Point;
- (b) Approximately USD\$11.05 million in fees paid to payment processors; and

- (c) Approximately USD\$9.66 million paid to Banners Broker resellers/independent contractors.¹

Other disbursements for various expenses in the daily operation of the business and other third party expenses are in the range of USD\$12.7 million. Efforts are underway to trace and account for the balance of unverified payments, which amount to roughly USD\$9.98 million.

57. The Flow of Funds analysis, as well as the summary at Confidential Appendix "P", was prepared in part based on Smith Examination Information. For this reason, and consistent with the terms of the Confidentiality Order, the Receiver respectfully requests that the appendix be treated as confidential and sealed.

C. Interviews and Examinations of Key Witnesses

58. In the process of seeking and obtaining foreign recognition of the Isle of Man Proceedings, the Receiver identified the following three individuals as being primary actors in Banners Broker's global business and operations ("**Principals**"):

(a) Christopher G. Smith

The concept of Banners Broker was created by Smith in October 2010. He is the founder of Banners Broker, President and beneficial owner of BBIL and sole officer and director of the Associated Corporations, 234 and Parrot Marketing. Smith is also the sole shareholder, director and officer of MGI, the Belizean corporation which is the ultimate parent company of BBIL. Smith appears to have also had *de facto* control, although not as a director or officer, over the Associated Corporation, LMS, which was used as an operating entity in Canada.

Smith is one of the subjects of the ongoing criminal investigation.

¹ Numbers referred to herein with respect to the preliminary Flow of Funds Analysis are in draft form and are subject to further review by the Receiver.

(b) **Rajiv Dixit**

Dixit is the owner, President and Chief Executive Officer of Stellar Point (formerly Banners Broker Limited). The Receiver understands that Stellar Point had global responsibility for customer-facing aspects of the Banners Broker business, including customer service/support, training, marketing, web development and programming functions up until the Fall of 2013. For a period of time from approximately December 2011 to June 2012, Dixit, through Stellar Point, was also the Banners Broker independent contractor or “reseller” for Canada. Stellar Point was the author of the Banners Broker “Success Manual”. Dixit is also the sole officer and director of the Associated Corporation, Dixit Holdings, which was used as a corporate vehicle for the purchase of real property, including Banners Broker offices in Whitby. At various times, Dixit has described himself as Chief Operating Officer, Compliance Officer, General Manager and Senior Advisor to BBIL.

Dixit is one of the subjects of the ongoing police investigation.

(c) **Kuldip Josun**

Josun was involved in Banners Broker’s business from its inception until July 2012 when he was terminated by Smith and Dixit for allegedly promoting another multi-level marketing company to Banners Broker affiliates. It has also been alleged that Josun is responsible for embezzling in excess of \$4 million from the business. The Receiver understands that while employed at Banners Broker, Josun acted as the global head of sales and marketing for Banners Broker and travelled the world on behalf of and as the “face” of the business. Josun appears to have been particularly active in recruiting affiliates and resellers in Europe.

59. The Receiver contacted the Principals (or their counsel, if retained) in the weeks following the commencement of these proceedings. The purpose of the contact was to attempt to schedule in-person meetings to discuss Banners Broker's business. With a view to initiating an early and open dialogue, the Receiver indicated that it was open to "on the record" or "off the record" meetings.

60. Each of the Principals accepted the Receiver's invitation to meet.

61. Smith, with counsel in attendance, first met with the Receiver and the Foreign Representative in Toronto on December 3 and 4, 2014. The terms of this meeting were that it would be off the record.

62. Dixit, with counsel in attendance, met with the Receiver and the Foreign Representative in Toronto on December 1, 2014. This was also an off the record meeting.

63. Josun met with the Receiver and the Foreign Representative on December 2, 2014. He attended without counsel. As was the case with Smith and Dixit, this initial meeting was also off the record.

64. The meetings with Dixit and Josun ended without a mutual agreement to hold further meetings.

65. Following and building upon the Receiver's interviews with the Principals, the Receiver has conducted interviews and/or examinations under oath with eight other individuals closely associated with and believed to have knowledge of Banners Broker. Specifically:

- (a) **John Rock:** Regulatory Compliance Consultant to BBIL and/or Stellar Point (Interviewed on December 2, 2014);
- (b) **Stephanie Schlacht:** Executive Assistant to Kuldip Josun (May 2012 to July 2012); Executive Assistant to Rajiv Dixit (July 2012 to August 2013) (Examined on April 29 and June 11, 2015);

- (c) **Tara Reeves (née Josun):** Customer Service Representative at BBIL and Staff Trainer at Stellar Point (Examined on February 26, 2015);
- (d) **Robert Pirie (a.k.a. "Ron Anderson"):** Executive Assistant to the Director of Human Resources and Training at Stellar Point (Examined on February 25, 2015);
- (e) **Lorenzo Guarini:** Vice President of Stellar Point (Examined on April 21, 2015);
- (f) **Kelly Stinson:** Director of 8136645 Canada Limited (shareholder of Stellar Point) (Examined on April 21, 2015);
- (g) **Maxwell Morgan:** CEO of Aramor Payments, a payment processor solutions company engaged by Stellar Point and/or BBIL (Examined on April 13 and May 29, 2015);
- (h) **Mary Febbrini:** former employee of Liberty Tax Services (Whitby Franchise) (Interviewed on January 20, 2015); and
- (i) **Harris Snyder:** former Banners Broker Computer Programmer (Interviewed on November 24, 2014).

66. Excepting Snyder, Rock and Febbrini, the examinations indicated were conducted under oath in the presence of an official examiner, with transcripts being available. The Receiver believes that each of the examinations advanced the receivership administration in that it provided an additional and unique perspective on the Banners Broker business, the role of the Principals and potential sources of realization for creditors. Undertakings to provide additional information were obtained at all interviews and examinations and the Receiver is following up to ensure that such undertakings are fulfilled. Every person who has been examined to date has also agreed to make themselves available to re-attend to be further examined (particularly on answers to undertakings) and/or to assist the Receiver in a more informal capacity.

67. The Receiver and Foreign Representative are reviewing all of the information, documents and answers to undertakings obtained at the examinations and interviews conducted. It is anticipated that examinations will be scheduled of five to ten additional persons who are considered to be knowledgeable of Banners Broker's business, particularly record keeping and accounting functions.

68. The Receiver's objectives, both in terms of oral and document discovery, are to:

- (a) obtain information sufficient to complete the Flow of Funds Analysis with a reasonable degree of confidence in its accuracy;
- (b) test the veracity of the Smith Examination Information; and
- (c) assess and prioritize potential receivership realizations.

D. Smith's Co-operation with the Receiver

69. The Receiver's December 3 and 4, 2014 meeting with Smith concluded with an understanding that the parties would work towards setting terms upon which Smith would provide his complete and unrestricted cooperation and assistance to the Receiver.

70. Between December 2014 and January 2015, the Receiver and Smith, through counsel, negotiated and agreed upon principles of cooperation and assistance whereby Smith would proactively assist the Receiver in the fulfillment of its mandate, and the Receiver, upon being satisfied as to the nature and extent of Smith's cooperation, would acknowledge Smith's assistance. This understanding is embodied in part by the terms of the Confidentiality Order which, as indicated, provides a degree of protection to Smith Examination Information (as defined in the Confidentiality Order).

71. To date, Smith, both in person and through counsel, has provided all requested assistance to the Court Officers. Specifically, he has:

- (a) agreed upon the terms of the Confidentiality Order, such that it issued on consent;
- (b) met with the Court Officers on December 3 and 4, 2014, and provided information that was of great assistance to them in gaining a better understanding of Banners Broker's business and operations;
- (c) provided a series of undertakings at the December 3 and 4, 2014 meeting to locate and produce BBIL and Associated Corporation Records, including foreign bank and payment processor records that would not otherwise be available to the Court Officers without significant additional time and expense, including instituting proceedings in foreign jurisdictions;
- (d) subsequently, agreed to provide disclosure, to the Receiver's satisfaction, of personal, related party and family assets, such that the Receiver could begin to assess whether such assets were potentially subject to claims of the Court Officers on behalf of creditors of Banners Broker;
- (e) attended weekly meetings, with and without counsel, at the office of counsel for the Receiver, to be interviewed with respect to all aspects of the Banners Broker business that are of interest to the Receiver. In this context, Smith has provided in excess of 100 additional undertakings to provide information and documentation. Most of these undertakings have been answered, while others remain outstanding;
- (f) provided what the Receiver believes to be complete disclosure in respect of 234's ownership of the Bayview Property. Smith Examination Information has enabled the Receiver to enter into a settlement of the Receiver's claim against

234, as asserted in the Amended Notice of Application, subject to court approval, and as further described below;

- (g) provided the Receiver with copies of the Banners Broker back-end database in various stages to allow it to review cash receipts that were otherwise undocumented, as well as confirm the approximate gross total receipts from affiliates; and
- (h) constructively engaged with the Receiver, and worked towards terms upon which the Court Officers and Smith may fully and finally resolve all issues between them in the form of a settlement, for which court approval will eventually be sought if appropriate.

E. Production Motions: Documents Seized by Police

72. The Receiver was advised by Smith in March 2015 that the police had recently executed a series of search warrants in connection with their ongoing investigation into Banners Broker ("**Search Warrants**"). Smith's advice prompted the Receiver to make certain additional inquiries into the progress of the criminal investigation.

73. Information in respect of certain aspects of the police investigation is public in the sense that copies of affidavits filed, and orders issued, can be obtained through the Ontario Court of Justice Office at Old City Hall, Toronto. Other portions of the court file are sealed and cannot be reviewed.

74. Recognizing that portions of the criminal court file are public, counsel for the Receiver has attended at the Court Office from time to time in an effort to monitor the progress of the police investigation. It is through these attendances that the Receiver has been able to obtain the Restraint Orders, the RCMP Affidavits and the Production Orders.

75. A publically available affidavit, in the form of a "Report to a Justice" sworn by Detective Constable Jason Onami on April 21, 2015, has provided the Receiver with additional information as to the Search Warrants. Constable Onami swears that eight search warrants were executed in the early morning hours of February 24, 2015. The search warrants were executed at the properties of Smith and Dixit, including personal automobiles, residences and places of business.

76. A further search warrant was executed on February 25, 2015 on a seized compact disc obtained from former Banners Broker computer programmer Harris Snyder ("**Snyder**"). The disc is described in the Report to a Justice as containing "a computer program that was designed by Snyder to assist Smith and Dixit in the operation of their suspected fraudulent business".

77. Having met with Snyder in November 2014, the Receiver has obtained a copy of the computer program that would appear to have been the subject of the February 25, 2015 search warrant.

78. The Report to a Justice annexes six evidence registers, which are essentially spreadsheet listings providing particulars of property seized in the course of the execution of the Search Warrants. Based on a review of the Report to a Justice, and discussions with counsel for Smith, the Receiver determined it was prudent to bring an application to the Ontario Court of Justice, Old City Hall, on May 4, 2015. The purpose of this application was to seek production of a binder of certain documents believed to contain real estate information in respect of the Bayview Property ("**Bayview Documents**"). The application was made pursuant to section 490(15) of the *Criminal Code*, with the consent of the Crown, Smith, as well as Smith's company, 234, the owner of the Bayview Property.

79. Justice Omatsu issued an Order dated May 4, 2015 authorizing production of copies of the Bayview Documents ("**Reproduction Order**") to the Receiver. A copy of the Reproduction Order is attached as **Appendix "J"** to this Report.

80. Having considered the Report to a Justice and evidence registers further, the Receiver brought a second application to the Ontario Court of Justice, initially returnable on July 9, 2015, to seek copies of the balance of the documents obtained by the police pursuant to the executed Search Warrants. The basis of the application is that the documents sought would appear to relate to BBIL and the Associated Corporations, and it is anticipated that they will assist the Receiver in fulfilling its court-authorized mandate.

81. The Receiver's July 9 application was made on notice to the Crown, Smith and Dixit. Smith has raised privilege and relevance issues in relation to the application and asked that Smith or his representative have an opportunity to review all seized documents and computer storage devices before they are made available to the Receiver. Dixit has raised similar concerns.

82. The Receiver will work with Smith, Dixit and the Crown (as may be appropriate) to try to agree on terms whereby the application can proceed on consent. The application has been adjourned *sine die* to be returned on a future date, as may be appropriate.

83. If necessary, the parties to the application may return to court to seek approval of a form of document access protocol that would more formally address any legitimate concerns in respect of the Receiver having access to the seized documents.

F. Law Firm Records and Privilege Claims

84. Certain of the Receiver's document production requests have been directed to counsel (or former counsel) for BBIL and the Associated Corporations. Such counsel are as follows:

(a) **Aird & Berlis LLP ("A&B")**

A&B acted for BBIL and 234. It appears that A&B may have also acted for Associated Corporations, LMS and Parrot Marketing as well as the ultimate parent company, MGI. A&B has also acted for Smith, personally.

(b) **Macdonald Sager Manis LLP (“MSM”)**

MSM acted for Dixit, personally, as well as Associated Corporations, Stellar Point and Dixit Holdings.

85. In furtherance of an initial document production request, the Receiver attended at MSM's office on February 2, 2015 and met with lawyers Howard Manis and David Gray. The purpose of the meeting was to try to better understand the nature and scope of MSM's Banners Broker related retainer(s), and to assess to what extent law files may be relevant and could be made available to the Receiver. In the context of this meeting, MSM provided the Receiver with a total of 67 MSM invoices documenting legal services performed over a 20 month period between February 2013 and December 2014. The invoices document in excess of \$210,000 in billings.

86. At the initial meeting with MSM, the Receiver was advised that privilege claims may be made in respect of MSM legal files.

87. As a follow up to the meeting with MSM, the Receiver corresponded with Messrs. Manis and Gray on May 4, 2015, and sought production of a large number of apparently relevant Records, most of which were specifically referenced in one or more of the 67 MSM account statements but not provided in response to the initial document requests made of MSM. The documents requested included Associated Corporation financial statements and numerous contracts and correspondence apparently related to the business of Banners Broker, Stellar Point and the Associated Corporations. A copy of the Receiver's May 4, 2015 correspondence to MSM is attached as **Appendix “K”**.

88. MSM responded to the Receiver's May 4 correspondence by email dated June 5, 2015. MSM advised that while they were prepared to cooperate with the Receiver, they had been instructed in writing not to release any files beyond what had already been disclosed. The Receiver was further advised that Dixit's litigation counsel in this proceeding, Esmaeil Mehrabi,

would be bringing a motion in regards to the Receiver's Records production requests of MSM. Mr. Mehrabi was copied on MSM's June 5 email and there followed an email exchange with counsel for the Receiver wherein the parties' respective positions were set out in more detail. For completeness, a copy of the relevant email exchange is attached as **Appendix "L"**.

89. Counsel for the Receiver has had at least one discussion with Mr. Mehrabi subsequent to the June 5 email exchange. While the Receiver is prepared to work with MSM and Mr. Mehrabi in an effort to resolve any of Dixit's concerns regarding production of documents to the Receiver, it may be that certain issues, particularly privilege issues, will need to be brought forward to the court for determination. To date, Dixit's counsel has not particularized the nature and basis of any privilege claims as they may relate to the Records requested by the Receiver in the Receiver's May 4 letter to MSM.

90. The Receiver's highest level priorities have not included the pursuit of production of law firm records in respect of BBIL and the Associated Corporations. The Receiver has made requests, however, for all relevant law files, and is assessing how and when to most efficiently address any privilege or confidentiality issues raised by such production requests. It would appear likely, however, that these issues will be the subject of a further and more detailed report to the court, which report will be accompanied by recommendations and a request for such as relief as may be appropriate.

91. In the meantime, and as indicated, the Receiver is prepared to continue to discuss production of law firm records with both A&B and MSM and determine if further progress can be made without the involvement of the court.

V. Request for Additional Investigatory Authority in Respect of Dixit Consortium and Dreamscape

92. As explained above, in October 2014 the Receiver sought and was granted certain limited investigatory authority in respect of five Banners Broker Associated Corporations. The

grounds for the order obtained was, among other things, that the companies were owned and controlled by the same principals as BBIL, and had 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.

93. In the course of its more recent investigation and the preparation of the Flow of Funds Analysis, the Receiver has determined that the following two additional Dixit controlled companies had Banners Broker related dealings:

(a) Dixit Consortium.; and

(b) Dreamscape.

94. As with two of the five Associated Corporations – namely, Dixit Holdings and Stellar Point – Dixit Consortium and Dreamscape are believed to be owned and directed by Dixit.

95. Dixit Consortium was incorporated on September 24, 2013 with a registered office address of 150 York Street, Suite 800, Toronto, Ontario. This address is the office of the law firm, MSM, who, as noted above at paragraph 84, were also counsel to Dixit, Stellar Point and Dixit Holdings in connection with Banners Broker related matters, as detailed herein. Industry Canada corporate search reports indicate that Dixit was a director and that the company was dissolved on March 25, 2015.

96. Based on the Flow of Funds Analysis completed to date, the Receiver believes that Dixit Consortium received over \$270,500 from Associated Corporations Dixit Holdings and Stellar Point between October 2013 and April 2014. Dixit Consortium was party to over twenty intercompany transfers during this period. The Receiver has not located any account entries or notations, or other Associated Corporation records, that would provide an explanation or business rationale for these transfers, and is accordingly concerned that there may be other unexplained transfers of monies to Dixit Consortium that ought to be identified and reviewed to

determine whether such transfers were appropriate. The Receiver also believes that Dixit Consortium had Canadian banking relationships, however, efforts to pursue Banners Broker receipts in respect of these relevant transactions have been unsuccessful due to the lack of express investigatory authority over Dixit Consortium.

97. The jurisdiction and incorporation date of Dreamscape is not known. Documents obtained by the Receiver suggest that the company had a mailing address at 614 Stewart Street, Whitby, Ontario – the same address listed for Dixit in the corporate profile report for Dixit Holdings.

98. Dreamscape invoiced Banners Broker for consulting and management services similar to Dixit's other company, Stellar Point, and Dixit directed that funds be wired to offshore accounts in Cyprus and the British Virgin Islands. Between June and October 2013, Dreamscape appears to have made transfers to the Associated Corporations, Parrot Marketing (\$343,787 between June and August 2013) and Dixit Holdings (\$416,521.62 between September and October 2013), without any recorded explanation for services rendered. The Receiver believes this may have been done by Dreamscape to suggest that Parrot Marketing and Dixit Holdings had customer relationships independent of BBIL so as to create an illusion of "arm's length" dealings.

99. Choice Bank (Belize) records from BBIL parent company, MGI, disclose that Dreamscape was paid USD\$1,050,000 by way of eight wire transfers across a seven month period in late 2013. The MGI account in question was established to receive affiliate contributed funds in the months following the closure of BBIL's Isle of Man account.

100. The transfers to Dixit Consortium and Dreamscape referenced above are significant in dollar value, totaling in excess of \$1.5 million. As a general matter, the nature and timing of the dealings are indicative of a level of involvement in the Banners Broker enterprise consistent with that of the Associated Corporations. They are all owned and controlled by the same BBIL

Principals and were all to one degree or another across transactions that essentially moved affiliate funding around between Banners Broker offshore banks, service providers, payment processors and apparent personal holding companies.

101. Access to independently produced third party financial information in respect of Dixit Consortium and Dreamscape's dealings with BBIL and the Associated Corporations is important for the purposes of completion of a timely and accurate Flow of Funds Analysis. The dollar amounts are material such that it will not be possible for the Receiver to fully understand how affiliate contributions were paid forward and disbursed without such additional financial information. This additional information will assist in the identification and recovery of assets properly claimable by the Receiver on behalf of BBIL creditors.

102. In the circumstances of this case, the Receiver's strong preference is to obtain Banners Broker related business and financial information from independent third party financial institutions and service providers rather than rely on the former principals of the Banners Broker to produce records. Third party produced information can likely be more efficiently obtained and will be reliable and complete. For this reason, and given that the Receiver does not currently enjoy the same level of cooperation from Dixit as with Smith, the Receiver has not as yet made any specific requests of Dixit in respect of Dixit Consortium and/or Dreamscape. Dixit is, however, on notice of this motion.

103. Dixit did not oppose the Receiver's request to have limited investigatory authority in respect of Dixit Holdings and Stellar Point, or the other Associated Corporations. The Receiver respectfully seeks an order providing it with the ability to make the same sorts of Banners Broker related inquiries in respect of Dixit Consortium and Dreamscape as may already be made in respect of the Associated Corporations.

VI. Asset Recoveries

A. Settlement of 234 Claim

104. In the course of its investigations detailed above with respect to the business of BBIL and the Associated Corporations, the Receiver and the Foreign Representative determined that a cause of action existed as against 234 ("**234 Claim**") with respect to 234's use of funds properly owing to BBIL for the purchase of assets, including real property, in Canada.

105. In its Additional Powers Motion, the Receiver obtained court approval to assert the 234 Claim by:

- (a) issuing an Amended Notice of Application including the assertion of a claim against 234; and
- (b) registering a certificate of pending litigation against title to the Bayview Property, which is owned by 234;

both of which were done pursuant to Orders issued by Justice Newbould on October 15, 2014.

106. Respecting the confidentiality of the Smith Examination Information, the Receiver wishes to again emphasize that the information and documentary disclosure received from Smith over the course of the last six months has been extensive. The information extends beyond BBIL to each of the Associated Corporations. The Receiver and the Joint Liquidators have met regularly with Smith, upwards of twenty times in total. Many of these meetings have focused on 234, its role within Banners Broker and 234's company assets and liabilities.

107. Smith has cooperated fully with the Receiver as detailed in paragraphs 69 to 71 of the Report. Because Smith is the sole owner of 234, and the documentation in respect of 234 is readily available, the Receiver and Smith have made it a priority to attempt to settle the Receiver's claims against 234.

108. Smith's current counsel, A&B, acted for 234 at all times and was accordingly also in a position to provide documentation in relation to the company and the circumstances in which the Bayview Property was acquired. On Smith's instruction, A&B has provided such information, which the Receiver has reviewed. The Receiver and its counsel have also met with A&B to discuss the acquisition, financing and views on the legal and beneficial ownership of the Bayview Property and the Receiver's claims against 234 in respect of the land.

109. Subject to court approval, the Receiver has recently reached a settlement of the 234 Claim relative to the Bayview Property whereby 234 will pay approximately \$2,250,000 (subject to adjustments) to the Receiver in exchange for a release (limited to the Receiver's claim in respect of the Bayview Property) and the discharge of the certificate of pending litigation currently registered against title to the Bayview Property ("**234 Settlement**"). In order to facilitate the 234 Settlement, an order discharging and vacating the CPL from title to the Bayview Property was made on July 30, 2015, on the consent of Smith and 234.

110. In assessing the 234 Settlement, the Receiver considered, among other things, the following:

- (a) the fact that the Receiver has what it believes to be complete and accurate information in respect of the acquisition, the financing, and the use of the Bayview Property, with such information including the cooperation of both the owner of the Bayview Property, and the owner's counsel, which law firm has acted for the owner at all relevant times;
- (b) the costs and risks of pursuing the 234 Claim, absent settlement, including the possibility of lengthy contested litigation and appeals, all of which could take place during a period of time in which the Bayview Property was wasting, or otherwise incurring carrying costs and suboptimal income;

- (c) the fact that there was a need within this otherwise complex international insolvency proceeding for the Receiver to act practically and to prioritize recovery opportunities, such that simpler local issues could be addressed first and efficiently;
- (d) the fact that the 234 Settlement generates a substantial, early, and relatively low cost recovery for the Receiver, the Foreign Representative and creditors;
- (e) the fact that the 234 Settlement builds on the significant level of cooperation that the Court Officers have received from Smith, and is possibly a precedent for negotiating and seeking approval of further, more expansive settlement agreements with Smith and others. In this regard, and as noted above, the Receiver is actively engaged with Smith and his counsel in worldwide asset recovery efforts, and to the extent that such efforts prove successful it may be that further approvals of compromises will be sought; and
- (e) the fact that the Foreign Representative, and its instructing Committee of Inspection, support the 234 Settlement.

111. The Receiver is of the view that the 234 Settlement is a fair and commercially reasonable compromise of claims in the circumstances. In this regard the agreement offers the following advantages:

- (a) it brings a relatively early and cost-efficient closure to the 234 Claim;
- (b) it avoids ongoing professional fees in relation to 234 and the Bayview Property;
- (c) it provides a source of recovery and means of funding for receivership administration costs and potential distributions to creditors; and
- (d) it advances a conclusion of the overall receivership investigation and administration.

B. Clover Funds

112. In the course of making BBIL payment processor related inquiries, the Receiver and the Foreign Representative learned that BBIL had an account with Allied Wallet, an international payment services provider.

113. An analysis of BBIL account transaction details indicated that on March 18, 2014, BBIL instructed Allied Wallet to transfer \$1,999,873.04 ("**Clover Funds**") to Via Bank, a St. Lucian bank, for the benefit of BBIL's parent company, MGI. The transaction was to be processed through Via Bank financial intermediary, Clover. Allied Wallet transferred the funds to Clover at the direction of BBIL.

114. Subsequent inquiries revealed Clover to be an investment advisory firm in the Cayman Islands that was subject to regulatory and criminal investigations related to alleged money laundering. Further, the Receiver was advised by Via Bank that Clover was itself subject to insolvency proceedings in the Cayman Islands.

115. It appears that upon the commencement of the Clover insolvency proceedings, the Clover Funds were restrained such that they were not forwarded on to the MGI account held with Via Bank.

116. With the assistance of Smith and Via Bank, the Receiver and the Foreign Representative worked over a four month period to recover the Clover Funds. Such work culminated in the submission, on April 28, 2015, of a formal claim to the Clover Funds in the form of a report authored by the Receiver and submitted to the Cayman Island Department of Public Prosecution, with a copy to Michael Pearson and Andrew Childe in their capacity as Official Liquidators of Clover ("**Clover Funds Report**"). A complete copy of the Clover Funds Report is attached as **Confidential Appendix "Q"**.

117. The Clover Funds Report provides certain additional particulars in respect of the Receiver's investigations in respect of, and claim to, the Clover Funds.

118. The Receiver's claim to the Clover Funds was submitted as being made by and on behalf of the Joint Liquidators, as well as the Receiver. The claim was admitted and, on May 6, 2015, the Clover Funds were remitted to the Joint Liquidators in accordance with their written direction.

C. St. Lucian Funds

119. Also in the course of making initial inquiries of financial institutions, the Receiver and the Foreign Representative determined that BBIL parent company and Smith owned entity, MGI, had formerly operated an account at Via Bank. The MGI account was reported to have been closed in mid-2014, at which time a residual balance of approximately USD\$1.35 million was said to have been on deposit ("**St. Lucian Funds**").

120. Following the issuance of the Further Supplemental Order, Via Bank proactively contacted the Receiver regarding the St. Lucian Funds and proposed a meeting with the Receiver and Cassels to discuss the same. In fact, the Chairman of the bank flew up to Toronto from St. Lucia specifically for the meeting with the Receiver and its counsel in late 2014 (the "**Fall Meeting**").

121. At the Fall Meeting, the Chairman assured the Receiver and Cassels that it would assist with the recovery of the St. Lucian Funds to the best of its abilities, including by liaising with St. Lucian authorities to address regulatory concerns the government might have with respect to the transfer of the funds.

122. After surpassing the regulatory hurdles placed by the St. Lucian government authorities, Via Bank transferred USD\$600,000 of the St. Lucian Funds to the Receiver as soon it was legally able to do so on July 6, 2015. The Chairman has advised the Receiver that this is the first of several transfers of the St. Lucian Funds the bank will make to the Receiver.

123. The Receiver is grateful for the assistance of both Via Bank and its Chairman in recovering the St. Lucian Funds. The Receiver recognizes that the orders issued by the Ontario Court are not enforceable in St. Lucia and that Via Bank was under no legal obligation to assist the Receiver. Without the assistance of Via Bank and its Chairman, the Receiver would not have recovered and be in the process of recovering USD\$1.35 million for the benefit of the estate, a portion of which will be ultimately transferred to the Foreign Representative.

124. It is the intention of both the Receiver and the Foreign Representative, as discussed and agreed with Smith and Via Bank, to hold their respective portions of the St. Lucian Funds in separate interest bearing trust accounts pending further court order. This recognizes that the St. Lucian Funds' nominal account holder, MGI, is a BBIL affiliate (parent) entity that is not currently in any form of insolvency proceeding. Having said that, the Receiver believes the St. Lucian Funds to be beneficially owned and claimable by BBIL and its creditors. The Receiver intends to address the source and appropriate disposition of the St. Lucian Funds and other BBIL related company assets in a future report to this court. It is anticipated that completion of the Flow of Funds Analysis will be of assistance in this regard.

D. Allied Wallet

125. BBIL maintained an account with Allied Wallet pursuant to a written account agreement dated May 16, 2012 ("**Allied Wallet Account**").

126. The Receiver and the Foreign Representative's analysis indicates that approximately USD\$106.2 million in affiliate funds were directed to the Allied Wallet Account. Of this amount, approximately USD\$1.07 million now remains. The residual funds are being held by Allied Wallet as security for chargebacks requested by affiliates who transacted with Banners Broker using Allied Wallet's services.

127. A chargeback is a request by a customer (affiliate) for the return of funds to their bank account or credit card. The Receiver understands that a chargeback may only be requested from Allied Wallet within 10 days of an eligible purchase or transfer ("**Chargeback Period**").

128. Allied Wallet historically released monies held as security for chargebacks to BBIL on a rolling basis. However, as of the date of this Report, no funds have been released by Allied Wallet to the Receiver.

129. Allied Wallet has and continues to cooperate with the Receiver and the Receiver is hopeful that upon the expiry of all relevant Chargeback Periods, the payment processor will release any residual funds to the estate. In the meantime, the Receiver and its counsel are in ongoing contact with Allied Wallet to try and cooperatively address accounting, chargeback, and remittance issues.

130. Finally, the Receiver has recently identified a set of holdback releases from Allied Wallet that were apparently not processed through to the intended recipient. The dollar amounts are significant, being in the range of USD\$2.2 million. The Receiver is investigating this matter with the financial institutions involved, and is considering whether or not it will be possible to recover these amounts for creditors.

VII. Amendment of Supplemental Order

131. At the time that the Initial Recognition Order was granted and the Receiver was appointed, there was no evidence that BBIL had property in Canada such that it required the Receiver to have authority beyond basic possessory and investigatory powers. This is the basis upon which the Receiver's powers section of the Supplemental Order was drafted.

132. As documented in this report, it is now apparent that BBIL had extensive dealings in Canada and off-shore, albeit in most cases through the vehicle of one or more of the Associated Corporations that were Canadian incorporated. With better information as to BBIL's business and activities now being available, the Receiver respectfully requests an amendment to the Supplemental Order so as to conform the Receiver's powers to the powers normally accorded to a Receiver in a Commercial List Model Receivership Order. The inclusion of such powers will, for example, provide the Receiver with specific authority to pursue and settle claims by and on behalf of BBIL as may be appropriate.

VIII. Receiver's Fees and Disbursements

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

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

135. The total fees and disbursements of the Receiver for services provided during the period of August 22, 2014 to May 31, 2015 is \$482,307.20 including HST. Attached as **Appendix "M"** is an affidavit of Philip H. Gennis sworn July 22, 2015 ("**Gennis Affidavit**") regarding the

Receiver's fees and disbursements. Copies of the Receiver's detailed time dockets for the period August 22, 2014 to May 31, 2015 are appended as exhibits to the Gennis Affidavit.

136. Cassels has acted as the Receiver's legal counsel on all matters related to these receivership proceedings. Cassels rendered its accounts to the Receiver for the period August 28, 2014 through to and including May 31, 2015 in the amount of \$649,730.05 including disbursements and HST. Attached as **Appendix "N"** is the affidavit of Larry Ellis sworn July 28, 2015 ("**Ellis Affidavit**") regarding counsel's fees and disbursements to the Receiver. Copies of the counsel's detailed time dockets for the period August 22, 2014 to January 31, 2015 are appended as exhibits to the Ellis Affidavit. The Cassels accounts described in the Ellis Affidavit include amounts billed to the Receiver, which were paid directly by the Joint Liquidators and approved by the Committee of Inspection in accordance with the laws governing the Isle of Man Proceedings.

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

138. A copy of the Receiver's Interim Statement of Receipts and Disbursements, as at May 31, 2015, is attached hereto as **Appendix "O"**.

XI. Recommendations

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

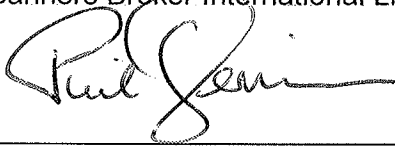
- (a) approving this Third Report and the conduct and activities of the Receiver as set out herein;
- (b) authorizing and approving the terms of a settlement between the Receiver and 234 in respect of the settlement of claims by the Receiver against 234 in relation to the Bayview Property, as detailed herein;
- (c) granting the Receiver additional investigatory authority over the following corporations believed to have received significant transfers of funds from Banners Broker and to have played similar roles in Banners Broker as the Associated Corporations:
 - (i) Dixit Consortium.; and
 - (ii) Dreamscape;
- (d) granting a sealing order with respect to Confidential Appendices "P" and "Q" to this Third Report;
- (e) amending the Supplemental Order (Foreign Main Recognition) dated August 22, 2014 to conform the Receiver's powers to those set out in the Commercial List Model Receivership Order;
- (f) approving the Receiver's interim statement of receipts and disbursements as at May 31, 2015;
- (g) approving the fees and disbursements of the Receiver and its counsel, Cassels Brock & Blackwell LLP ("**Cassels**"), for services rendered from August 22, 2014 to May 31, 2015, as particularized in the affidavits of Phillip Gennis sworn July

22, 2015, and Larry Ellis sworn July 28, 2015, (collectively, the "**Fee Affidavits**");
and

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

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 30th day of July, 2015.

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



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

Tab A



**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 8811

Member - Canadian Association of Insolvency and Restructuring Professionals

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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APPENDICES

1. Order of The Honourable Justice Matheson dated August 22, 2014 (Initial Recognition Order-Foreign Main Proceeding)
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
14. PIN in respect of the Bayview Property

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 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. [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.irisht Examiner.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 be 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:

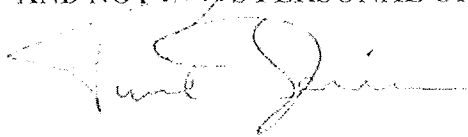
- a) An order granting certain additional investigatory authority to the Receiver pursuant to section 272 of the BIA in respect of five Associated Corporations that are evidently associated with BBIL and have been identified by the Royal Canadian Mounted Police ("RCMP") as being integral to an alleged "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 B



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

January 12, 2015

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)

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

January 12, 2015

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APPENDICES

1. Initial Recognition Order of The Honourable Madam Justice Matheson made August 22, 2014
2. Supplemental Order of The Honourable Madam Justice Matheson made August 22, 2014
3. Restraint Order of the Honourable Justice Kelly, dated July 18, 2014
4. Restraint Order of the Honourable Justice Code, dated July 29, 2014
5. Affidavit of Constable Katie Judd, sworn July 17, 2014
6. Affidavit of Constable Katie Judd, sworn July 28, 2014
7. First Report of the Receiver, dated October 2, 2014 (without appendices)
8. Further Supplemental Order of the Honourable Justice Newbould, dated October 15, 2014
9. Endorsement of the Honourable Justice Newbould, dated October 15, 2014

APPOINTMENT AND BACKGROUND

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 Second 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”**).

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 (**“Supplemental 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 Second Report.

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. BBIL was central to a corporate network or group of companies around the world in operating the “Banners Broker” online enterprise, a platform whereby registered members known as “affiliates” could advertise their businesses on various websites within the Banners Broker network of publishers while, at the same time, earning revenues as an advertising publisher through specialized and targeted publisher sites created, designed and hosted by BBIL. These former Banners Broker affiliates now make up the vast majority of known creditors of BBIL.

PURPOSE OF THE REPORT

4. This report (**“Second Report”**) is filed in support of the Receiver’s Motion for an order restricting the disposition of certain monies and credits held by electronic payment processors

which are currently frozen pursuant to *ex parte* Restraint Orders granted in the context of a criminal investigation into the Banners Broker enterprise of which BBIL was a part.

5. The Restraint Orders were obtained by the Ontario Ministry of the Attorney General, Crown Law Office - Criminal ("**Crown**") in relation to a criminal investigation regarding certain individuals and corporations involved in Banners Broker. The Restraint Orders have frozen funds held by third party electronic payment processors in connection with Banners Broker.

6. The Restraint Orders statutorily expire six months from the date of issuance and, accordingly, will expire on January 18 and 29, 2015. Although it is possible for the Crown to obtain an extension of the Restraint Orders, it is not clear to the Receiver that such an extension will be pursued. Regardless, the Receiver has an interest in ensuring the Property is not disposed of or otherwise put beyond the reach of proper claimants (including the Receiver) at this time.

7. Based on the Receiver's investigations to date, the Receiver believes that the funds currently subject to the Restraint Orders are claimable by creditors of BBIL and that a claim will likely be made by the Receiver in respect of those funds.

ACTIONS OF THE RECEIVER UPON APPOINTMENT

RCMP Investigation and Restraint Orders in Respect of Banners Broker

8. 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 the principals of Banners Broker, Christopher G. Smith ("**Smith**") and Rajiv Dixit ("**Dixit**"), related to Banners Broker in Canada ("**RCMP Investigation**").

9. The RCMP Investigation has, to date, resulted in the issuance of three sets of production orders by the Ontario Court of Justice, on June 3, June 17 and September 18, 2014, respectively, requiring the production of documents relevant to Banners Broker by certain financial institutions and electronic payment processors ("**Production Orders**"). Copies of the Production Orders obtained by the Ministry of the Attorney General, Crown Law Office-Criminal ("**Crown**") and their supporting Information to Obtain material have been obtained by the Receiver.

10. The RCMP Investigation has also resulted in the issuance of two *ex parte* Restraint Orders by the Ontario Superior Court of Justice, made pursuant to section 462.33 of the *Criminal Code of Canada*, namely:

- a) The order of the Honourable Justice Kelly, dated July 18, 2014; and
- b) The order of the Honourable Justice Code, dated July 29, 2014.

(collectively the “**Restraint Orders**”)

The Receiver has obtained copies of the Restraint Orders and the supporting affidavit material filed by the Crown. Attached hereto as **Appendices “4”** and **“5”** respectively are copies of the Restraint Orders.

11. The Restraint Orders operate to freeze certain funds held by third party electronic payment processors in connection with Banners Broker, specifically:

- (i) 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 Broker Canada for registered account holder Rajiv Dixit, merchant ID 251440000;
- (ii) All money or credits held by SolidTrust Pay (“**STP**”), 47 William Street, P.O. Box 551, Bobcaygeon, Ontario, K0M 1A0, in a merchant account for 2087360 Ontario Inc. o/a Bannersbroker for registered account holder Chris Smith;
- (iii) 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;
- (iv) Any and all funds held by 6003061 Canada Inc. operating as UseMyServices, Inc. (“**UseMyServices**”), 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);

(all of which is referred to herein, as in the Restraint Orders, as the “Property”).

12. Following the Receiver’s review of the Restraint Orders, it obtained copies of the affidavits sworn by RCMP Constable Katie Judd on July 17, 2014 and July 28, 2014 (“**RCMP Affidavits**”) filed by the Crown in support of its *ex parte* application for the Restraint Orders. Attached hereto as **Appendices “6”** and **“7”** are copies of the RCMP Affidavits.

13. 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*.

14. The RCMP Affidavits assert claims to monies held by Canadian financial institutions and electronic payment processors in relation to Banners Broker, which are believed by the RCMP to be proceeds of crime as defined by section 462.3 of the *Criminal Code*.

15. 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 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. [emphasis added]

16. BBIL is specifically identified by Constable Judd as one of the “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.

17. Constable Judd also identifies a number of other entities operated by Smith and/or Dixit, most of which are incorporated in Canada, including the following Canadian entities:

- (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.

(referred to herein as “**Associated Corporations**”)

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 (“**Appleton Affidavit**”).

18. The RCMP Affidavits reference funds held by Canadian financial institutions and electronic payment processors in relation to Banners Broker which are currently restrained as a result of the Restraining Orders. In the July 17 RCMP Affidavit, Constable Judd deposes that:

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.

19. 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, the broad ranging relief in the Restraining Orders requiring accounts connected with the Associated Corporations to be frozen.

20. 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.

Receiver's Motion for Additional Investigative Authority

21. In order to fulfill the Receiver's investigatory mandate in respect of BBIL, it was determined that it was 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.

22. Accordingly, on October 15, 2014, based on its investigations to date and the evidence disclosed in the RCMP Affidavits, the Receiver sought an order for the authority to require production of information from third parties in respect of the Associated Corporations, as is set out in further detail in the First Report of the Receiver, dated October 2, 2014, a copy of which (without appendices) is attached hereto as **Appendix "7"**.

23. The Honourable Mr. Justice Newbould granted the additional investigatory authority sought by the Receiver by order dated October 15, 2014 (“**Expanded Powers Order**”). A copy of the issued Expanded Powers Order is attached hereto as **Appendix “8”**. A copy of the endorsement of Justice Newbould, dated October 15, 2014 is attached hereto as **Appendix “9”**.

Receiver’s Further Investigations and Necessity for Continued Restraint of Funds

24. The Receiver’s investigations are underway. Since the issuance of the Expanded Powers Order, the Receiver has continued to collect information and documents in respect of the Banners Broker enterprise and has sought to interview key individuals involved in the operation of Banners Broker.

25. The Receiver is not presently in a position to conclude that BBIL (or the Banners Broker enterprise) 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.

26. Significantly, based on a review of all information obtained from financial institutions, the Receiver believes that the source of the restrained Property held in the electronic payment processor accounts at issue very likely derives from deposits made by Banners Broker affiliates.

27. At this stage in its investigation, the Receiver does not have the information necessary to completely understand the flow of funds within the Banners Broker group of companies. It is apparent, however, that there have been significant inter-company transfers of funds contributed by Banners Broker affiliates between BBIL and the Associated Corporations. It would also appear that the majority of monies received by Banners Broker from affiliates were not used to fund withdrawal commitments, resulting in a significant number of outstanding creditors, made up of thousands of Banners Broker affiliates.

28. In the circumstances there is good reason to believe that the Property currently restrained by the Restraint Orders is properly claimable by BBIL and/or Associated Corporation creditors. The Receiver therefore intends to complete its investigatory mandate and pursue all claims as

may be appropriate in respect of the restrained Property. It is necessary and appropriate for the protection of creditors' interests that such Property be preserved while the Receiver's investigation into the affairs of BBIL and the Associated Corporations proceeds.

29. To the Receiver's knowledge, no attempt has been made by any of the Respondents to vary, revoke or set aside the Restraint Orders or otherwise seek any post-restraint relief.

30. The Receiver is unaware of any action being taken by the Crown which would have the effect of continuing the Restraint Orders past January 18 and 29, 2015.

31. The relief sought on this motion is intended to preserve the status quo in respect of the currently restrained Property. This will ensure that the Receiver, and other potential claimants, will have an opportunity to assert an interest in the funds at issue in the fullness of time and in a coordinated manner.

32. Also to this end, should Court authority be granted, the Receiver is prepared to receive and hold the Property, as conservator, in an interest-bearing trust account, separate and apart from the BBIL receivership, not to be released without further court order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 12th day of January, 2015.

**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 C

I, Manish Kumar Soni, Notary Public of London, England, duly admitted and sworn
and entitled to practise throughout England & Wales:

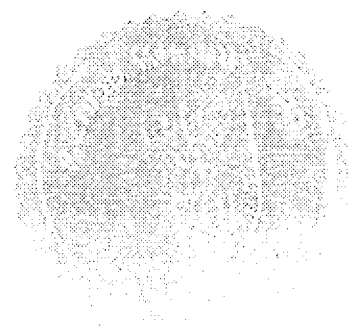
DO HEREBY CERTIFY AND ATTEST

THAT on the day of the date hereof before me personally came and appeared **Paul Robert Appleton** whose identity I attest, the Deponent named and described in the Affidavit hereunto annexed, who in my presence by solemn oath by him taken in due form of law swore and deposed to the truth of the several statements, matters and things mentioned and contained in the said Affidavit.

IN TESTIMONY WHEREOF I have hereunto set my hand and affixed my Seal of Office in London, this 6 day of August two thousand and fourteen.



Manish Kumar Soni
Notary Public



Court File No.

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)

AFFIDAVIT OF PAUL ROBERT APPLETON, IN HIS CAPACITY AS JOINT LIQUIDATOR OF
BANNERS BROKER INTERNATIONAL LIMITED

I, PAUL ROBERT APPLETON, of the City of London, United Kingdom, MAKE OATH AND
SAY:

1. Together with Miles Andrew Benham, I am Joint Liquidator ("Joint Liquidators") of Banners Broker International Limited ("BBIL") in proceedings before the High Court of Justice of the Isle of Man, Civil Division, pursuant to Part V of the *Companies Act 1931* of the Isle of Man ("Isle of Man Proceeding"). I have knowledge of the matters hereinafter deposed, which knowledge is either personal to me, obtained from a review of the documents referred to herein or, where indicated, based on information and belief upon being advised by others, in which case I verily believe such information to be true.

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(a) Overview

2. This is an application for recognition of the Isle of Man Proceeding with respect to BBIL as a foreign main proceeding for the purposes of section 270 of the *Bankruptcy and Insolvency Act*, RSC 1992, c. 27, s. 2, as amended ("BIA") and for recognition of the Joint Liquidators as foreign representatives in that proceeding pursuant to section 268(1) of the BIA. The Joint Liquidators also seek the appointment of MSI Spergel Inc. as a receiver over the assets of BBIL located in Canada ("Receiver") and orders compelling certain persons believed to have knowledge of the business and affairs of BBIL to attend for an examination under oath by the Joint Liquidators and/or the proposed Receiver and for third parties with prior dealings with BBIL to produce relevant information and documents.

3. Prior to being ordered wound up by the Isle of Man court, BBIL was an internet advertising business with operations, either directly or through related companies, around the world. Although based in the Isle of Man, BBIL's online business was international, and involved a significant Canadian dimension. In order to ensure the cooperation of all interested parties in a fair and efficient liquidation of BBIL, the protection of the interests of creditors and the maximization of the value of BBIL's assets, the Joint Liquidators seek the cooperation and assistance of the Canadian court in administering the liquidation of BBIL.

4. This affidavit will cover the following:

- (a) The experience, qualifications and appointment of the Joint Liquidators and proposed Receiver;
- (b) Background information with respect to BBIL, including events leading to the winding up order issued by the Isle of Man court;

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- (c) The insolvency régime in the Isle of Man, including background information on the Manx legal system;
- (d) Information relevant to the determination BBIL's centre of main interest; and
- (e) Canadian matters deserving of further investigation by the Joint Liquidators and/or proposed Receiver.

(b) The Joint Liquidators and Proposed Receiver

5. I, Paul Robert Appleton ("Appleton"), am the Managing Partner of David Rubin & Partners ("DRP"), a firm of Chartered Accountants and Licensed Insolvency Practitioners based in London, United Kingdom. I am a Chartered Accountant and Licensed Insolvency Practitioner with over 25 years of experience in corporate recovery and insolvency work. I have undertaken such work in over 20 jurisdictions, including the Isle of Man. DRP is ranked among the top 20 insolvency practices in the UK, in terms of appointments. DRP is also an affiliated member of the Independent Canadian Insolvency Network. My biography is attached hereto as **Exhibit "1"**.

6. Miles Andrew Benham ("Benham") is a practicing Isle of Man advocate and a director and shareholder of MannBenham Advocates Limited, an incorporated legal practice in Douglas, Isle of Man. Benham was admitted to the Manx bar on September 25, 1996. Benham's practice focuses on commercial and trust litigation before the Isle of Man High Court. Benham has acted as liquidator's advocate on a number of complex liquidations from commencement to completion which have necessitated advice to the liquidator on the practice and procedure of the winding up of a company under the *Companies Act 1931* and the *Companies (Winding Up) Rules 1934* of the Isle of Man. Benham also has a degree in accounting and finance and

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worked as an accountant prior to qualifying as an Isle of Man advocate. Benham's biography is attached hereto as **Exhibit "2"**.

7. Pursuant to orders made by the High Court of Justice in the Isle of Man Proceedings, as set out in further detail herein, the Joint Liquidators are authorized to administer the property and affairs of BBIL for the purpose of liquidation. Additionally, pursuant to the authorization and instruction of the court-appointed Committee of Inspection, as defined herein, the Joint Liquidators are authorized to act as foreign representatives in respect of the Isle of Man Proceeding for the purposes of this application.

8. For the reasons set out in the balance of this affidavit, the Joint Liquidators also request the appointment of *msi Spergel Inc.* ("**Spergel**") as receiver over the assets and affairs of BBIL located in Canada and have retained Philip H. Gennis ("**Gennis**"), Trustee and Senior Principal at Spergel, in this regard. Spergel is an independent insolvency firm based in Toronto with over 25 years of experience in the field of insolvency and corporate debt solutions. Gennis holds a bachelor of laws and is a licensed Trustee in Bankruptcy with over 35 years of financial advisory experience. The Joint Liquidators believe the experience of Spergel and Gennis and their presence on the ground in Canada will be of assistance in effecting the liquidation of BBIL, given its potentially significant Canadian dimension. Gennis's biography is attached hereto as **Exhibit "3"**.

(c) BBIL

9. BBIL is a company incorporated in the Isle of Man under the *Companies Act 1931* with company number 124375C. Until January 16, 2013, BBIL had its registered office at Kissack Court, 29 Parliament Street, Ramsey, Isle of Man, IM8 1AT ("**Kissack Court**").

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10. BBIL's Kissack Court address is the office of OCRA (Isle of Man) Limited ("OCRA"), a licensed trust and corporate service provider in the Isle of Man. OCRA provides services including the provision of directors, company secretaries, registered offices, nominee shareholders and general corporate administration for clients seeking to incorporate in the Isle of Man. BBIL was such a client of OCRA until, as detailed below, its business relationship was terminated in the lead up to the winding up order.

11. The Joint Liquidators' investigations to date indicate that BBIL is central to a corporate network or group, consisting of entities and operations around the world, including in Canada, the United States, the United Kingdom, Portugal, India, Canada and Belize ("BBIL Group"). Although it is not clear to what extent the various BBIL Group entities are legally affiliated or related (e.g. in the sense of having common ownership), based on our investigations to date it appears that they use the same "Banners Broker" trade names and are engaged in furtherance of the same business endeavour. To the Joint Liquidators' knowledge, only the Isle of Man entity, BBIL, is subject to insolvency proceedings at this time.

12. The BBIL Group carries on business in the online advertising industry, connecting advertisers with effective online ad space and publishers with relevant advertisements for their websites. BBIL also marketed an "Ad-Pub" (short for "Advertiser-Publisher") combo package aimed at non-website owners as a method for members to advertise their businesses on various websites within BBIL's network of publishers while, at the same time, earning revenues as an advertising publisher through specialized and targeted publisher sites created, designed and hosted by BBIL.

13. The following subsections (i) to (iv) (paragraphs 14 to 66) of this affidavit describe the events leading to the initiation of BBIL's winding up in some detail. The Joint Liquidators believe the information to be relevant because it explains BBIL's Isle of Man connections and

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introduces a significant creditor claim. The events described predate the Joint Liquidators' appointment. We are informed by Stephen Porter (OCRA Director), Jo Thomas (OCRA Compliance Officer), Chris Morton (OCRA Compliance Officer), Andrew Cronin (OCRA Sales Director), and Craig Melvin (OCRA Administrator), and by BBIL creditor Ian Driscoll, with respect to these events, and do verily believe such information to be true. The Joint Liquidators have also received and reviewed all of the correspondence, contracts, court proceedings, and other documents referenced.

(i) Incorporation of BBIL in the Isle of Man

14. By way of background, on the instructions of a prospective client, OCRA incorporated an Isle of Man company named Bedford Limited ("Bedford") with company number 124375C in January 2010. The prospective client did not pursue any further steps with respect to Bedford and the company was retained by OCRA as a dormant shelf company. The directors of Bedford were OCRA employees, Richard Maurice Dixon ("Dixon") and Colin Forster ("Forster"), the secretary was Laxey Corporate Services Limited ("Laxey") and the sole shareholder was Targus Holdings Limited, an in house company used by OCRA for the purpose of providing nominee shareholdings for clients incorporating in the Isle of Man. Forster was later replaced as director by Stephen Mark Eppleston ("Eppleston").

15. In January 2012, OCRA was approached by Christopher George Smith ("Smith"), a Canadian national with an address at 250 Jarvis Street, Apartment 503, Toronto, Ontario, M5B 2L2. Smith retained OCRA's services to incorporate an Isle of Man company under the name "Banners Broker International Limited" for the operation of BBIL's online advertising platform.

16. In March 2012, OCRA was formally engaged by Smith as a corporate service provider for BBIL. To facilitate the incorporation of BBIL in the Isle of Man, OCRA used the existing shelf company, Bedford.

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17. Bedford's name was changed to BBIL on April 11, 2012. A copy of the Certificate of Change of Name filed with the Isle of Man Companies Registry, dated April 11, 2012, is attached hereto as **Exhibit "4"**.

18. At the same time, the structure of BBIL was also changed to give ultimate beneficial ownership of BBIL to Smith. The shareholdings of BBIL were transferred from Targus Holdings Limited to Targus Investments Limited ("**Targus**"), another in house company of OCRA used for nominee shareholdings. Targus is incorporated in the Republic of Seychelles.

19. Targus holds 100% of the shares of BBIL in trust for Monetize Group Incorporated ("**MGI**"), pursuant to a Deed of Trust entered into between Targus and MGI with respect to the shares of BBIL. MGI is a Belize corporation of which Smith is the sole shareholder and director. MGI was incorporated on July 26, 2011 under Incorporation Number 107,933 and has a registered office at 35 New Road, Belize City, Belize. Smith is the sole director and officer of MGI and the company agent is Belize Offshore Formation Limited.

20. A chart setting out the above described ownership structure of BBIL is attached hereto as **Exhibit "5"**.

21. Smith's sole ownership and directorship of MGI is documented by MGI corporate documents provided to OCRA at such time as its services were retained. Copies of MGI's Register of Directors, Register of Shareholders, and Share Certificate No. R-1, are attached hereto as **Exhibit "6"**.

22. MGI's ownership of BBIL, as described, is evidenced by BBIL Share Certificate No. 2., and Targus Declaration of Trust, both attached hereto as **Exhibit "7"**.

23. Smith's Canadian citizenship and residency is evidenced by a Canadian passport and a Bell telephone bill which were provided to OCRA in accordance with the company's client

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engagement procedures. The Joint Liquidators have received and reviewed certified copies of these documents and have made them available to our Canadian counsel.

(ii) *OCRA's Concerns Regarding BBIL and Inability to Obtain Information*

24. In May 2012, BBIL opened a U.S. dollar bank account ("**BBIL Account**") with the Isle of Man branch of Royal Bank of Scotland International ("**RBS**").

25. The Joint Liquidators are advised by OCRA's Stephen Porter that, beginning in late May 2012, funds began to arrive in the BBIL Account, uninitiated by any contracts or agreements authorized by the directors of BBIL. Typically, the directors provided by OCRA for its administered Isle of Man companies are required to approve and sign all contracts entered into by the company and are made aware of corporate transactions. This was not the case with BBIL.

26. Initial deposits to the BBIL Account included:

- (a) USD \$491,375 received from "Banners Broker Ireland Limited" with an address in Cork, Ireland; and
- (b) Various subsequent deposits from Allied Wallet Limited ("**Allied Wallet**"), an electronic payment processing company incorporated in England with company number 05832811.

The exact source or nature of these deposits is unclear. Enquires made by OCRA did not reveal any company under the name "Banners Broker Ireland Limited" incorporated in Ireland. With respect to the deposits from Allied Wallet, most deposits contain a reference to "Banners Broker International".

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27. BBIL bank statements obtained from RBS indicate that as of August 6, 2012 the BBIL Account balance had grown to over \$6.8 million. Remittances included a \$461,563.12 deposit made June 12, 2012 and noted in the statements as "FW: Banners Broker Ca." The Joint Liquidators have made inquiries of RBS and understand the reference to be to Banners Broker Canada.

28. In June 2012, OCRA received a contract, dated May 25, 2012, between Allied Wallet, acting through its Los Angeles office, and BBIL. The contract was signed by Smith, purportedly in his capacity as "principal" of BBIL. OCRA advised Smith that, as an Isle of Man company, all contracts entered into by BBIL were required to be signed by the Isle of Man directors of BBIL.

29. To address its concerns regarding the activity on the BBIL Account and Smith's activity on behalf of BBIL, OCRA determined that further due diligence should be carried out. OCRA made numerous requests of Smith for information including:

- (a) In August 2012, OCRA wrote to Smith requesting authorization to correspond with Aird & Berlis LLP ("A&B"), Smith's Canadian legal counsel. Some limited information was provided but it fell short of the detail requested by OCRA.
- (b) On September 4, 2012, OCRA wrote to Smith advising that it was required to arrange for VAT registration and, in that regard, required an updated business plan, planned activities, estimated turnover, breakdown of sales (UK, European and non-European), estimated profits, details of sub-contractors and any contracts.
- (c) On October 16, 2012, OCRA wrote to Smith requesting information related to a payment request to A&B, a proposed share purchase agreement for the sale of BBIL between MGI and DYZ Media Inc. (a British Virgin Islands company),

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details regarding a bank account with Choice Bank Limited which there was no record of the directors of BBIL applying for, details of a Tivoli Hotels and Resorts reservation contract ("**Reservations Contract**") forwarded under the name "Banners Broker Canada" and Allied Wallet statements for such contract, as well as confirmation that OCRA may approach a tax advisor for a VAT opinion.

- (d) On October 22, 2012, OCRA wrote to A&B requesting information related to BBIL's Allied Wallet account and details of invoices and documentation relating to VAT registration set out in the October 16, 2012 letter to Smith.
- (e) On October 30, 2012, OCRA wrote to Smith, copying A&B, requesting an update on when the information requested to date would be received, with a reminder of the November 16, 2012 deadline for a response.

Despite these requests, Smith never provided the vast majority of the requested information.

30. OCRA was aware that Smith had set up an account with Allied Wallet and that this account was receiving money from BBIL registered users and paying it into the BBIL Account. A review of the RBS bank statements in or about October 2012 revealed incongruously high and accumulating revenues, coupled with generally very low expenses. Internet searches revealed a myriad of complaints against BBIL. OCRA's suspicions and concerns escalated.

31. On November 14, 2012, OCRA wrote to Smith advising that they were not prepared to extend the deadline for receiving the requested information. Smith emailed OCRA on the same day requesting a further extension on the deadline.

(iii) OCRA Terminates its Relationship with BBIL

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32. On December 1, 2012, OCRA advised RBS that it was no longer comfortable with the activity on the BBIL Account and intended to terminate its business relationship with BBIL.

33. On December 21, 2012, OCRA wrote to Smith and advised that they could no longer assist and process the administration of BBIL. OCRA requested the details of the new corporate service provider where BBIL was to be transferred and confirmed that they had terminated their engagement with BBIL.

34. On January 4, 2013, Donald B. Johnston, a partner at A&B in Toronto, wrote to OCRA on Smith's behalf, advising that Smith understood OCRA's decision to terminate its business relationship with BBIL and that he was in the process of locating a new corporate service provider. A copy of Mr. Johnston's letter to OCRA dated January 4, 2013 is attached hereto as Exhibit "8".

35. On January 9, 2013, OCRA advised Smith that he had 14 days to provide details of the new corporate service provider for BBIL in order to transfer the administration from OCRA to the new provider.

36. On January 16, 2013, OCRA advised RBS by email that it wished to cease administering the BBIL Account, that they had written to the client to disengage services and that the notice period was then past. RBS was further advised that OCRA would shortly be resigning its director and secretarial services, but would not be relinquishing the nominee shareholding interest so that when, or if, further instructions were received, the shareholder would be able to re-appoint directors to effect necessary tasks.

37. On January 16, 2013, OCRA filed a Form 335a "Statement That The Company Does Not Have Authority To Maintain Its Registered Office at Specified Premises" (the "Form 335a") with the Isle of Man Companies Registry providing formal notice that BBIL no longer had

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authority to maintain its registered office at Kissack Court. A copy of the Form 335a is attached hereto as **Exhibit "9"**.

38. On March 18, 2013, RBS advised OCRA that it no longer wished to provide banking services to BBIL and provided 60 days notice of the closure of the BBIL Account. OCRA then entered into discussions with RBS, resulting in a compromise whereby the funds held in the name of BBIL with RBS were transferred to a new OCRA client account to be held in trust for BBIL until such time as a new corporate service provider was engaged ("**OCRA/BBIL Account**").

39. On May 15, 2013, OCRA arranged to close the BBIL Account and have all funds transferred to the newly opened OCRA/BBIL Account. In total, USD \$6,652,132.54 was transferred to the OCRA/BBIL Account.

40. On May 31, 2013, OCRA filed Form 9N notices with the Isle of Man Companies Registry giving notice of the resignations of Dixon and Eppleston as directors of BBIL and of Laxey as secretary of BBIL. A copy of the Form 9N notice with respect to the resignations of the directors and secretary of BBIL, dated May 31, 2013, is attached hereto as **Exhibit "10"**.

41. As indicated above, OCRA retained nominee shareholding in BBIL through Targus.

42. Throughout the summer of 2013, OCRA continued to be contacted by clients and investors of BBIL, despite the termination of the business relationship:

- (a) On June 10, 2013, OCRA was contacted by Richard Mocatta, presumed to be a client investor of BBIL, advising that BBIL continued to use Kissack Court as its registered office address and requesting information regarding the new registered office of BBIL.

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- (b) On July 3, 2013, OCRA received correspondence from a client of BBIL requesting closure of their account. Evidently, BBIL continued to use OCRA's address as its registered office. OCRA advised the client that BBIL was no longer authorized to use Kissack Court as its registered office address.
- (c) On July 16, 2013, OCRA received notice of potential legal action against BBIL by Matthew Painter, on behalf of a group commencing legal action against BBIL. No further details were provided.
- (d) On August 21, 2013, OCRA received another letter addressed to BBIL from a client of BBIL, Ian Collister, advising that he had been attempting to close his account for five months. Mr. Collister's letter enclosed a printout of an online support ticket wherein he had been advised to send "a written letter to Banners Broker Support Center c/o Stellarpoint Inc., at 5 Carlow Court, Whitby, Ontario, L1N 9T7." A copy of Mr Collister's letter to BBIL is attached hereto as **Exhibit "11"**.

43. On July 2, 2013, Smith contacted OCRA by telephone and spoke with Craig Melvin ("Melvin"). Smith said that he wished to discuss the transfer of the administration of BBIL. He advised that he had approached other corporate service providers, which he did not name, who had refused to take over the administration of BBIL.

44. On July 8, 2013, Smith called Melvin again to say that he had been unsuccessful in finding a new corporate service provider for BBIL. Smith said that he required urgent access to the funds held in the OCRA/BBIL Account. Melvin advised that OCRA could not assist with any transfer of the funds as the directors of BBIL had resigned and their mandate to authorize any transactions on behalf of the company were therefore void. Until new directors were appointed, the funds would continue being held in the OCRA/BBIL account as a holding measure.

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45. On July 17, 2013, Smith inquired with Melvin again as to how he could access the funds in the OCRA/BBIL Account. Melvin told him that OCRA could not authorize any transfer of funds.

46. On August 9, 2013, OCRA was contacted by Amber Business Limited, another Isle of Man corporate service provider, advising they had been approached by Smith with respect to taking over the administration of BBIL, however, no further progress was made.

47. On August 19, 2013, RBS advised OCRA that Smith, claiming to be the ultimate beneficial owner of BBIL, had contacted them by telephone advising that he planned to visit the Isle of Man to discuss the OCRA/BBIL Account.

48. On August 22, 2013, Smith attended at the offices of OCRA unannounced and met with Melvin. Smith requested access to the funds in the OCRA/BBIL Account. Melvin advised that, since OCRA had resigned its services, it could not assist. It was suggested to Smith that he seek legal advice and perhaps make enquiries of other corporate service providers regarding a transfer of the administration of BBIL. Smith told Melvin that he had already been to see a number of the "big" corporate service providers operating in the Isle of Man however none of them were prepared to take on the business after conducting internet searches on the company.

49. Despite OCRA's attempts to obtain information regarding the business affairs of BBIL from Smith and his Canadian counsel, and OCRA's attempts to provide Smith with a reasonable opportunity to move BBIL to another corporate service provider, such information was not provided and no alternative corporate service arrangements were made.

50. On November 1, 2013, OCRA was made aware, through court documents in the Driscoll Action (as described below), that Smith had filed a Form 9N (Notice of Change of Directors) with the Isle of Man Companies Registry on or about August 22, 2013 purporting to appoint himself

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as a director of BBIL. As this appointment was made without the knowledge or authority of Targus, which remained the sole shareholder of BBIL, the appointment was invalid and Smith's apparent attempts to hold himself out as a director of BBIL since that time were improper. A copy of the Form 9N is attached hereto as **Exhibit "12"**.

51. On December 23, 2013, and as a result of the concerns detailed above and Smith's failure to retain a new corporate service provider for BBIL, Targus passed a written resolution to apply to the Isle of Man court to have BBIL placed in liquidation. An application was subsequently commenced, as further detailed below. A copy of the Targus resolution to wind-up BBIL is attached hereto as **Exhibit "13"**.

(iv) Action by Ian Driscoll against BBIL

52. On April 22, 2013, OCRA received notice from counsel to Ian Driscoll ("**Driscoll**"), a substantial creditor of BBIL, regarding a potential legal action against BBIL in respect of an outstanding debt of over USD \$3 million. This action was formally commenced in June 2013, as further detailed below ("**Driscoll Action**").

53. Driscoll is a resident of West Yorkshire, United Kingdom and a specialist in online marketing and advertising. Driscoll is a former independent contractor of BBIL pursuant to an Affiliate Agreement, dated March 4, 2011 ("**Affiliate Agreement**"), and an Independent Contractor Agreement, dated June 1, 2012 ("**Independent Contractor Agreement**" and together with the Affiliate Agreement, the "**Driscoll Agreements**"). Both Driscoll Agreements make reference to "Banners Broker International" as the contracting party and refer to Kissack Court as the contracting party's registered office.

54. The Driscoll Agreements provide that Driscoll was to perform certain customer service, order processing, sales and sales support functions for BBIL in the United Kingdom in exchange

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for a percentage share of total sales as set out in the Independent Contractor Agreement. Unexecuted copies of the Affiliate Agreement and Independent Contractor Agreement, as attached to Driscoll's Claim Form (Driscoll's claim indicates that the executed versions are not presently available) are attached hereto as **Exhibits "14" and "15"**.

55. On July 22, 2013, Driscoll commenced an action against BBIL by filing a Claim Form with the High Court of Justice of the Isle of Man. The claim form was amended on October 10 and issued on October 24, 2013. A copy of Driscoll's amended claim, dated October 24, 2013, is attached hereto as **Exhibit "16"**.

56. Driscoll's claim alleges that he performed his obligations pursuant to the Driscoll Agreements up until January 15, 2013, when the Independent Contractor Agreement was unilaterally and improperly terminated by BBIL for alleged "non-compliance" by Driscoll related to Driscoll allegedly approaching other independent contractors of BBIL with another, unspecified business opportunity. BBIL alleged that Driscoll had engaged in "cross sponsoring" contrary to the Policies and Procedures incorporated into the contract and set out on BBIL's website. This allegation is disputed by Driscoll.

57. Driscoll also alleges that his Affiliate Account with BBIL was "locked", without justification, which prevented him from accessing funds to which he was entitled. As such, Driscoll alleges that BBIL repudiated its contract with him and improperly withheld funds due to him pursuant to the Driscoll Agreements. As such, Driscoll alleges that BBIL is liable to him for breach of the Driscoll Agreements, breach of trust and unjust enrichment.

58. Driscoll seeks payment of his "presently quantifiable loss" of USD \$3,030,106.10 or £2,007,01.66 per the exchange rate at the time the claim was filed, plus additional amounts to be calculated with respect to the increased value of Driscoll's BBIL Affiliate Account since it was locked in January 2013, as well as interest on both amounts.

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59. On June 12, 2013, Driscoll's counsel provided notice to OCRA's counsel in the form of a Letter Before Action ("**Driscoll LBA**") regarding the potential commencement of legal action.

60. In the absence of instruction from Smith, and due to the fact that BBIL at that time had no directors to instruct the company, no reply was provided to the Driscoll LBA.

61. As noted above, the claim was initially filed on July 22, 2013. Driscoll initially attempted to serve the Claim Form at Kissack Court. OCRA however, refused to accept service as it had recently filed the Form 335a notice, referenced above, noting that BBIL had no authority to maintain its registered office at Kissack Court.

62. On September 10, 2013, Driscoll obtained leave from the High Court of Justice to serve his claim by sending a copy to Smith by post to 250 Jarvis Street, Suite 503, Toronto, Ontario, Canada, M5B 2L2. In its decision granting leave, the court noted that Smith was shown as a director of BBIL in documents kept by the Isle of Man Department of Economic Development and referred to the Form 9N filed by Smith on August 22, 2013. As noted above, it was only through this filing that OCRA learned that Smith had, improperly and without authorization from Targus, purported to appoint himself a director of BBIL. A copy of the Order of His Honour the Deemster Doyle, dated September 10, 2013, is attached hereto as **Exhibit "17"**.

63. On December 16, 2013, Smith filed an Acknowledgement of Service with the court indicating that he intended to defend Driscoll's claim. A copy of Smith's Acknowledgement of Service, dated December 16, 2013, is attached hereto as **Exhibit "18"**.

64. Despite Smith's indication that he intended to defend Driscoll's claim, no defence was filed by the deadline of January 20, 2014.

65. Driscoll's claim was ultimately stayed by the court due to Targus's pending application for the winding up of BBIL. On February 10, 2014, the Isle of Man Court ordered that Driscoll's

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claim against BBIL be stayed, pursuant to section 166 of the *Companies Act 1931*, pending determination of the Targus Application, as defined below. A copy of the Order of His Honour the Deemster Doyle, dated February 10, 2014 is attached hereto as **Exhibit "19"**.

66. Despite his claim being stayed by the court, Driscoll has remained an active participant in BBIL's liquidation, as noted below.

(d) The Isle of Man Proceeding

67. As indicated, BBIL is currently subject to a court-ordered wind up and liquidation pursuant to the wind up provisions of the *Companies Act 1931* of the Isle of Man. This proceeding is the combined result of an application brought by Targus and the submissions made in that application by Driscoll as a substantial creditor in BBIL's estate.

68. The *Companies Act 1931* provides that the Joint Liquidators, with the sanction of either the court or the court-appointed Committee of Inspection (as defined below), are empowered to carry on the business of BBIL, bring proceedings on behalf of BBIL, pay any classes of creditors in full, compromise claims with creditors and dispose of BBIL's property, in addition to other powers set out in the *Companies Act 1931*.

(i) The Manx Legal System and Insolvency Regime

69. More specifically, BBIL's liquidation is governed by the provisions of Part V of the *Companies Act 1931* and the *Companies (Winding Up) Rules 1934* of the Isle of Man, which govern the winding up and liquidation of companies in the Isle of Man. A copy of Part V of the *Companies Act 1931* is attached hereto as **Exhibit "20"**. A copy of the *Companies (Winding Up) Rules 1934* is attached hereto as **Exhibit "21"**.

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70. The Isle of Man is a self-governing British Crown Dependency, located in the Irish Sea between the islands of Ireland and Great Britain. It is not, nor has it ever been, part of the United Kingdom. The legal system in the Isle of Man, known as Manx customary law, is a form of common law developed under the influence of English common law. Precedents from the English legal system are persuasive but not binding on Manx courts. In this way, Manx law is similar to many other common law jurisdictions, such as Canada.

71. The court of first instance for civil matters in the Isle of Man is the High Court of Justice, which consists of a Civil Division and an appellate division known as the Staff of Government Division. Judges of the High Court are called "Deemsters". Final appeals from the Staff of Government Division rest with the Judicial Committee of the Privy Council in the United Kingdom.

72. The insolvency regime in the Isle of Man is based on the English *Companies Act 1929* and, accordingly, it shares many similarities with the regime in England and other common law jurisdictions. Notable features of the Manx insolvency regime include:

- (a) ***Control of the insolvency proceeding:*** Once the court has appointed a liquidator, it is, for all intents and purposes, the liquidator who controls the insolvency proceedings, subject to compliance with the *Companies Act 1931* and the *Companies (Winding Up) Rules 1934*. The court is required to take cognizance of the liquidator's conduct, and must enquire into any failings by the liquidator and take such action as it may think expedient, however, typically it is rare for the liquidator to seek court-approval for steps taken during the proceeding. This is similar to the insolvency regime in England, however, we understand it to be different from the Canadian regime, where proceedings are predominantly court-driven.

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- (b) **Cross-border issues:** Cross-border insolvency proceedings are not uncommon in the Isle of Man. Due to its size, location and role as an international business centre, most Isle of Man company liquidations involve cross-border issues. The Manx courts have a history of proactively assisting overseas courts in respect of insolvency matters and have been prepared to extend the scope of Manx common law to assist overseas liquidators in the absence of statutory power to provide such assistance. The Island has a modern and efficient court system capable of dealing with international insolvency proceedings in a timely manner.

73. The Manx insolvency regime, under the *Companies Act 1931* and the *Companies (Winding Up) Rules 1934*, deals with the collective interests of creditors generally and involves the control or supervision of the debtor's property by the courts for the purpose of liquidation. In the Joint Liquidators' opinion, liquidation proceedings under this regime qualify as a "foreign proceeding" as defined in section 268(1) of the BIA.

74. An article providing a summary of Manx insolvency law, policy and procedure, co-authored by Benham, and published in the October 2013 edition of the International Insolvency Review is attached hereto as **Exhibit "22"**.

(ii) ***The Targus Application***

75. Targus commenced an application in the High Court of Justice to wind up BBIL pursuant to Part V of the *Companies Act 1931* ("**Targus Application**") on January 10, 2014. The Targus Application was commenced as a result of the concerns noted above regarding the status of BBIL, the failure of Smith to provide the requested information or make the necessary arrangements to have the administration of BBIL transferred to a new corporate service provider, OCRA's continued, unwanted involvement due to Targus's shareholdings in BBIL and

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the funds held in the OCRA/BBIL Account, the prejudice which would result to BBIL and its creditors from BBIL's inability to defend the Driscoll Action and BBIL's apparent inability to pay its outstanding debts.

76. The Targus Application sought the winding up of BBIL pursuant to section 162(1) of the *Companies Act 1931*, which provides for the winding up and liquidation of companies by special resolution of the company, and the appointment of Benham and Timothy Allan Mann ("**Mann**") of MannBenham Advocates Limited as Provisional Liquidators and deemed Official Liquidators of BBIL pursuant to section 174 of the *Companies Act 1931*. A copy of the Claim Form filed by Targus, dated January 10, 2014, is attached hereto as Exhibit "**23**".

77. The Targus Application was supported by four witness statements:

- (a) The witness statement of Miles Andrew Benham, dated January 10, 2014, deposing to the circumstances leading to the engagement of Benham and Mann as proposed joint liquidators of BBIL and Benham's fitness to act in such capacity. A copy of the witness statement of Miles Andrew Benham, dated January 10, 2014 is attached hereto as Exhibit "**24**".
- (b) The witness statement of Timothy Allan Mann, dated January 10, 2014, deposing to Mann's fitness to act as a joint liquidator of BBIL. A copy of the witness statement of Timothy Allan Mann, dated January 10, 2014 is attached hereto as Exhibit "**25**".
- (c) The witness statement of Stephen Porter, a director of OCRA who was responsible for the administration of BBIL, dated January 10, 2014, deposing to OCRA's difficulties dealing with Smith and BBIL, OCRA's inability to obtain information from Smith and the concerns leading to OCRA's termination of its

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business relationship with BBIL. A copy of the witness statement of Stephen Porter, dated January 10, 2014 is attached hereto as Exhibit "26"

- (d) The witness statement of Kathryn Louise Clough, counsel to Targus, dated February 25, 2014, outlining the service of the Targus Application on all relevant parties and the advertisements placed in local newspapers. A copy of the witness statement of Kathryn Louise Clough, dated February 25, 2014 is attached hereto as Exhibit "27".

78. Targus also filed a Consent to Act as Liquidator executed by Benham and Mann, dated January 10, 2014. A copy of the Consent to Act as Liquidator executed by Benham and Mann, dated January 10, 2014, is attached hereto as Exhibit "28".

79. Targus served its application on the relevant parties as follows:

- (a) On January 24, 2014, by letter to Smith's Isle of Man counsel;
- (b) On January 24, 2014, by letter to Driscoll's Isle of Man counsel; and
- (c) On February 25, 2014, by email to the former directors of BBIL, Dixon and Eppleston.

80. Targus also advertised its application in the Isle of Man Courier and Isle of Man Examiner newspapers on February 14 and 18, 2014, respectively. Copies of the letters sent by Targus serving the application on Smith, Driscoll and the former directors of BBIL, and the replies received from Smith's counsel and the former directors of BBIL, and the advertisements placed in local newspapers are appended to the witness statement of Kathryn Louise Clough, dated February 25, 2014 referenced above and attached hereto as Exhibit "29".

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(iii) *Driscoll's Qualified Support and Proposed Amendments to the Targus Application*

81. The Targus Application was supported by Driscoll with certain qualifications and amendments as set out in a Notice of Intention to Appear on Claim to Wind Up a Company, dated February 24, 2014. A copy of Driscoll's Notice of Intention to Appear, dated February 24, 2014 is attached hereto as **Exhibit "30"**.

82. Driscoll's Notice of Intention to Appear was supported by a witness statement from his London-based insolvency counsel, Richard Curtin of Burlingtons LLP ("**Curtin**"), dated February 24, 2014. A copy of Curtin's witness statement in the Targus Application, dated February 24, 2014, is attached hereto as **Exhibit "31"**.

83. Driscoll also filed a Skeleton Argument in support of his position on the Targus Application that I be immediately appointed, either jointly or alone, as liquidator of BBIL. A copy of Driscoll's Skeleton Argument, dated February 24, 2014, is attached hereto as **Exhibit "32"**.

84. Driscoll's position, as set out in the Notice of Intention to Appear, Skeleton Argument and Curtin's witness statement, included the following points:

- (a) Driscoll took the position that the most appropriate basis for the winding up is BBIL is the company's inability to pay debts. This is evident by the outstanding debts owed by BBIL known to Driscoll, which were significant. As such, the statutory basis for the winding up ought to be section 162(5) ('inability to pay debts') of the *Companies Act 1931*, rather than section 162(1) ('company resolving by special resolution to wind itself up'), as proposed by Targus. As such, the proceeding ought to be an insolvent liquidation in which the interests of creditors are accorded due weight.

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- (b) Driscoll proposed that I be appointed either jointly with Benham and/or Mann, or alternatively, alone. Appleton has the support of a majority of creditors and the multi-jurisdictional nature of BBIL's business favours the appointment of an experienced international insolvency professional with my experience as liquidator.
- (c) Driscoll voiced concern, based on reports of Smith migrating BBIL data to a new system and the locking of accounts of creditors supporting my appointment, that Smith would attempt to reorganize BBIL as a "phoenix company," enabling the principals of BBIL to continue trading while BBIL is liquidated, thereby frustrating the proper and orderly winding up of BBIL to the detriment of its creditors. Driscoll took the position that my immediate appointment was required to ensure all appropriate steps would be taken to avoid dissipation of BBIL's assets and safeguard relevant information.

85. Driscoll also filed a Consent to Act as Liquidator executed by me, dated February 24, 2014. A copy of the Consent to Act as Liquidator executed by me, dated February 24, 2014, is attached hereto as **Exhibit "33"**.

(iv) Orders Granted by the Isle of Man Court

86. On February 26, 2014, His Honour the Deemster Doyle, First Deemster and Clerk of the Rolls of the High Court of Justice of the Isle of Man, ordered that BBIL be wound up pursuant to section 162(6) of the *Companies Act 1931*, which provides for the winding up of a company where the court is of the opinion that it is just and equitable that the company should be wound up, and appointed Benham and myself as Joint Provisional Liquidators and Deemed Joint Official Receivers of BBIL pursuant to section 174 of the *Companies Act 1931*. The following powers were granted to us as Joint Provisional Liquidators:

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- (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 we deem necessary;
- (c) To appoint an advocate or such other law agent or legal advisor (whether in Isle of Man or elsewhere) to assist in the performance of our duties;
- (d) To pay any classes of creditors in full; and
- (e) To bring or defend any action or other legal proceedings in the name of and on behalf of BBIL.

The court also ordered us to advertise notice of the order in two newspapers published and circulating in the Isle of Man and to hold meetings of creditors under section 179 of the *Companies Act 1931* within one month of the date of the order. A copy of the Order of His Honour the Deemster Doyle, dated February 26, 2014, is attached hereto as **Exhibit "34"**.¹

87. On March 14, 2014, His Honour the Deemster Doyle made a further order that Benham and myself, at that time acting as Joint Provisional Liquidators and Deemed Joint Official Receivers, be appointed as Joint Liquidators. The court also appointed the following persons as a Committee of Inspection to act with the Joint Liquidators:

- (a) Ian Driscoll, of TradeForce Building, Cornwall Place, Bradford, United Kingdom,
'BD7 8JT;

¹ A certified copy of the Order of His Honour the Deemster Doyle, dated February 26, 2014 will be made available in court on the return of this application.

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- (b) Michael Bowe, of 1 Cartmell Hill, Woodseats, Sheffield, United Kingdom, S8 0RH;
- (c) Lyndon Farrington, of Tynllwyn, Commission, Llanrhaeadr Ym Mochant, Powys, Wales, United Kingdom, SY10 0BZ;
- (d) Richard Weals, of 9 Oldfields Crescent, Great Haywood, Stafford, United Kingdom, ST18 0RS; and
- (e) Aubrey John Bettinson, of 18 Wellington Avenue, Bitterne, Southampton, United Kingdom, SO18 5DD.

(collectively, and in this capacity, the "**Committee of Inspection**")

The court also ordered that notice of this order be advertised in the London Gazette and one Isle of Man newspaper. A certified copy of the Order of His Honour the Deemster Doyle, dated March 14, 2014, is attached hereto as **Exhibit "35"**.²

88. On July 2, 2014, pursuant to the authority conferred by the above referenced Orders of the Isle of Man High Court and by section 184(1) of the *Companies Act 1931*, the Joint Liquidators sought authorization and instruction of the Committee of Inspection to commence an application for recognition of the Isle of Man Proceeding in Canada as a "foreign proceeding" for the purposes of Part XIII of the BIA. The Joint Liquidators received unanimous consent from the Committee of Inspection to act as foreign representatives and to commence the within recognition application. Copies of email correspondence from the members of the Committee of Inspection approving the commencement of recognition proceedings by the Joint Liquidators are attached hereto as **Exhibit "36"**.

² A certified copy of the Order of His Honour the Deemster Doyle, dated March 14, 2014 will be made available in court on the return of this application.

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(e) BBIL's Centre of Main Interest

89. In the four months that BBIL has been in liquidation, the Joint Liquidators have conducted investigations and made inquiries with respect to the business and affairs of BBIL and the BBIL Group. As an online "cloud based" business, BBIL's operations were international in scope and it appears that its physical presence in any one jurisdiction was negligible. Having said that, based on the information and inquiries made to date, the Joint Liquidators believe that, on balance, BBIL has stronger known connections to the Isle of Man than to any other jurisdiction.

90. This is demonstrated by the fact that:

- (a) BBIL is incorporated in the Isle of Man under the *Companies Act 1931*;
- (b) The only registered office ever maintained by BBIL was at Kissack Court;
- (c) BBIL consistently held itself out as being an Isle of Man company and its Isle of Man address at Kissack Court was readily ascertainable to the public, including creditors; and
- (d) The public, including significant creditors, would likely have recognized the Isle of Man as the centre of the company's operations.

91. As noted above, BBIL was incorporated as an Isle of Man company under the Isle of Man *Companies Act 1931* and, until January 16, 2013, BBIL had its registered office at Kissack Court. This only ceased to be the registered office of BBIL when OCRA terminated its business relationship with BBIL, including the authorization to maintain its registered office at OCRA's address. Despite this termination, BBIL continued to hold itself out as having a registered office at Kissack Court.

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92. BBIL's Isle of Man incorporation and address is not merely borne out of convenience. While operating, BBIL exclusively held itself out as an Isle of Man company. Further, the Joint Liquidators believe that the public, including creditors and contractual counterparties of BBIL, would have considered the Isle of Man to be BBIL's home. The Joint Liquidators' belief in this regard is strengthened by:

- (a) As noted above, BBIL maintained a bank account with the RBS branch in the Isle of Man. The BBIL Account was active and steadily accumulated a balance, amounting to USD \$6,652,132.54 as at the date the banking relationship was terminated.
- (b) The Driscoll Agreements, referenced above and attached hereto as **Exhibit "14"** and **Exhibit "15"**, indicate that the "head office" of BBIL is located at Kissack Court.
- (c) In the Policies and Procedures attached to the Affiliate Agreement with Driscoll, attached at **Exhibit "37"**, the "Banners Broker International Head Office" is described as located at Kissack Court.
- (d) The Independent Contractor Agreement between BBIL and Driscoll, attached at **Exhibit "15"**, states, at section 27, that the agreements is to be governed by, and construed under "the laws of the ISLE OF MANN" [sic].
- (e) An invoice issued to BBIL for May 21-23, 2012 from Ian Driscoll, for and on behalf of Banners Broker UK Ltd., is directed to "Banners Broker International Limited, Isle of Man". A copy of this invoice from Driscoll to BBIL, dated May 21-23, 2012 is attached hereto as **Exhibit "38"**.

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- (f) A "Reciprocal Agreement", posted online, between BBIL and an individual named Keiran Ashcroft, dated June 3, 2013, lists Kissack Court as the address of BBIL as well as the "International Head Office" of Banners Broker. A copy of this Reciprocal Agreement, dated June 3, 2013 is attached hereto as **Exhibit "39"**.
- (g) In addition to Driscoll, it appears that other significant creditors of BBIL would have looked to the Isle of Man as the centre of BBIL's business. In a letter from Driscoll's counsel to counsel for Targus, dated February 7, 2014, Driscoll's counsel referred to and attached a list of 131 known creditors of BBIL, from various countries including the UK, Ireland, Australia, Belgium, Bulgaria, El Salvador, France and Spain, and with a combined claimed indebtedness (excluding Driscoll's own claim) of over USD \$9 million. It is noted in the witness statement filed by Richard Curtin, attached at Exhibit "31", that these creditors are all parties to similarly worded agreements as Driscoll, which reference Kissack Court as the address of BBIL. These creditors would have looked to the Isle of Man as BBIL's COMI and have sought to enforce their claims in the Isle of Man Proceeding. A copy of this letter from Driscoll's counsel to Targus's counsel, dated February 7, 2014, and the enclosed creditors list, is attached hereto as **Exhibit "40"**.

93. Although the BBIL Group had operations and affiliated companies located in other countries, including Canada and Belize, BBIL, the Isle of Man entity, was evidently always held out as the "headquarters" of the BBIL Group's international operations.

(f) **Canadian Matters Deserving of Investigation**

94. Our involvement in the administration of the liquidation of BBIL since February 26, 2014 has caused us to conclude that BBIL has business connections and financial dealings tied to

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Canada which necessitate further investigation. The complete and effective winding up of BBIL, and the protection of creditors' interests, requires that the Joint Liquidators make inquiries in Canada (particularly of financial institutions and BBIL service providers and Group entities) with a view to identifying and better understanding the business and financial operations of BBIL, and asset transfers within the BBIL Group involving BBIL. We believe that such inquiries are best pursued by a Receiver appointed in the context of an application for recognition of the Isle of Man Proceeding as a "foreign proceeding" pursuant to the Cross-Border Insolvency provisions of the BIA, thereby invoking the judicial cooperation and assistance mechanisms contemplated by such legislation.

95. By way of example, the Joint Liquidators' investigations to date reveal that several key individuals who are either employed or formerly employed by BBIL Group entities, and are believed to have knowledge of BBIL's affairs, are Canadian residents. These individuals include:

- (a) Smith, BBIL's Chief Executive Officer, principal, beneficial owner of BBIL and the central figure in the BBIL Group, is a Canadian citizen and resident of 250 Jarvis Street, Apartment 503, Toronto, Ontario, M5B 2L2;
- (b) Rajiv Dixit ("Dixit"), the former Chief Operating Officer of BBIL is also a Canadian resident and is known to carry on business in Canada. As discussed below, Dixit is a director of, among other entities, a federally registered company in Oshawa, Ontario formerly named "Bannersbroker Limited"; and
- (c) Kuldip Josun, Former Vice President of Corporate Sales, is a Canadian resident. Mr. Josun entered into the Reservations Contract which was forwarded to OCRA under the name "Bannersbroker Canada".

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The Joint Liquidators believe that the examinations of these people under oath is necessary in order to advance the administration of BBIL's wind-up.

96. As well, the Joint Liquidators' investigations to date have – and are continuing – to reveal connections to Canada which merit further investigation.

97. The Joint Liquidators believe that several entities within the BBIL Group were and are located in Canada. By way of example:

- (a) As noted above, at least one of the deposits made by electronic payment processing company Allied Wallet to the BBIL Account references "Banners Broker Canada".
- (b) As noted above, OCRA requested information from Smith in October 2013 with respect to a Reservations Contract forwarded to OCRA but entered into under the name "Banners Broker Canada" (1019 Nelson Street, Unit 8, Oshawa, Canada). No information was provided. The Joint Liquidators have evidence that BBIL Account payments totalling U.S. \$345,479.10 were made to Tivoli Hotels and Resorts in Algarve, Portugal, apparently in relation to this contract. A copy of the Reservations Contract is attached hereto as **Exhibit "41"**.
- (c) Stellar Point Inc. ("**Stellar Point**"), a federally incorporated Canadian company with a registered office at 27-1300 King Street, Suite 234, Oshawa, Ontario, appears to have been connected to the BBIL Group. Stellar Point was incorporated as 7250037 Canada Ltd., changed its name to "Bannersbroker Limited" in February 2012, then later became Stellar Point in July 2012. The Joint Liquidators believe that Stellar Point handled certain IT and customer support

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functions for BBIL. Dixit is a director of Stellar Point. Corporate Profile search results for Stellar Point Inc. are attached hereto as **Exhibit "42"**.

- (d) Stellar Point Productions Inc. ("**Stellar Point Productions**"), a federally incorporated Canadian company with a registered office at 5 Carlow Court, Whitby, Ontario, L1N 9T7, is also connected to the BBIL Group. Dixit is a director of Stellar Point Productions. Corporate Profile search results for Stellar Point Productions are attached hereto as **Exhibit "43"**.
- (e) Based on the Joint Liquidators' investigations to date, including inquiries made of BBIL creditors, it appears that BBIL creditors were directed to pay funds into an account at an Oshawa, Ontario branch of the Canadian Imperial Bank of Commerce held by 1587803 Ontario Inc., an Ontario corporation with an address at 100 King Street West, Suite 5700, Toronto, Ontario, M5X 1C7. This is the same Toronto address referenced for BBIL in the Reseller Agreement described below.
- (f) A list of "company offices" published on a blog website maintained by "Banners Brokers" lists an office in "Oshawa (East of Toronto), Canada" at 1019 Nelson Street, Oshawa, ON, L1H 8A7. A copy of this webpage is attached hereto as **Exhibit "44"**.

98. As noted above, Smith retained a Toronto-based law firm, A&B, with respect to the affairs of BBIL. Lawyers at A&B were in contact with OCRA in regards to BBIL's corporate status in the Isle of Man.

99. It appears that Smith also attempted to retain A&B to act on behalf of BBIL in respect of certain "tax questions". In this regard, OCRA received a retainer letter from A&B dated

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September 7, 2012 indicating that A&B had been so retained. Upon receipt of the letter, OCRA advised Smith that the retainer was improperly executed by Smith, as only BBIL directors had the authority to bind the company. The scope of A&B's purported retainer is unclear, and it is otherwise unknown what legal work A&B may have actually undertaken on behalf of BBIL.

100. Further evidence uncovered to date in the Joint Liquidators' investigations of the apparent business dealings of BBIL and BBIL Group entities in Canada include:

- (a) BBIL and BBIL Group entities had account relationships with a number of Canadian-based companies, which it engaged as service providers, including:
 - (i) Solid Trust Pay, based in Bobcaygeon, Ontario; and
 - (ii) UseMyServices, based in Toronto, Ontario.
- (b) In addition, public records searches reveal that a large number of Banners Broker – associated internet domain names are currently registered to 110 Cumberland Street, Suite 201, Toronto with the administrative email address domainservices80@gmail.com. Such names include: bannersbroker.in, bannersbroker.me, bannersbroker.us, bannersbrokercomplaints.com, bannersbrokerdownline.com, bannersbrokerponzi.com, bannersbrokerponzi.net, bannersmobile.biz, bbconnect.biz, and bbconnect.me. Copies of relevant search results are attached hereto as **Exhibit "45"**.
- (c) Public records searches also reveal that an additional 64 internet domain names were at one time registered to 110 Cumberland Street, Suite 201, Toronto with the administrative email address domainservices80@gmail.com. Such domain names include: bannersbrokerponzi.info, bannersbrokerponzi.org, bannersbrokerscam.info, bannersbrokerstrategy.info, bannersmobile.org,

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bbconnect.org, and bbconnect.info. Copies of relevant search results are attached hereto as **Exhibit "46"**.

- (d) Ten or more of the domain names referenced in subparagraphs (b) and (c), above, list Christopher Smith and/or Local Management Services as the registered owner at the 110 Cumberland address. Local Management Services is an Ontario company directed by Smith. A Corporate Profile Search Report for 2087360 Ontario Incorporated, which operates as Local Management Services, is attached hereto as **Exhibit "47"**.

- (e) BBIL and BBIL Group entities had dealings with Canadian banks including:

- (i) CIBC, as noted above;
- (ii) Royal Bank of Canada;
- (iii) A Canadian branch of HSBC; and
- (iv) TD Canada Trust.

BBIL Group connections to the above noted banks are detailed further below.

- (f) A "Reseller Agreement" between BBIL and Banners Broker UK Limited, a BBIL Group entity, indicates that the "principal offices" of BBIL are at "100 King Street West, Suite 5700, Toronto, Ontario, M5X 1C7". A copy of this Reseller Agreement, dated December 15, 2011, is attached hereto as **Exhibit "48"**.
- (g) A "Reseller Agreement" between BBIL and Banners Broker Ireland Limited, a BBIL Group entity, indicates that the "principal offices" of BBIL are at "100 King

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Street West, Suite 5700, Toronto, Ontario, M5X 1C7". A copy of this Reseller Agreement, dated December 15, 2011, is attached hereto as **Exhibit "49"**.

- (h) In September 2012, the New Brunswick Securities Commission published a notice that BBIL was being added to its "online Caution List" as a result of its activity in other jurisdictions and failure to respond to requests for information regarding its activities in New Brunswick capital markets. A copy of this web posting dated September 21, 2012 is attached hereto as **Exhibit "50"**.
- (i) In August 2012, a job posting was placed on LinkedIn for a PHP Programmer at "Banners Broker – Downtown Toronto". The posting notes that Banners Broker's "office is located in downtown Toronto with easy subway access" and that "Banners Broker is an online advertising agency that's based in Toronto, Ontario." A copy of this LinkedIn posting is attached hereto as **Exhibit "51"**.
- (j) On April 5, 2011, a "Banners Broker Toronto East Info Session" was held in Scarborough, Ontario at a Jack Astor's restaurant at 580 Progress Avenue, Scarborough, Ontario, M1P 2K2. A copy of the Eventbrite web posting advertising this event is attached hereto as **Exhibit "52"**.

101. BBIL and BBIL Group connections to Canada are further evidenced by May 2012 email correspondence from Smith to OCRA. On May 4, 2012, in response to an OCRA inquiry as to his industry background, Smith advised, "[t]he only country in which I have worked is Canada". A copy of the May 2012 email exchange is attached hereto as **Exhibit "53"**.

102. In furtherance of the winding up of BBIL, the Joint Liquidators have made written inquiries and requests for information from service providers, as well as from financial institutions with which entities within the BBIL Group are believed to have had account

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relationships and dealings. The Joint Liquidators are aware that Smith, BBIL and/or other entities within the BBIL Group engaged the services of a number of different electronic payment processors during the life of BBIL's operations, including Allied Wallet, Solid Trust Pay and Payza, and that these processors were involved in collecting funds from individuals and remitting them to Canadian financial institutions. Inquiries made of these payment processors and Canadian banks raised matters deserving of further investigation.

103. In response to written inquiries made of Payza's, London, England office in March and June 2014, the Joint Liquidators are advised that Smith, as Payza account holder, designated three Canadian financial institutions as recipient banks for purposes of receiving Payza remittances to BBIL. Payza has indicated that the bank accounts were set up in the names of Canadian "beneficiaries", including Smith, Patricia London, Local Management Services and 2087360 Ontario Inc. The bank accounts which Payza indicated were set up to receive payments on behalf of BBIL's account are as follows:

- (a) Account no. 5028436 at Royal Bank of Canada branch no. 06802, held by Smith;
- (b) Account no. 268400233 at HSBC branch no. 10850, held by 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; and
- (e) Account no. 0512-7313130 at TD Canada Trust branch no. 11042, held by 2087360 Ontario Inc.

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Payza also indicated that BBIL's account was associated with three different Visa credit cards held by Smith with billing addresses in Toronto. Copies of correspondence between the Joint Liquidators and Payza between March and July of 2014 are attached hereto as **Exhibit "54"**.

104. In addition, information received by the Joint Liquidators from Solid Trust Pay, a Canadian-based electronic payment processor connected to the BBIL Group, indicates that in January 2011, Smith set up a "bannersbroker" account with Solid Trust Pay under the corporate name of "2087360 Ontario Incorporated O/A Local Management Services" and arranged for payments to be deposited with TD Canada Trust account no. 0512-7313130, referenced above. The Joint Liquidators believe that Solid Trust Pay was receiving and making payments from this "bannersbroker" account during the period of BBIL's operations in the Isle of Man. A copy of the Joint Liquidators' correspondence to Solid Trust Pay, dated March 21, 2014 and the documents received from Solid Trust Pay in response are attached hereto as **Exhibit "55"**.

105. Based on the information received by the Joint Liquidators to date, we believe that the review of transfers between these electronic payment processors and Canadian financial institutions connected to BBIL is essential to the proper investigation of BBIL's affairs and the fair and efficient winding up of the company. In the circumstances, the Joint Liquidators are particularly concerned that the regular weekly deposits which were made to the BBIL Account prior to the wind up order may have been redirected to bank accounts held by other BBIL Group entities located elsewhere, including Canada.

106. Thus far, the Joint Liquidators have been hindered in our ability to obtain information from the Canadian third parties disclosed herein. More specifically, the Joint Liquidators contacted certain Canadian banks enclosing copies of the relevant orders of the Isle of Man court and requesting information and documents relating to the trade, dealings and potential property of BBIL, as follows:

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(a) A letter to TD Canada Trust, dated March 24, 2014, is attached hereto as **Exhibit "56"**.

(b) A letter to CIBC's branch at 540 Laval Drive, Oshawa, Ontario, L1J 0B5, is attached hereto as **Exhibit "57"**.

107. On March 31, 2014, the Joint Liquidators received a response from John Citrullo, Senior Investigations Officer at CIBC, noting that CIBC "shall require an order from a Canadian Court to release the requested information related to the account held at the Oshawa branch." A copy of the letter from CIBC to the Joint Liquidators dated March 31, 2014 is attached hereto as **Exhibit "58"**.

108. The Joint Liquidators also wrote to the Canadian-based online payment service providers believed to have had dealings with BBIL, enclosing copies of the relevant orders of the Isle of Man court and requesting information and documents relating to the trade dealings and potential property of BBIL. Although some information was received from Payza and Solid Trust Pay, as noted above, requests made to UseMyServices have not been answered.

109. The Joint Liquidators made the following requests from UseMyServices in March and June 2014:

(a) A letter to UseMyServices, sent by email on March 21, 2014 is attached hereto as **Exhibit "59"**.

(b) A further letter to UseMyServices, sent by email on June 10, 2014 is attached hereto as **Exhibit "60"**.

110. On June 13, 2014, the Joint Liquidators received an email response from Joseph Iusso, CEO of UseMyServices, advising that he had discussed the matter with legal counsel and had

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been advised that "absent a court order from Canada, and given the confidentially [sic] agreement in the contract with the merchant we are unable to release any further information as we face a breach of confidentially [sic] otherwise". A copy of this email from UseMyServices is attached at **Exhibit "61"**.

111. As discussed above at paragraph 39, the BBIL Account was terminated as of May 15, 2013. For a period of time prior to the account termination, bank statements indicate that the account received regular (approximately weekly) deposits ranging in amount from approximately USD \$450,000 to USD \$1,200,000. Such deposits ceased in or around August 2012. We are advised by RBS that the deposits at issue originated from Allied Wallet, an electronic payment processing company engaged by BBIL.

112. Given the Joint Liquidators' information and belief regarding the BBIL Group's dealings with TD Canada Trust, RBC, HSBC and CIBC, as set out above, the Joint Liquidators seek to obtain information from those financial institutions sufficient to determine if Canadian accounts connected to BBIL and the BBIL Group (in particular account no. 5028436 at Royal Bank of Canada branch no. 06802, account no. 268400233 at HSBC branch no. 10850, account no. 0213217 at CIBC's 540 Laval Drive, Oshawa, Ontario branch, account no. 6269372 at TD Canada Trust branch no. 1084 and accounts no. 0512-5234643 and 0512-7313130 at TD Canada Trust branch no. 11042004) were the recipients of redirected payments from Allied Wallet, or other payment processors connected to BBIL, following the termination of the BBIL Account. The Joint Liquidators believe that the identified financial institutions are the best, most logical, and most complete and independent source of information in this regard.

Current Assets of BBIL

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113. As at the date of this affidavit, BBIL is deeply insolvent. Assets consist of cash in hand totalling approximately £3.3 million. Upwards of 1000 creditors from 28 countries (including nine known creditors in Canada) have asserted claims totalling approximately £10.2 million.

114. An Ontario personal property security registration search in respect of "Banners Broker International Limited" returned no results. A copy of the search result is attached hereto as Exhibit "62".


Conclusion

115. In all of the circumstances herein, the Joint Liquidators respectfully seek the cooperation of this Honourable Court, and other competent authorities in Canada, in advancing the fair and efficient administration of the liquidation of BBIL's estate. Assistance is sought to protect the interests of creditors in Canada and abroad by identifying, protecting and maximizing the value of the debtor's property.

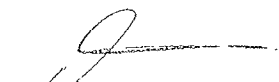
116. I swear this affidavit in support of the Joint Liquidators' application for a Recognition Order and ancillary relief and for no other or improper purpose.

SWORN BEFORE ME at 26-28 Bedford Row,
London, WC1R 4HE, United Kingdom, on

6th August _____, 2014.



Notary Public in England and Wales



PAUL ROBERT APPLETON



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

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

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

AFFIDAVIT OF PAUL ROBERT APPLETON

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

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

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

Lawyers for the Applicants

Tab D

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

THE HONOURABLE

WEDNESDAY, THE

JUSTICE

NEUBOURG

15th DAY OF OCTOBER, 2014

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

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

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

ORDER

(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 Representative's 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, and counsel for Christopher G. Smith:

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SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion, Motion Record and Factum of the Foreign Representative and the Receiver 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 the Receiver's powers and authorities as set out in the Recognition Order be expanded to include the authority to make inquiries as set out below in respect of 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;

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- (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**").

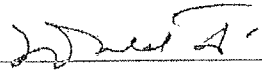
5. **THIS COURT ORDERS** that all persons having notice of this Order advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Associated Corporations, and any computer programs, computer tapes, computer disks, servers, electronic backups, or other data storage media containing any such information (the foregoing, collectively, "**Records**") in their possession or control in relation to the Associated Corporations 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.

6. **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

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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.

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



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



OCT 15 2014

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

Court File No CV-14-10663-000CL

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)

	<p>ONTARIO</p> <p>SUPERIOR COURT OF JUSTICE (Commercial List)</p> <p>Proceeding commenced at TORONTO</p>
	<p>ORDER</p>
	<p>Cassels Brock & Blackwell LLP 2100 Scotia Plaza 40 King Street West Toronto, Ontario M5H 3C2</p> <p>David S. Ward LSUC #: 33541W Tel: 416.869.5960 Fax: 416.640.3154 dward@casselsbrock.com</p> <p>Christopher Horkins LSUC #: 61880R Tel: 416.815.4351 Fax: 416.642.7129 chorkins@casselsbrock.com</p> <p>Lawyers for the Receiver and Joint Liquidators</p>

Tab E

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

MIRIAM
GELMAN

2 ()

Justice Newbold

ONTARIO

IN C. 14-10663-00CL-15-2014 SUPERIOR COURT OF JUSTICE
(Commercial List)IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT,
R.S.C. 1992, c. 27, s.2, AS AMENDEDAND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE ISLE OF MAN WITH
RESPECT TO BANNERS BROKER INTERNATIONAL LIMITEDAPPLICATION 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)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.

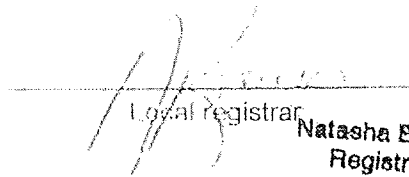
IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have 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.

- 1 -

Date August 8, 2014
~~October , 2014~~
August 8, 2014

Issued by


 Local Registrar
Natasha Bro
Registrar

Address of court office Ontario Superior Court of Justice
 Commercial List
 330 University Ave., 7th Floor
 Toronto, ON

TO: AIRD & BERLIS LLP
Brookfield Place, 181 Bay Street
Suite 1800, Box 754
Toronto, ON M5J 2T9
Canada

Harry Fogul
Tel: 416.865.7773
Fax: hfogul@airdberlis.com

Lawyers for the Respondent, 2341620 Ontario Corporation

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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)

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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;

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- (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.

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- (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

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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

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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;

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- (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 17, 2014

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

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

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

Lawyers for the Applicants

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

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

Court File No.

<p>ONTARIO SUPERIOR COURT OF JUSTICE (Commercial List)</p> <p>Proceeding commenced at TORONTO</p>	<p>NOTICE OF APPLICATION (Application for Recognition of Foreign Main Proceeding)</p> <p>Cassels Brock & Blackwell LLP 2100 Scotia Plaza 40 King Street West Toronto, Ontario M5H 3C2</p> <p>David S. Ward LSUC #: 33541W Tel: 416.869.5960 Fax: 416.640.3154 dward@casselsbrock.com</p> <p>Christopher Horkins LSUC #: 61880R Tel: 416.815.4351 Fax: 416.642.7129 chorkins@casselsbrock.com</p> <p>Lawyers for the Applicants</p>
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Tab F

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

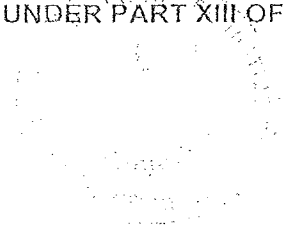
ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

THE HONOURABLE MR.)	WEDNESDAY, THE
)	
JUSTICE NEWBOULD)	15th DAY OF OCTOBER, 2014

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

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

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



ORDER
(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.

- 2 -

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");



ENTERED IN REGISTRY - TORONTO
ON 21 OCT 2014
LE/DANS LE REGISTRE

OCT 15 2014



C. CHIBA
REGISTRAR, SUPERIOR COURT OF JUSTICE
GREFFIER ADJOINT COUR SUPÉRIEURE DE JUSTICE

330 UNIVERSITY AVE.	330 AVE. UNIVERSITY
7TH FLOOR	7E ÉTAGE
TORONTO, ONTARIO	TORONTO, ONTARIO
M5G 1R7	M5G 1R7

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

Court File No CV-14-10663-00CL

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

	ONTARIO SUPERIOR COURT OF JUSTICE (Commercial List) Proceeding commenced at TORONTO
	ORDER
	Cassels Brock & Blackwell LLP 2100 Scotia Plaza 40 King Street West Toronto, Ontario M5H 3C2 David S. Ward LSUC #: 33541W Tel: 416.869.5960 Fax: 416.640.3154 dward@casselsbrock.com Christopher Horkins LSUC #: 61880R Tel: 416.815.4351 Fax: 416.642.7129 chorkins@casselsbrock.com Lawyers for the Receiver and Joint Liquidators

Tab G

LRO # 80 Application (General)

Received as AT3714363 on 2014 10 16 at 09:01

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 1 of 1

Properties

PIN 21122 - 0131 LT

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 113; 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

Address 1376 BAYVIEW AVE
TORONTO

Applicant(s)

Name MSI SPERGEL INC.

Address for Service 505 Consumers Road, Suite 200
Toronto, ON
M2J 4V8

I, Philip Gennis, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Statements

Schedule: See Schedules

Signed By

Ardavan Mohajer-Ashjai

40 King Street West, Suite 2100
Toronto
M5H 3C2

acting for
Applicant(s)

Signed

2014 10 16

Tel 416-869-5300

Fax 416-360-8877

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

CASSELS BROCK & BLACKWELL LLP

40 King Street West, Suite 2100
Toronto
M5H 3C2

2014 10 16

Tel 416-869-5300

Fax 416-360-8877

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Applicant Client File Number :

47327-1

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

ONTARIO
SUPERIOR COURT OF JUSTICE

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)

CERTIFICATE OF PENDING LITIGATION


I CERTIFY that in this proceeding an interest in the following land is in
question:

The property known municipally as 1376 Bayview Avenue,
Toronto, Ontario 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 PIN 21122-0131 (LT).

THIS CERTIFICATE is issued under an order of the court made on October 15, 2014.

Date Oct 15, 2014

Issued by


Local Registrar & Assistant
Registrar

Address of court office 330 University Avenue
Toronto, Ontario M5G 1E6

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

CERTIFICATE OF PENDING LITIGATION

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

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

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

Lawyers for the Receiver and Joint Liquidators

Tab H

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 4 -

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

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

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

October 23, 2014

Let this order issue.

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

Natasha Brown
Registrar

NOV 6 2014

NB

SCHEDULE "A"
QUALIFIED PERSONS

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

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

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at Toronto

ORDER

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

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

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

Lawyers for the Applicants

Tab I

2010

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

THE HONOURABLE

)

WEDNESDAY, THE

JUSTICE

Matheson

)

14th DAY OF JANUARY, 2015

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

(Continued Restraint of Funds)

THIS MOTION, made by msi Spergel inc., in its capacity as receiver and manager of Banners Broker International Limited ("Debtor") pursuant to the Order of the Honourable Justice Matheson, issued August 22, 2014 ("Receiver") and by Miles Andrew Benham and Paul Robert Appleton, in their capacity as Joint Liquidators and as Foreign Representative ("Foreign Representative") of the Debtor pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("BIA") for an Order order restricting the disposition of certain monies and credits held by electronic payment processors was heard this day at the Court House at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Receiver and Foreign Representative and the Second Report of the Receiver, filed, and on hearing submissions from counsel for the Receiver

- 2 -

and Foreign Representative, counsel for Christopher G. Smith and counsel for the Ministry of the Attorney General, Crown Law Office - Criminal:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record of the Receiver and Foreign Representative is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Property, as defined in the *Ex Parte* Restraint Orders issued by the Honourable Justice Kelly on July 18, 2014 and by the Honourable Justice Code on July 29, 2014 in Court File No. 14-00000171-00M0 ("**Restraint Orders**"), namely:

- (i) 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 Broker Canada for registered account holder Rajiv Dixit, merchant ID 251440000;
- (ii) All money or credits held by SolidTrust Pay ("**STP**"), 47 William Street, P.O. Box 551, Bobcaygeon, Ontario, K0M 1A0, in a merchant account for 2087360 Ontario Inc. o/a Bannersbroker for registered account holder Chris Smith;
- (iii) 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; and
- (iv) Any and all funds held by 6003061 Canada Inc. operating as UseMyServices, Inc. ("**UseMyServices**"), 1881 Steeles Avenue West, Suite 348, Toronto, Ontario to the credit of Monetize Group Inc. for registered account holder Christopher

-3-

Smith, Merchant ID SMPDAA (User ID SMPDAA
paybannersbroker@gmail.com);

(all of which is referred to herein, as in the Restraint Orders, as the "Property")

be transferred, effective as of the expiry date of the relevant Restraint Order pertaining to the Property, to msi Spergel inc., court officer, to be held in a separate interest-bearing trust account, separate and apart from the receivership of the Debtor, pending further Order of this Court.

1 h





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)

<p>ONTARIO SUPERIOR COURT OF JUSTICE (Commercial List)</p> <p>Proceeding commenced at TORONTO</p>	
<p>ORDER</p>	
<p>Cassels Brock & Blackwell LLP 2100 Scotia Plaza 40 King Street West Toronto, Ontario M5H 3C2</p> <p>David S. Ward LSUC #: 33541W Tel: 416.869.5960 Fax: 416.640.3154 dward@casselsbrock.com</p> <p>Christopher Horkins LSUC #: 61880R Tel: 416.815.4351 Fax: 416.642.7129 chorkins@casselsbrock.com</p> <p>Lawyers for the Receiver and Joint Liquidators</p>	

Tab J

Court File No.

ONTARIO
COURT OF JUSTICE
(Toronto Region)

IN THE MATTER OF an Application by msi Spergel, Inc. pursuant to
Section 490(15) of the *Criminal Code* for an Order permitting the
Applicant to examine detained property

B E T W E E N :

**msi Spergel, Inc., in its capacity as Receiver
of Banners Broker International Limited, and others**

Applicant

- and -

HER MAJESTY THE QUEEN

Respondent

**REPRODUCTION ORDER
(*Criminal Code*, s. 490(15))**

UPON THE APPLICATION made on the 4th day of May, 2015 by solicitor of record on
behalf of the Applicant, msi Spergel, Inc., in its capacity as Receiver of Banners Broker
International Limited and 2341620 Ontario Corporation, for an Order under s. 490(15) of the
Criminal Code, requiring the Toronto Police Service and/or the Royal Canadian Mounted Police
to provide a copy of a certain document detained by the same pursuant to the execution of a
search warrant;

AND UPON reading the Application dated April 30, 2015 and the Affidavit of David
Ward, sworn on even date;

AND UPON THE CONSENT of the Crown and the owner of the document, 2341620
Ontario Corporation;

AND UPON BEING SATISFIED that the Applicant has an interest in that detained document, and that it is desirable for the administration of justice and necessary to the duty of the Applicant as court-appointed Receiver that the Applicant should have a copy of the same;

THIS COURT ORDERS that the Toronto Police Service and/or the Royal Canadian Mounted Police shall produce the following document: *if it is in their possession. NO*

- **One binder of real estate information** (including, but not limited to, surveys, floor plans, environmental assessments and building assessments) respecting the property municipally known as 1376 Bayview Avenue, Toronto, Ontario, as was seized upon execution of a search warrant on February 24, 2015 against Mr. Christopher Smith;

and all of its contents to the Applicant as soon as reasonable, in accordance with the following terms:

- 1) The document shall be produced in the form of a true copy of the said document; and
- 2) The reproduction of the document shall be at the Applicant's reasonable expense.

DATED at the City of Toronto, Ontario on the 4th day of May, 2015

M. J. [Signature]
Justice of the Ontario Court of Justice

NOTICE

Section 490(15) of the *Criminal Code* provides:

(15) Where anything is detained pursuant to subsections (1) to (3.1), a judge of a superior court of criminal jurisdiction, a judge as defined in section 552 or a provincial court judge may, on summary application on behalf of a person who has an interest in what is detained, after three clear days notice to the Attorney General, order that the person by or on whose behalf the application is made be permitted to examine anything so detained.

Tab K



May 4, 2015

By Email

Macdonald Sager Manis LLP
150 York Street, Suite 800
Toronto, Ontario
M5H 3S5

chorkins@casselsbrock.com
tel: 416.815.4351
fax: 416.642.7129
file no. 45803-2

Attention: Howard Manis and David Gray

hmanis@msmlaw.ca and dgray@msmlaw.ca

Dear Sirs:

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

I write further to the correspondence between your firm, Macdonald Sager Manis LLP ("**MSM**"), and msi Spergel inc., the court-appointed receiver of Banners Broker International Limited ("**Receiver**").

This is also further to the initial attendance of the Receiver at your office in February.

Background – Invoices and Legal File Produced to Date

As you are aware, the Receiver has broad court-ordered investigatory authority in respect of Banners Broker International Limited ("**BBIL**"), as well as several associated corporations, including Stellar Point Inc. (formerly o/a "7250037 Canada Inc." and "Bannersbroker Limited") ("**Stellar Point**"), Dixit Holdings Inc. (formerly o/a "8163871 Canada Limited") ("**Dixit Holdings**") and 2341620 Ontario Corporation ("**234**") (collectively with BBIL and those other entities listed in the Receivership Orders, the "**Associated Corporations**").

We understand that MSM was retained on several instances by Mr. Rajiv Dixit, one of the former principals of BBIL, in relation to Banners Broker and the Associated Corporations. In respect of these retainers your office has provided the Receiver with a total of 67 MSM invoices covering a 20 month period between February, 2013 and December, 2014 (the "**Invoices**"). The invoices document in excess of \$210,000 in billings for legal services rendered.

So that the Receiver may better understand the scope of the work undertaken by MSM on behalf of BBIL and the Associated Corporations, would you please confirm that the Invoices constitute a complete set of all invoices rendered by MSM in relation to clients subject to the receiver's authority.



Page 2

Would you please as well advise as to whether your firm acted for any other individuals or entities subject to the Receiver's powers, apart from Rajiv Dixit, Stellar Point, Dixit Holdings and 234.

Your office has also provided us with a complete copy of the sale file (including file opening documents, correspondence, accounts, etc.) in respect of 5 Carlow Court, Whitby, Ontario wherein MSM represented the vendors, 234 and Dixit Holdings.

Request for Access to Balance of Legal Files

We note that while the Receiver has been provided with access to the complete sale file in relation to the sale of 5 Carlow Court, the Receiver has not as yet been provided with access to any other legal files in relation to MSM's several other relevant engagements.

As a general matter, the Receiver has an interest in reviewing similarly complete legal files created in respect of all other invoiced work.

Please advise as to when Chris and Gillian, on behalf of the Receiver, may re-attend at your office for the purpose of reviewing these materials.

Specific Document Requests based on Documents Produced.

The Receiver has the following additional and more specific requests for information and documents relevant to its investigation:

- 1) With respect to invoice #53535 dated February 26, 2013, please provide a copy of the retainer letter prepared on January 22, 2013;
- 2) With respect to invoice #53535 dated February 26, 2013, please provide copies of the reseller agreements received on January 22, 2013;
- 3) With respect to invoice #53535 dated February 26, 2013, please provide copies of the "Bannersbroker Success Training Manual" and "Bannersbroker International Compliance Document" received on January 24, 2013;
- 4) With respect to invoice #54343 dated April 23, 2013, please provide copies of the independent contractor agreements prepared for "various countries (including, Brazil; Poland; India; Spain; Cyprus/Greece; Portugal; Iceland/Sweden; T&T; Dominican; France; Ireland and Bangladesh)";
- 5) With respect to invoice #54343 dated April 24, 2013, please advise of the nature of the "exchanges with Stephanie Schlacht" referenced in this invoice;
- 6) With respect to invoice #54560 dated May 6, 2013, please provide a copy of the Conference Agreement and comments provided to Stephanie Schlacht;



Page 3

- 7) With respect to invoice #54920 dated June 4, 2013, please provide a copy of the "DADD contract" and details regarding the "DADD contract dispute";
- 8) With respect to invoice #54920 dated June 4, 2013, please provide a copy of the "CINTRAC contract";
- 9) With respect to invoice #54920 dated June 4, 2013, please provide details regarding the "Matters related to Keiran Ashcroft" and all relevant documents in MSM's possession, power or control in relation to same;
- 10) With respect to invoice #54920 dated June 4, 2013, please identify and provide contact information for the public relations firms with whom conferences were held;
- 11) With respect to invoice #54919 dated June 4, 2013, please provide all relevant documents in MSM's possession, power or control in relation to the HSBC financing;
- 12) With respect to invoice #55167 dated June 24, 2013, please confirm the identity of the "Collins, accountants" referred to and whether this is a reference to Collins Barrow;
- 13) With respect to invoice #55540/55541 dated July 15, 2013, please provide copies of the independent contractor agreement and niagara convention centre agreement;
- 14) With respect to invoice #55575 dated July 17, 2013, please provide a copy of the Whitby Lease;
- 15) With respect to invoice #55822/55821 dated August 1, 2013, please provide a copy of the "template email response to disgruntled affiliates to be approved by BBI's counsel" and all documents in MSM's possession, power or control in relation to "strategic considerations regarding affiliate payouts" and "affiliates threatening small claims court matters" including the "letter to j. kleiman";
- 16) With respect to invoice #55818 dated August 1, 2013, please provide copies of the Non-Disclosure Agreement with Terry Stern and the Demand and Cease and Desist Letter to Terry Stern;
- 17) With respect to invoice #55821 dated August 1, 2013, please provide details of and any documents relevant to the "Remain In/Opt-out program" discussed on July 26, 2013;
- 18) With respect to invoice #56121 dated August 20, 2013, please provide copies of the Database Agreement, Refund Agreement, and Communication Policy;
- 19) With respect to invoice #56210 dated August 20, 2013, please provide a copy of the Database Agreement as well as the details of and any documents related to the Purchase of Database Agreement;



Page 4

- 20) With respect to invoice #56210 dated August 30, 2013, please provide details with respect to the "review of audi purchase" and provide all documents in MSM's possession, power or control in relation to same including the "receipt of audi statement",
- 21) With respect to invoice #56209 dated August 30, 2013, please provide copies of the "new foreign company articles from Stephanie" and advise of the identities of the foreign companies ;
- 22) With respect to invoice #56221, dated September 3, 2013, please provide details and all relevant documents regarding the "matters related to Kuldip Josun";
- 23) With respect to invoice #56420 dated September 16, 2013, please provide the Website Development and Service Agreement;
- 24) With respect to invoice # 56419 dated September 16, 2013, please identify the full name of the "CSR" entity whose employees were discussed in correspondence with Mr. Dixit on September 4 and 9, 2013;
- 25) With respect to invoice #56421 dated September 16, 2013, please identify and provide contact information for the accountant;
- 26) With respect to invoice #56420 dated September 16, 2013, please provide a copy of the "WEBSITE DEVELOPMENT AND SERVICE AGREEMENT";
- 27) With respect to invoice #56603 dated September 30, 2013, please provide details with respect to the "settlement between rajiv and chris" and all documents in MSM's possession, power or control in relation to same;
- 28) With respect to invoice #56603 dated September 30, 2013, please provide the Settlement Agreement between Mr. Dixit, Stellar Point and Lorenzo Guarini;
- 29) Please provide the full name and contact information for the accountant "M. Frizoni" or "M. Frisoni" referenced on several invoices (e.g. invoice #57293 dated November 15, 2013 and invoice #56569 dated September 27, 2013);
- 30) With respect to invoice #57077 dated November 1, 2013, please provide details with respect to the "matters related to chris smith" and all documents in MSM's possession, power or control in relation to same;
- 31) With respect to invoice #58577 dated December 30, 2013, please provide the full corporate name and any documentation relevant to the "Stayerect company";
- 32) With respect to invoice #58577 dated December 30, 2013 and invoice #58576 dated December 30, 2013, please provide all documents in MSM's possession, power or



Page 5

control in relation to the filing and enforcement of PPSA security by Dixit Holdings against Glenroye Browne Funkional Fitness Inc.;

- 33) With respect to invoices #57082, #57293, #56054, #57929 and #61029 please provide the full name and contact information for "Mary" or "mary the accountant" who is noted, among other things, as a participant in a conference call on April 23, 2014;
- 34) With respect to invoice #59709 dated March 27, 2014, please provide a copy of the tax memorandum;
- 35) With respect to invoice #60568, please advise if "Stephanie" in the entry dated May 5, 2014 refers to Stephanie Schlacht?
- 36) With respect to invoice #60568 dated June 3, 2014, please provide a copy of the chart of Canadian active companies;
- 37) With respect to invoice #61451 dated July 29, 2014, please provide full details and all documents in MSM's possession, power or control relating to the "Beanstream and criminal investigation" matter;
- 38) With respect to invoice #61028 dated October 14, 2014, please provide all documents relevant to the incorporation, minutes, shareholders and annual 2014 tax return for 8889732 Canada Ltd., also referred to as Alaco Group Ltd.;
- 39) With respect to invoice #56209, please provide details with respect to what is meant by "stellar point inc. asset protection" and provide all relevant documents in MSM's possession, power or control in relation to same;
- 40) With respect to invoice #54738, please provide a copy of the Phase 1 Memorandum;
- 41) With respect to invoice #54044, please provide a copy of the independent contractor agreement;
- 42) With respect to invoice #54044, please provide details of the "master contract issues with BBI" and all relevant documents in MSM's possession, power or control in relation to same;
- 43) With respect to invoice # 55094, please provide a copy of the Employment Agreement;
- 44) With respect to invoice #57929, please provide the full name and contact information for "Michael" who is noted as attending "extensive conferences" regarding the CRA matter;
- 45) With respect to invoice #57929, please provide details regarding the nature and value of the "south Dakota securities" and any relevant documents related to same in MSM's possession, power or control;



Page 6

46) Please provide copies of all documents relevant to Mr. Dixit's resignation from Routerclick Computers Inc.;

47) Please provide copies of the articles of dissolution for

- a. Jetsetter Dating Ltd.;
- b. 7917317 Canada Inc.;
- c. Glenroy Browne Funkional Fitness;
- d. DPR consultants Ltd.;
- e. Revstar Hosting;
- f. Global Merchant Pay; and
- g. Stellar Point Productions Inc.

48) Please provide a copy of the David Hooker's resignation letter with respect to his resignation as a director of Jetsetter Dating Ltd.;

49) Please provide all documents relevant to the liquidation of Stellar Point UK in the possession, power or control of MSM;

50) Please provide copies of the 2013 financial statements for Stellar Point;

51) Please provide copies of the 2013 and 2014 federal tax returns filed on behalf of Stellar Point;

52) Please provide copies of the 2013 financial statements for Dixit Holdings;

53) Please provide a copy of the 2014 federal tax return filed on behalf of Dixit Holdings;

Privilege Claims

The Receiver was advised at the time of its initial attendance at your office that certain privilege claims may be made in respect of relevant legal files that would otherwise be producible.

To the extent that privilege will be asserted in respect of any legal files, we ask that such claims now be particularized. Please indicate, for example, who is asserting the privilege, the nature of the privilege, and basis for the privilege. Please as well provide sufficient particulars of the document(s) over which privilege is being asserted that the Receiver may assess the merits of the privilege claim and take a position in respect of such privilege claim.



Page 7

Please feel free to contact the writer should you have any questions or wish to discuss.

Yours truly,
Cassels Brock and Blackwell LLP
Per:

A handwritten signature in black ink that reads "David S. Ward". The signature is written in a cursive, flowing style.

David S. Ward

CH/

cc: Christopher Horkins and Larry Ellis, Cassels Brock and Blackwell LLP
Philip Gennis and Gillian Goldblatt, msi Spergel inc.

Tab L

Horkins, Christopher

From: Esmaeil Mehrabi [mehrabi@mehrabilawoffice.com]
Sent: Friday, June 05, 2015 2:42 PM
To: Ward, David; 'Howard Manis'; 'David Gray'
Cc: Horkins, Christopher; 'Philip Gennis'; Ellis, Larry; Craddock, Erin
Subject: RE: Receivership of Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1942069]

Mr. Ward,

1. I have not received the material from Mr. Gray or Manis or have looked at your requests, so I cannot comment as to any position which I will take regarding each individual documents or the disclosure request in general.
2. The motion Mr. Manis refers too goes back to the long standing issue in this case which is that the initial and the supplementary orders were obtained primarily based on the affidavit sworn by Constable Judd. As you know the crown did not have any sufficient ground to renew their orders. I do not think the receiver can rely on the supplementary order at this juncture any more to obtain any disclosure. The receiver either has to provide an independent evidence to the court to the relevancy of requests or the orders are moot. Once I review the material (which will take some time as you know I am a sole practitioner and have limited resources) I will know more but I will bring a motion to seek direction and variation of the both orders.
3. I have also become aware that the receiver is also using other material from the police investigation to examine different witnesses, I will seek exclusion of all those material as well since I have no way of challenging, confirming those facts, inference or assertions. So far we have been cooperating with the receiver to move the matter forward but frankly I have not seen or heard any new information since day one which would help the receiver in meeting their mandate which is to locate assets. I never seen any receivership case which a court granted such broad power to a receiver. Here the receiver took advantage of the affidavit of Constable Judd to secure whole bunch of powers which is unprecedented at the time when there is clearly a pending criminal proceeding.
4. Furthermore, there needs to be variation of orders because since several months ago when the orders were obtained, there has been several new developments such as execution of search warrants etc.

I have no idea about the timing of my motion at this juncture. The issue is not something new and you, Mr. Fogul and I had several discussions about these issues but I believe these issues need to be addressed. There also needs to be clear path moving forward for all the parties.

Regards,

Esmaeil

From: Ward, David [mailto:dward@CasselsBrock.com]
Sent: June-05-15 2:12 PM
To: 'Howard Manis'; David Gray
Cc: Horkins, Christopher; 'Philip Gennis'; Esmaeil Mehrabi; Ellis, Larry; Craddock, Erin
Subject: RE: Receivership of Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1942069]

Howard,

Thank you for your prompt response.

We confirm our understanding that your law firm will take all reasonable steps to preserve all records (including electronically stored information) that are relevant to the Receiver's outstanding requests.

It appears that as a threshold matter the privileged asserted should be identified and the records in respect of which privilege is claimed should be sufficiently particularized such that the Receiver can assess the merits of the privilege claims. Presumably, Mr. Mehrabi will now do this.

We look forward to hearing from your or Mr. Mehrabi with respect to the indicated motion, including timing of the motion so that dates may be cleared.

Best Regards,
David



David Ward

Direct: +1 416 869 5960 • Fax: +1 416 640 3154 • dward@casselsbrock.com
2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2
www.casselsbrock.com
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From: Howard Manis [<mailto:hmanis@msmlaw.net>]

Sent: Friday, June 05, 2015 7:47 AM

To: Ward, David; David Gray

Cc: Horkins, Christopher; 'Philip Gennis'; Esmaeil Mehrabi; Ellis, Larry

Subject: RE: Receivership of Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1942069]

David,

While our firm is readily prepared to cooperate with the Receiver as we undoubtedly have nothing to hide, our client has instructed us in writing not to release any files to the Receiver beyond that which we have already disclosed as we understand that Mr. Mehrabi has been retained to bring a motion in this regard. While we are not privy to the specific relief that will be sought, we will not be taking any position on the motion and will abide by any Order that the Court may issue. We trust that the said motion will clarify the obligations of our firm and we will comply thereafter. Perhaps as a simpler solution, we would be prepared to allow you to review the files with Mr. Mehrabi assuming that he obtains the consent of the client.

We thank you for the briefing on our rights and responsibilities with respect to the maintenance of our files, but we can assure you that we still have possession of all such files and will honour our obligations thereto as required by the Law Society.

We trust that this approach is satisfactory to the Receiver.

Howard Manis |Partner| T. 416.364.5289 | F. 416.364.1453 | hmanis@msmlaw.ca

Macdonald Sager Manis LLP Barristers & Solicitors and Trade-Mark Agents
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Please consider the Environment before printing this E-Mail

From: Ward, David [<mailto:dward@casselsbrock.com>]

Sent: June-05-15 7:29 AM

To: Howard Manis; David Gray

Cc: Horkins, Christopher; 'Philip Gennis'; Esmaeil Mehrabi; Ellis, Larry; Ward, David

Subject: RE: Receivership of Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1942069]

Howard,

This approach is not acceptable to the Receiver. We do not see how it is appropriate or indeed even possible to simply turn over your law firm file records to Mr Mehrabi given that the documents requested include trust ledger statements, file opening and administration materials, know your client documentation, legal accounts and reporting and instruction materials. No doubt these are all materials that Macdonald Sager Manis LLP will wish (and is required by Law Society Rules) to maintain.

We again ask that you, or Mehrabi, or another lawyer, provide reasonable particulars of any privilege claims that are being advanced in respect of the Receiver's request to access documents in accordance with the Order of Mr. Justice Newbould made October 15, 2014.

We would be pleased to discuss this further but do intend to take this matter up with yourselves as counsel at the relevant time for the Banners Broker related companies. We trust, in these circumstances, that the original files and electronic data and records, including accounting and wire transfer records, will not leave your office.

Best Regards,

David Ward



David Ward

Direct: +1 416 869 5960 • Fax: +1 416 640 3154 • dward@casselsbrock.com

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

www.casselsbrock.com

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From: Howard Manis [<mailto:hmanis@msmlaw.net>]

Sent: Wednesday, June 03, 2015 3:57 PM

To: Ward, David; David Gray

Cc: Horkins, Christopher; 'Philip Gennis'; Esmaeil Mehrabi

Subject: RE: Receivership of Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1942069]

David,

I apologize for the delay but I have been away from the office for large parts of the past 3 weeks as my daughter had surgery.

In any event, we has been instructed that our client has claimed privilege over all of the files that we have and which may be affected by the said Order.

Moreover, he has instructed us to release all such files to Mr. Mehrabi who will respond to you accordingly.

While we have fully cooperated with the Receiver and were prepared to continue to do so, our ability to participate further has been removed from us by our client and trust that you will deal directly with Mr. Mehrabi.

Howard Manis |Partner| T. 416.364.5289 | F. 416.364.1453 | hmanis@msmlaw.ca

Macdonald Sager Manis LLP Barristers & Solicitors and Trade-Mark Agents
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 Please consider the Environment before printing this E-Mail

From: Ward, David [<mailto:dward@CasselsBrock.com>]
Sent: June-03-15 11:47 AM
To: David Gray; Howard Manis
Cc: Horkins, Christopher; 'Philip Gennis'; Ward, David
Subject: RE: Receivership of Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1942069]

David,
It has been about a month. May we please have an update on this?
Thanks



David Ward
Direct: +1 416 869 5960 • Fax: +1 416 640 3154 • dward@casselsbrock.com
2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2
www.casselsbrock.com
Services provided through a Professional Corporation

From: David Gray [<mailto:DGray@msmlaw.net>]
Sent: Monday, May 04, 2015 3:42 PM
To: Carreiro, Mary; Howard Manis
Cc: Ward, David; Horkins, Christopher; Ellis, Larry; 'Philip Gennis'; Gillian Goldblatt
Subject: RE: Receivership of Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1942069]

Thank you. It will take us a bit of time to review but Howard or myself will get back to you in due course.


David Gray | T. 416.364.4596 | C. 416.902.5790 | dgray@msmlaw.net

Macdonald Sager Manis LLP Barristers & Solicitors and Trade-Mark Agents
150 York Street, Suite 800, Ontario, M5H 3S5 Canada | T. 416.364.1553 | F. 416.364.1453 | www.msmlaw.ca

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 Please consider the Environment before printing this E-Mail

From: Carreiro, Mary [<mailto:mcarreiro@casselsbrock.com>]
Sent: May-04-15 2:41 PM
To: Howard Manis; David Gray
Cc: Ward, David; Horkins, Christopher; Ellis, Larry; 'Philip Gennis'; Gillian Goldblatt
Subject: Receivership of Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1942069]

Attached please find correspondence from David S. Ward.

	<p>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</p>
---	---

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Horkins, Christopher

From: Howard Manis [hmanis@msmlaw.net]
Sent: Friday, June 05, 2015 2:39 PM
To: Ward, David; David Gray
Cc: Horkins, Christopher; 'Philip Gennis'; Esmaeil Mehrabi; Ellis, Larry; Craddock, Erin
Subject: RE: Receivership of Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1942069]

David,

You will hear from Mr. Mehrabi as to the position to be advanced as the client has simply given us a blanket instruction that everything is claimed as privileged.

Sorry to appear to be difficult but we trust that you understand that we are caught in the middle between the client and the Receiver and likely need direction from the Court as to how to proceed. As advised, we will not be advancing a position but will merely abide by an Order of the Court or an agreement of the parties.

Howard Manis |Partner| T. 416.364.5289 | F. 416.364.1453 | hmanis@msmlaw.ca

Macdonald Sager Manis LLP Barristers & Solicitors and Trade-Mark Agents
 150 York Street, Suite 800, Toronto, Ontario, M5H 3S5 Canada | T. 416.364.1553 | F. 416.364.1453 | www.msmlaw.ca

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From: Ward, David [mailto:dward@CasselsBrock.com]
Sent: June-05-15 2:12 PM
To: Howard Manis; David Gray
Cc: Horkins, Christopher; 'Philip Gennis'; Esmaeil Mehrabi; Ellis, Larry; Craddock, Erin
Subject: RE: Receivership of Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1942069]

Howard,

Thank you for your prompt response.

We confirm our understanding that your law firm will take all reasonable steps to preserve all records (including electronically stored information) that are relevant to the Receiver's outstanding requests.

It appears that as a threshold matter the privileged asserted should be identified and the records in respect of which privilege is claimed should be sufficiently particularized such that the Receiver can assess the merits of the privilege claims. Presumably, Mr. Mehrabi will now do this.

We look forward to hearing from your or Mr. Mehrabi with respect to the indicated motion, including timing of the motion so that dates may be cleared.

Best Regards,
David



David Ward

Direct: +1 416 869 5960 • Fax: +1 416 640 3154 • dward@casselsbrock.com

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www.casselsbrock.com

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From: Howard Manis [<mailto:hmanis@msmlaw.net>]

Sent: Friday, June 05, 2015 7:47 AM

To: Ward, David; David Gray

Cc: Horkins, Christopher; 'Philip Gennis'; Esmail Mehrabi; Ellis, Larry

Subject: RE: Receivership of Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1942069]

David,

While our firm is readily prepared to cooperate with the Receiver as we undoubtedly have nothing to hide, our client has instructed us in writing not to release any files to the Receiver beyond that which we have already disclosed as we understand that Mr. Mehrabi has been retained to bring a motion in this regard. While we are not privy to the specific relief that will be sought, we will not be taking any position on the motion and will abide by any Order that the Court may issue. We trust that the said motion will clarify the obligations of our firm and we will comply thereafter. Perhaps as a simpler solution, we would be prepared to allow you to review the files with Mr. Mehrabi assuming that he obtains the consent of the client.

We thank you for the briefing on our rights and responsibilities with respect to the maintenance of our files, but we can assure you that we still have possession of all such files and will honour our obligations thereto as required by the Law Society.

We trust that this approach is satisfactory to the Receiver.

Howard Manis |Partner| T. 416.364.5289 | F. 416.364.1453 | hmanis@msmlaw.ca

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From: Ward, David [<mailto:dward@CasselsBrock.com>]

Sent: June-05-15 7:29 AM

To: Howard Manis; David Gray

Cc: Horkins, Christopher; 'Philip Gennis'; Esmaeil Mehrabi; Ellis, Larry; Ward, David
Subject: RE: Receivership of Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1942069]

Howard,

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We again ask that you, or Mehrabi, or another lawyer, provide reasonable particulars of any privilege claims that are being advanced in respect of the Receiver's request to access documents in accordance with the Order of Mr. Justice Newbould made October 15, 2014.

We would be pleased to discuss this further but do intend to take this matter up with yourselves as counsel at the relevant time for the Banners Broker related companies. We trust, in these circumstances, that the original files and electronic data and records, including accounting and wire transfer records, will not leave your office.

Best Regards,

David Ward



David Ward

Direct: +1 416 869 5960 • Fax: +1 416 640 3154 • dward@casselsbrock.com
 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2
www.casselsbrock.com
 Services provided through a Professional Corporation

From: Howard Manis [<mailto:hmanis@msmlaw.net>]

Sent: Wednesday, June 03, 2015 3:57 PM

To: Ward, David; David Gray

Cc: Horkins, Christopher; 'Philip Gennis'; Esmaeil Mehrabi

Subject: RE: Receivership of Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1942069]

David,

I apologize for the delay but I have been away from the office for large parts of the past 3 weeks as my daughter had surgery.

In any event, we has been instructed that our client has claimed privilege over all of the files that we have and which may be affected by the said Order.

Moreover, he has instructed us to release all such files to Mr. Mehrabi who will respond to you accordingly.

While we have fully cooperated with the Receiver and were prepared to continue to do so, our ability to participate further has been removed from us by our client and trust that you will deal directly with Mr. Mehrabi.

Howard Manis | Partner | T. 416.364.5289 | F. 416.364.1453 | hmanis@msmlaw.ca

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From: Ward, David [<mailto:dward@CasselsBrock.com>]

Sent: June-03-15 11:47 AM

To: David Gray; Howard Manis

Cc: Horkins, Christopher; 'Philip Gennis'; Ward, David

Subject: RE: Receivership of Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1942069]

David,

It has been about a month. May we please have an update on this?

Thanks



David Ward

Direct: +1 416 869 5960 • Fax: +1 416 640 3154 • dward@casselsbrock.com

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

www.casselsbrock.com

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From: David Gray [<mailto:DGray@msmlaw.net>]

Sent: Monday, May 04, 2015 3:42 PM

To: Carreiro, Mary; Howard Manis

Cc: Ward, David; Horkins, Christopher; Ellis, Larry; 'Philip Gennis'; Gillian Goldblatt

Subject: RE: Receivership of Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1942069]

Thank you. It will take us a bit of time to review but Howard or myself will get back to you in due course.

David Gray | T. 416.364.4596 | C. 416.902.5790 | dgray@msmlaw.net

Macdonald Sager Manis LLP Barristers & Solicitors and Trade-Mark Agents

150 York Street, Suite 800, Ontario, M5H 3S5 Canada | T. 416.364.1553 | F. 416.364.1453 | www.msmlaw.ca

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From: Carreiro, Mary [<mailto:mcarreiro@casselsbrock.com>]
Sent: May-04-15 2:41 PM
To: Howard Manis; David Gray
Cc: Ward, David; Horkins, Christopher; Ellis, Larry; 'Philip Gennis'; Gillian Goldblatt
Subject: Receivership of Banners Broker International Limited, Court File No. CV-14-10663-00CL [IWOV-Legal.FID1942069]

Attached please find correspondence from David S. Ward.



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

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Tab M

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)**

AFFIDAVIT OF PHILIP H. GENNIS
(Sworn July 22, 2015)

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

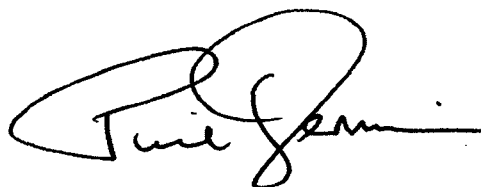
1. I am a licensed Trustee with msi Spergel Inc. ("MSI"), the court-appointed Receiver (the "Receiver") in the within proceeding. As such I have knowledge of the matters hereinafter deposed to.
2. MSI was appointed as Receiver by Order of the Honourable Justice Matheson of the Ontario Superior Court of Justice (the "Court") dated August 22, 2014.
3. In connection with the receivership for the period from August 22, 2014 to and including May 31, 2015 fees of \$334,196.50 exclusive of sales taxes were charged by MSI as detailed in the Bill of Costs appended hereto as **Exhibit "A"** to this my Affidavit. This represents, 1,071.35 hours at an effective hourly rate of approximately \$312.
4. To the best of my knowledge the rates charged by MSI in connection with acting as Receiver are comparable to the rates charged by other firms in the Toronto market for the provision of similar services.
5. I make this affidavit for no improper purpose.

SWORN BEFORE ME at the City
of Toronto, in the Province of
Ontario, this 22nd day of July, 2015.



A Commissioner for taking Affidavits

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)



PHILIP H. GENNIS

This is **Exhibit "A"** referred to in the affidavit of **Philip H. Gennis** sworn before me in the City of Toronto, in the Province of Ontario, this 22nd day of July, 2015.



.....
A Commissioner For Taking Affidavits

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Alan Spergel (ASP)					
Fri	06/06/2014	Telephone call and consulting with Paul Appleton, etc. as on 6th June, 2014 - 0.5 hours Conference call held on March 3, 2014 Paul Appleton with Philip Gennis re: current status of hearings, future strategy + time to read previous correspondence - 1.0 hours	1.50	\$575.00	\$862.50
Mon	06/09/2014	Review report/strategy to Paul Appleton [REDACTED] and telephone call Philip Gennis x 2	1.00	\$575.00	\$575.00
Tues	07/22/2014	Review [REDACTED] with Philip Gennis	0.30	\$575.00	\$172.50
Thur	08/21/2014	Telephone call with Philip Gennis re: appointment and email and court appearance next day	0.50	\$575.00	\$287.50
Thur	09/11/2014	Overview Philip Gennis re: [REDACTED]	0.30	\$575.00	\$172.50
Thur	01/22/2015	Review status with Gillian Goldblatt re: [REDACTED] + update with Philip Gennis	0.50	\$575.00	\$287.50
Wed	02/18/2015	Telephone call + meeting Philip Gennis re: update on status file and funds deposit	1.00	\$575.00	\$575.00
Alan Spergel (ASP)			5.10		\$2,932.50
Bryan Litvack (BLI)					
Mon	08/11/2014	Obtain quotes for ads in Globe & National Post.	0.30	\$260.00	\$78.00
Wed	08/13/2014	Request further info on quotes from newspapers.	0.20	\$260.00	\$52.00
Tues	08/19/2014	Summarize running ads up to 4 times and forward info.	0.20	\$260.00	\$52.00
Mon	08/25/2014	Email newspapers re: Saturday quotes. Respond to questions from PG. Review proofs and request adjustments.	1.50	\$260.00	\$390.00
Tues	08/26/2014	Review proofs from newspapers and request adjustments. Prepare analysis of prices for different sizes. Draft email to PG re: Newspaper quotes and sizes.	1.70	\$260.00	\$442.00
Wed	08/27/2014	Review and update new quotes from Globe and send to PG. Finalize ad with National Post.	0.50	\$260.00	\$130.00
Thur	09/18/2014	Retrieve cached webpage of [REDACTED]	0.30	\$260.00	\$78.00
Fri	09/19/2014	Try locating previous version of [REDACTED]	0.30	\$260.00	\$78.00
Thur	03/19/2015	Discuss bank records received with Gillian.	0.20	\$260.00	\$52.00
Fri	03/20/2015	Meet with Gillian and go through the bank statements I will review and record next week.	1.00	\$260.00	\$260.00
Mon	03/23/2015	Meet with appraiser and Chris Smith at Bayview building. Review Dixit Holding bank statement backups [REDACTED] [REDACTED] Email Gillian re: meeting appraiser and work done so far on banking review.	5.40	\$260.00	\$1,404.00
Tues	03/24/2015	Review Dixit Holding bank statement backups [REDACTED] [REDACTED] Review Stellar Point bank statement backup received from the bank. Email Gillian status update and my questions. Made a list of items to note and missing documents.	5.20	\$260.00	\$1,352.00
Wed	03/25/2015	Review Stellar Point bank statement backup received from the bank. Review Parrot Marketing bank statement backup received from the bank. [REDACTED] Made a list of items to note and missing documents.	4.70	\$260.00	\$1,222.00
Thur	03/26/2015	Meet Cushman Wakefield at Bayview building to view property.	1.00	\$260.00	\$260.00
Fri	03/27/2015	Review and update work completed to date and update notes on summary of findings.	1.50	\$260.00	\$390.00
Tues	03/31/2015	Discuss review of bank statements completed last week with Gillian.	0.60	\$260.00	\$156.00
Fri	04/10/2015	Discuss scanned bank accounts documents with Shenaz. Review bank	1.00	\$260.00	\$260.00

records for Parrot marketing and update spreadsheet.

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Bryan Litvack (BLI)					
Mon	04/13/2015	Review CIBC bank records for Parrot [REDACTED] [REDACTED]	4.80	\$260.00	\$1,248.00
Tues	04/14/2015	Review CIBC bank records for Parrot marketing [REDACTED] [REDACTED] Discuss [REDACTED] with Gillian and for me to prepare a memo.	4.50	\$260.00	\$1,170.00
Wed	04/15/2015	Review CIBC bank records for Parrot marketing [REDACTED] [REDACTED] Update notes on review of Parrot marketing bank statement backup. [REDACTED]	3.60	\$260.00	\$936.00
Mon	04/20/2015	Update memo on [REDACTED]. Meet with Gillian to discuss questions to ask CIBC and my review of Parrot Marketing statements. Enter Banners Broker CIBC statement into Excel.	2.30	\$260.00	\$598.00
Tues	04/21/2015	T/C with Gillian re: [REDACTED] Update yearly summary report and send to Gillian. [REDACTED] Update Gillian on status of completion.	5.00	\$260.00	\$1,300.00
Wed	04/22/2015	[REDACTED] [REDACTED] Obtain report for specific period and email to Gillian.	2.40	\$260.00	\$624.00
Thur	04/23/2015	Discuss with Gillian bank backup to pull from Dixit Holdings. [REDACTED] [REDACTED] Discuss my analysis with Gillian.	2.50	\$260.00	\$650.00
Fri	04/24/2015	[REDACTED] [REDACTED] Discuss reconciliation with Gillian. Draft memo on [REDACTED]	3.70	\$260.00	\$962.00
Mon	04/27/2015	Update memo on [REDACTED]	0.30	\$260.00	\$78.00
Tues	04/28/2015	Review package received from CIBC. Ask Shenaz to scan all documents received. Email Gillian re: CIBC supporting documents received.	0.30	\$260.00	\$78.00
Wed	04/29/2015	Review [REDACTED] [REDACTED] Review bank records for Stellar Point Inc and update bank account spreadsheet.	5.70	\$260.00	\$1,482.00
Thur	04/30/2015	Review [REDACTED] [REDACTED] Email Gillian an update on reconciliation. Review bank records for Stellar Point Inc and update bank account spreadsheet. Update summary on [REDACTED] [REDACTED]	5.80	\$260.00	\$1,508.00
Fri	05/01/2015	Respond to email from Gillian re: wire transfer statements. Update [REDACTED] [REDACTED] Review bank records for Stellar Point Inc and update bank account spreadsheet. [REDACTED] Scan CIBC cover page and email to Gillian.	2.50	\$260.00	\$650.00
Mon	05/04/2015	Meet with Gillian to discuss [REDACTED] [REDACTED] Review Stellar Point spreadsheet and [REDACTED]	1.20	\$260.00	\$312.00

Mon	05/11/2015	Discuss [REDACTED] with Gillian	0.20	\$260.00	\$52.00
Tues	05/12/2015	Update memo on [REDACTED]	1.00	\$260.00	\$260.00
Wed	05/13/2015	Update memo on [REDACTED] Review bank statement backup received from CIBC and ask Shenaz to scan.	0.80	\$260.00	\$208.00
Thur	05/14/2015	Finalize memo on [REDACTED] Follow-up with Shenaz on status of scanning CIBC banking documents. Test scan documents to fix readability.	1.00	\$260.00	\$260.00

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Bryan Litvack (BLI)					
Fri	05/15/2015	Review bank records for Stellar Point Inc and update bank account spreadsheet.	2.60	\$260.00	\$676.00
Tues	05/19/2015	Review bank records for Stellar Point Inc bank account and update bank account spreadsheet and [REDACTED]	5.00	\$260.00	\$1,300.00
Wed	05/20/2015	Review bank records for Stellar Point Inc and update bank account spreadsheet and [REDACTED]	2.40	\$260.00	\$624.00
Thur	05/21/2015	Review bank records for Stellar Point Inc and update bank account spreadsheet and [REDACTED] Review and updated notes to date. Discuss findings with Gillian.	4.80	\$260.00	\$1,248.00
Fri	05/22/2015	Discuss summarizing Stellar Point bank account results with Gillian. Update Stellar Point banking spreadsheet to [REDACTED] Review banking back up for additional Stellar Point documents received today and update spreadsheet.	2.50	\$260.00	\$650.00
Bryan Litvack (BLI)			90.50		\$23,530.00
Daniel Battiston (DBA)					
Thur	01/22/2015	Assistance with review of Stellar Point accounting records (2012).	1.10	\$210.00	\$231.00
Daniel Battiston (DBA)			1.10		\$231.00
Deborah Hornbostel (DHO)					
Thur	10/23/2014	review Confidentiality Agreement re Smith, tc to Erin Craddock to [REDACTED] execute agreement	0.60	\$495.00	\$297.00
Mon	10/27/2014	review email from Erin Craddock and [REDACTED] execute agreement	0.30	\$495.00	\$148.50
Mon	03/23/2015	review emails from GG re [REDACTED]	0.50	\$495.00	\$247.50
Thur	04/23/2015	review and authorization of disbursements	0.10	\$495.00	\$49.50
Thur	05/07/2015	review and authorization of disbursements	0.10	\$495.00	\$49.50
Deborah Hornbostel (DHO)			1.60		\$792.00
Gillian Goldblatt (GGO)					
Mon	06/09/2014	Review of initial documents.	1.00	\$160.00	\$160.00
Tues	09/02/2014	t/c to newspapers re: ad sizes; discussions with PGE re: ads, invoices, and social media strategy; t/c to seo dep't re: social media plan; review of current BBIL social media sites and webpages.	2.10	\$210.00	\$441.00
Wed	09/03/2014	correspondence with PGE re: revised newspaper ads, t/c to papers re: same; emails re: facebook, social media pages, website.	1.60	\$210.00	\$336.00
Thur	09/04/2014	Review of Media and Cyber correspondence to [REDACTED]	2.70	\$210.00	\$567.00
Fri	09/05/2014	Corporate profile search review, update affiliated companies chart.	1.80	\$210.00	\$378.00
Mon	09/08/2014	Review documents provided by RCMP, research [REDACTED] Draft Memo and Appendices	3.30	\$210.00	\$693.00

to file re:same.

Tues	09/09/2014	Compiling mailing addresses and emails addresses for Schedule I, II, and III banks, trust companies, and credit unions for correspondence re:bank accounts	3.40	\$210.00	\$714.00
Wed	09/10/2014	Preparing mailing packages to all Financial Institutions.	4.50	\$210.00	\$945.00
Thur	09/11/2014	Email out remaining notices to financial institutions. follow up on bounce back messages; [REDACTED]	3.50	\$210.00	\$735.00

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Gillian Goldblatt (GGO)					
Fri	09/12/2014	Review and [REDACTED] by Cassels Brock; email to Marcio Gomes @Scotiabank re:Dixit, Smith, and London personal info. Draft [REDACTED]	5.25	\$210.00	\$1,102.50
Mon	09/15/2014	Research mailing addresses for [REDACTED] finalize document re:same.	0.75	\$210.00	\$157.50
Tues	09/16/2014	Mailing of Property and Records requests, email requests re:same. email to David Ward @ Cassels re:invoice.	1.00	\$210.00	\$210.00
Wed	09/17/2014	t/c to Shinhan bank re:Banners Broker International Limited.	0.10	\$210.00	\$21.00
Fri	09/19/2014	Tracking responses from Financial Institutions.	0.50	\$210.00	\$105.00
Mon	09/22/2014	Prepare weekly billing; track responses from banks. F/u re:newspaper advert billing discrepancies.	0.75	\$210.00	\$157.50
Tues	09/23/2014	Track responses from Financial Institutions and Records and Property requests. F/U with TMX Equity Transfer Services re:addresses for Dixit and Smith.	0.25	\$210.00	\$52.50
Wed	09/24/2014	Track responses from Financial Institutions and Records and Property requests. Send Property request to OSC.	0.20	\$210.00	\$42.00
Thur	09/25/2014	Track responses from Financial Institutions and Records and Property requests.	0.10	\$210.00	\$21.00
Mon	09/29/2014	Preparing Sept Invoice.	0.30	\$210.00	\$63.00
Wed	10/01/2014	Track responses from Financial Institutions and Records and Property requests. VM to Babar Jhumra at Yesup Ecommerce Solutions re:transactions provided.	0.30	\$210.00	\$63.00
Thur	10/02/2014	Emails with PGE re:requests sent.	0.10	\$210.00	\$21.00
Fri	10/03/2014	t/c with Michael Misener from Mcann mortgage re:Chris Smith info; emails with Willer Lau from Yesup re: request of bank account numbers.	0.30	\$210.00	\$63.00
Mon	10/06/2014	Draft [REDACTED] draft [REDACTED] prepare dockets for review.	2.50	\$210.00	\$525.00
Tues	10/07/2014	emails with PGE re: Scotiabank; tracking responses from banks and payment processors.	0.50	\$210.00	\$105.00
Tues	10/14/2014	Draft listing of [REDACTED], update responses from Financial institutions and other parties.	1.20	\$210.00	\$252.00
Wed	10/15/2014	Update responses and prepare reporting on responses from Financial institutions and other parties; discussions with PGE [REDACTED]	2.75	\$210.00	\$577.50
Thur	10/16/2014	Conference Call with BBL group; Finalize reporting as of Oct 16, 2014	8.00	\$210.00	\$1,680.00

on responses from Financial institutions and other parties; email to Paul Appleton and David Ward re:same. T/c with Counsel [REDACTED]. Finalize listing of same. Post new filings to website per e-service protocol. Begin review of Production Orders.

Fri	10/17/2014	T/c with Larry Ellis, Christopher Horkins, re:response tracking.	0.30	\$210.00	\$63.00
Fri	10/17/2014	Review and scan BNS materials sent, draft [REDACTED] re:same; finalize [REDACTED]. Complete review of Production Orders.	8.20	\$210.00	\$1,722.00
Sat	10/18/2014	Create dropbox and post BNS documents to send to BBIL group.	0.50	\$210.00	\$105.00
Sun	10/19/2014	email to BBIL group with dropbox link; update Address list for Wells Fargo in US, account numbers, contacts; review Via Bnak response, file, and update contact info, emails with PGE re:finalized letters.	1.20	\$210.00	\$252.00

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Gillian Goldblatt (GGO)					
Mon	10/20/2014	Prepare weekly dockets, email to Paul Appleton re:same. Prepare and send final demand letters and emails to financial institutions and payment processors based on expanded powers; summary email to Counsel and Joint Liquidators [REDACTED].	6.60	\$210.00	\$1,386.00
Tues	10/21/2014	t/c with counsel and Joint Liquidators; draft [REDACTED]; t/c with Nalini Khan at OSC; t/c with Counsel re:OSC; email to OSC; prepare and send unbilled costs to date to Joint Liquidators; continue update of responses received; t/c with Wojtek Ilnicki at Manulife Bank.	5.80	\$210.00	\$1,218.00
Wed	10/22/2014	Send revised Demand Letters; email to Joint Liquidators and counsel [REDACTED] continue update of responses received.	3.20	\$210.00	\$672.00
Thur	10/23/2014	emails with Counsel and PGE [REDACTED]; respond to Niki at Adzerk re:document request. t/c with Andy Tarr, Legal counsel for Adzerk re:Demand Letter; update responses received to date.	0.80	\$210.00	\$168.00
Fri	10/24/2014	Review of Dixit Documents provided by Aird & Berlis, email to PGE [REDACTED]; review of documents provided by Adzerk, email to PGE [REDACTED]; t/c with PGE re:Bayview Property.	5.60	\$210.00	\$1,176.00
Mon	10/27/2014	t/c and emails with PGE and Counsel;	1.25	\$210.00	\$262.50
Tues	10/28/2014	t/c with Counsel, emails to PGE.	0.20	\$210.00	\$42.00
Wed	10/29/2014	Updating CBB Catalogue numbers in response tracking; emails to Counsel and PGE.	0.75	\$210.00	\$157.50
Thur	10/30/2014	Updating response tracker, updated email to PGE re:same. Scan and send confidentiality agreement to Counsel. vm to creditor in Florida, emails to online requests for creditor applications; t/c with Kate Sainsbury @ BLG re:Fifth 3rd Bank response.	1.50	\$210.00	\$315.00
Fri	10/31/2014	Issue invoice at Oct 30, 2014; email to PGE re:follow up on responses; update response tracker.	1.50	\$210.00	\$315.00
Mon	11/03/2014	email to Counsel [REDACTED] follow up letters sent to DUCA and Sun Life; review of TD documents sent, email to PGE [REDACTED]. begin review of UseMyServices documents received.	3.80	\$210.00	\$798.00
Tues	11/04/2014	Continue review of UseMyServices documents, email to PGE [REDACTED]	4.60	\$210.00	\$966.00

review of Production orders from 2013, summarize bank account information, email to PGE [REDACTED]

Wed	11/05/2014	discussions with PGE [REDACTED]	0.20	\$210.00	\$42.00
Thur	11/06/2014	t/c with JLS, Counsel, discussion with PGE [REDACTED]	1.20	\$210.00	\$252.00
Fri	11/07/2014	Review of TD and UseMyServices documents with PGE; t/c with Counsel.	1.50	\$210.00	\$315.00
Mon	11/10/2014	prepare and send weekly dockets to JL.	0.20	\$210.00	\$42.00
Tues	11/11/2014	Finalize and send Demand Letters to BNS, Via Bank, Wells Fargo, and Bateman & Company. t/c with Counsel [REDACTED]	2.80	\$210.00	\$588.00
Wed	11/12/2014	emails with Counsel and JLS, [REDACTED] Email and t/c to Caitlin Berg re: Digital River document retrieval.	1.60	\$210.00	\$336.00
Thur	11/13/2014	t/c with Counsel and JLS [REDACTED]; t/c with counsel [REDACTED]	1.25	\$210.00	\$262.50
Fri	11/14/2014	Upload STP documents, send to Counsel, begin document review, email to PGE [REDACTED]	2.60	\$210.00	\$546.00
Sun	11/16/2014	STP document review, memo to file.	5.75	\$210.00	\$1,207.50
Mon	11/17/2014	t/c with RBC, t/c with PGE [REDACTED], email to PGE and Counsel [REDACTED] follow-up email to Digital River re: document retrieval; finalize memo to file on [REDACTED], compile weekly dockets and send to JLS; send Royal Bank of Scotland response to JLS, Counsel; t/c with Jordan Ross at RBC, t/c with PGE [REDACTED]	5.40	\$210.00	\$1,134.00

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Gillian Goldblatt (GGO)					
Wed	11/19/2014	Conference call with Counsel [REDACTED]; emails to Counsel [REDACTED]	0.75	\$210.00	\$157.50
Fri	11/21/2014	t/c with Counsel re: Dixit Documents, bank accounts; email re: same.	0.50	\$210.00	\$105.00
Mon	11/24/2014	Cross-referencing [REDACTED] [REDACTED] updating bank account summary.	0.80	\$210.00	\$168.00
Tues	11/25/2014	Update response tracker.	0.30	\$210.00	\$63.00
Wed	11/26/2014	t/c with counsel & JLS; follow up calls to Jordan Ross @RBC and John Citrullo at CIBC re: timing of production of documents; Document review; email to PGE [REDACTED]	5.20	\$210.00	\$1,092.00
Thur	11/27/2014	t/c with John Citrullo at CIBC. Document Review; t/c PGE [REDACTED] Prepare November invoice to JLS. Begin review of [REDACTED]	7.60	\$210.00	\$1,596.00
Fri	11/28/2014	Complete review of [REDACTED] Document review re: Examinations; email to JL & Counsel [REDACTED]	11.20	\$210.00	\$2,352.00
Sat	11/29/2014	Document review re: Examinations.	2.00	\$210.00	\$420.00
Mon	12/01/2014	[REDACTED] meeting with Counsle and Joint Liquidators.	9.00	\$210.00	\$1,890.00
Tues	12/02/2014	Interviews with Kuldip Josun and John Rock; lengthy discussions with the Joint Liquidators and Counsel.	8.00	\$210.00	\$1,680.00
Wed	12/03/2014	Interview with Christopher Smith; lengthy discussions with Joint Liquidators and Counsel.	9.00	\$210.00	\$1,890.00
Thur	12/04/2014	Interview with Christopher Smith; lengthy discussions with Joint Liquidators and Counsel.	9.00	\$210.00	\$1,890.00

Fri	12/05/2014	Review complete Creditor List provided by A&B. Draft memo to file [REDACTED] email to PGE [REDACTED] call to Aitchison re:attend for document production.	7.40	\$210.00	\$1,554.00
Mon	12/08/2014	Vm to Maxwell Morgan re:production of documents; Review documents and email to Caitlin Berg; vm to Ruth Caverly re:production of documents on purchase of Carlow property.	1.60	\$210.00	\$336.00
Tues	12/09/2014	emails to Jls & Counsel [REDACTED]; t/c to Ruth at Aitchison Law office; discussions with PGE re:same.	0.40	\$210.00	\$84.00
Wed	12/10/2014	Attend at Aitchison Law Office and review/copy documents. t/c to PGE & Counsel [REDACTED]	5.00	\$210.00	\$1,050.00
Thur	12/11/2014	Scan and email documents re:5 Carlow Court to Jls & Counsel.	2.00	\$210.00	\$420.00
Fri	12/12/2014	t/c with Amina at RBC re:document production, t/c with counsel & PGE [REDACTED] t/c with Counsel & Jls [REDACTED]	2.50	\$210.00	\$525.00
Mon	12/15/2014	Draft memo and email to Jls, Counsel [REDACTED]; t/c to Maxwell Morgan, f/u to him email re:same. email to Jls & Counsel [REDACTED] email weekly dockets to Jls;	3.60	\$210.00	\$756.00
Tues	12/16/2014	multiple call with Amina from RBC, f/u email to Amina re:documents received. Discussion with PGE; t/c to Jordan Ross from RBC.	0.40	\$210.00	\$84.00
Thur	12/18/2014	Review of Aramor correspondence, memo to file, email to group. scotia correspondence sent to group, rbc correspondence sent to group. [REDACTED] t/c to Counsel [REDACTED] vm to Catherine Latiluppe at HSBC.	6.90	\$210.00	\$1,449.00

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Gillian Goldblatt (GGO)					
Fri	12/19/2014	Call with Jls [REDACTED]	6.80	\$210.00	\$1,428.00
Mon	12/22/2014	finalize and send memo [REDACTED]; email with Maxwell Morgan @Aramor payments; email to Catherine Latiluppe @HSBC; review response from Beanstream, email follow-up question.	3.60	\$210.00	\$756.00
Tues	12/23/2014	review returned envelope from Liberty Tax Service, email to PGE re:same. review undertakings provided by Aird & Berlis/Chris Smith.	2.50	\$210.00	\$525.00
Wed	12/24/2014	complete review of undertakings from A&B, discussion with PGE [REDACTED]	1.50	\$210.00	\$315.00
Mon	01/05/2015	Email to Jls;	0.10	\$210.00	\$21.00
Tues	01/06/2015	Dec 2014 billing; f/u with Catherine @ HSBC and Maxwell Morgan at Aramor re:document production.	1.20	\$210.00	\$252.00
Thur	01/08/2015	review responses from Beanstream re: Exhibit A, t/c with Caitlin and Zach at Beanstream re:Exhibit A; update memo and email to JLS and Counsel [REDACTED]; t/c with RBC re:outstanding bank account info; prepare invoice to Jls; t/c with Jls and Counsel; review of memo from Jls [REDACTED] email from Maxwell Morgan re:Aramor follow-up; t/c with Shareen at RBC re: bank statements for account # 1194 from Oct 2012-closing.	4.60	\$210.00	\$966.00
Fri	01/09/2015	email with JL [REDACTED] email to JLS and Counsel [REDACTED] [REDACTED] review response from Beanstream, update memo, email to Jls.	1.30	\$210.00	\$273.00
Mon	01/12/2015	weekly dockets to Jls.	0.20	\$210.00	\$42.00

Tues	01/13/2015	t/c with JL re:UseMyServices documentation; t/c to Mike Stanton @UMS, f/u email sent re:same.	0.50	\$210.00	\$105.00
Wed	01/14/2015	vm to M. Stanton re:UMS documents, vm to Suman Sabry @ bankruptcyhighway re:HSBC, email to Toni Marshall @ HSBC re: demand letters; discussion with PGE; post court order, motion record, and Endorsement on website, mailing to payment processors re:Jan 14, 2015 Order.	1.20	\$210.00	\$252.00
Thur	01/15/2015	emails to JL and counsel, vm from Mike Stanton.	0.30	\$210.00	\$63.00
Fri	01/16/2015	t/c Counsel, t/c with JL [REDACTED] review Allied Wallet documents received by Jls [REDACTED]	3.80	\$210.00	\$798.00
Mon	01/19/2015	[REDACTED] updated response tracker, send update and responses to Jls and Counsel; review and respond to HSBC response email; discussion with PGE [REDACTED]	1.10	\$210.00	\$231.00
Tues	01/20/2015	travel to Mary Febbrini's house	1.75	\$210.00	\$367.50
Tues	01/20/2015	Attend at Mary Febbrini's house (1.25 hrs); install Quickbooks files from Febbrini; review T2's provided by Febbrini; emails with Counsel; begin review Quickbooks 2012, 2013, 2014, for Stellar Point and Dixit Holdings; [REDACTED]	7.20	\$210.00	\$1,512.00
Wed	01/21/2015	t/c with Butterfield bank, email to PGE [REDACTED] detailed analysis of Dixit Holdings Quickbooks accounts.	7.80	\$210.00	\$1,638.00
Thur	01/22/2015	detailed analysis of Stellar Point 2012 Quickbooks accounts.	5.40	\$210.00	\$1,134.00
Fri	01/23/2015	[REDACTED] detailed analysis of Stellar Point 2013 Quickbooks accounts; [REDACTED] t/c to Mike Stanton re:UMS documents and funds; emails to Jls.	5.70	\$210.00	\$1,197.00
Sun	01/25/2015	review memo [REDACTED] email to PGE [REDACTED]	2.80	\$210.00	\$588.00
Mon	01/26/2015	follow up calls to STP and Beanstream re:restraint of funds orders, send email re: same; courier USB to Mary Febbrini; review Aramor bank statements, email to Maxwell Morgan re:same.	3.40	\$210.00	\$714.00

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Gillian Goldblatt (GGO)					
Tues	01/27/2015	t/c with Ravinder Manhas re:transfer of Beanstream funds; setup USD trust account; finalize HSBC follow-up letter; email to Catherine Latiluppe at HSBC; emails with counsel and Jls; review of correspondence from A&B; discussions with PGE.	2.60	\$210.00	\$546.00
Wed	01/28/2015	t/c with counsel and Jls [REDACTED] t/c with PGE [REDACTED] emails with Jls [REDACTED] update communications tracking and [REDACTED] finalize memo [REDACTED]	3.60	\$210.00	\$756.00
Thur	01/29/2015	emails with JL [REDACTED] download Payza documents; email to Maxwell Morgan re:Aramor accounts; vm to Catherine Latiluppe @ HSBC; review of payment processor final balances and follow-up.	1.30	\$210.00	\$273.00
Fri	01/30/2015	[REDACTED] emails with counsel and Jls; review letter from Crown; banking instructions to banking dep't.	0.80	\$210.00	\$168.00
Mon	02/02/2015	Attend at Macdonald Sanger Manis to review BBIL files; [REDACTED]	7.40	\$210.00	\$1,554.00
Tues	02/03/2015	t/c with counsel and Jls [REDACTED]	3.40	\$210.00	\$714.00

Wed	02/04/2015	t/c with JL and counsel [REDACTED]	6.20	\$210.00	\$1,302.00
Thur	02/05/2015	[REDACTED] follow up emails to STP and Payza re:restrained funds not received; begin review of MSM documents received and [REDACTED] update JLs and counsel on [REDACTED]	5.80	\$210.00	\$1,218.00
Fri	02/06/2015	t/c with JLs and counsel [REDACTED] t/c with counsel [REDACTED] emails to payment processors re:restraint funds receipts; process Dec invoice payment and allocate to disbursements; continue review of MSM documents [REDACTED]	4.10	\$210.00	\$861.00
Mon	02/09/2015	Finish review of MSM documents [REDACTED] follow up with Beanstream re: interest on restrained funds; follow up with STP re:bank wire number and interest on funds; t/c with Mike Stanton re:UMS interest and currency of funds received; setup of new CAD trust account for UMS restrained funds; facilitate wire transfer of US funds from STP.	4.50	\$210.00	\$945.00
Tues	02/10/2015	t/c with Denise at STP re:transfer of funds; coordinate with banking dep't re:same; email to counsel [REDACTED] email [REDACTED] to JLs and Counsel.	1.90	\$210.00	\$399.00
Wed	02/11/2015	t/c with JLs [REDACTED] t/u with STP re:transfer of funds; t/c with counsel [REDACTED] complete Via Bank wire transfer form.	5.70	\$210.00	\$1,197.00
Thur	02/12/2015	[REDACTED]	0.20	\$210.00	\$42.00
Fri	02/13/2015	t/c with counsel [REDACTED] deposit Payza funds and email JLs and counsel; emails with JLs and counsel [REDACTED]	0.60	\$210.00	\$126.00
Tues	02/17/2015	t/c call with JLs and counsel [REDACTED] discussion with PGE [REDACTED] discussion with PGE [REDACTED]	3.20	\$210.00	\$672.00
Wed	02/18/2015	meeting with counsel [REDACTED] discussion with PGE [REDACTED] deposit of UMS funds.	3.80	\$210.00	\$798.00
Thur	02/19/2015	emails to counsel [REDACTED]	0.20	\$210.00	\$42.00

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Gillian Goldblatt (GGO)					
Fri	02/20/2015	review Historical Report and appendices; t/c with PGE [REDACTED] email to counsel [REDACTED]	1.10	\$210.00	\$231.00
Mon	02/23/2015	t/c with [REDACTED] Emails to counsel [REDACTED] t/c with Maxwell Morgan re:bank statements.	0.30	\$210.00	\$63.00
Tues	02/24/2015	return statement to Maxwell Morgan.	0.10	\$210.00	\$21.00
Wed	02/25/2015	Examination of Rob Pirie; [REDACTED] emails with JL & counsel.	4.70	\$210.00	\$987.00
Thur	02/26/2015	Examination of Tara Josun; email to counsel [REDACTED] discussions with PGE [REDACTED]	4.40	\$210.00	\$924.00
Fri	02/27/2015	[REDACTED] email to counsel [REDACTED] t/c to counsel [REDACTED]	2.10	\$210.00	\$441.00
Mon	03/02/2015	email with Mike Stanton re:UMS restrained funds; [REDACTED]	5.60	\$210.00	\$1,176.00

memo to Counsel [REDACTED] review of Payment Processor account opening documents to determine potential creditors; memo to file and counsel [REDACTED].

Tues	03/03/2015	Pr [REDACTED] meeting with counsel [REDACTED]; email to counsel [REDACTED]; t/c to CIBC, RBC re: secondary document production; email to JL [REDACTED]	2.70	\$210.00	\$567.00
Wed	03/04/2015	Weekly meeting with counsel [REDACTED]; t/c to CIBC re:secondary document production; coordinate inventory taking with BLI; email to JLs [REDACTED] finalize letter to CRA re:audit;	5.30	\$210.00	\$1,113.00
Thur	03/05/2015	send letter to CRA, emails to counsel and JL [REDACTED] deposit cheque from UMS; emails from JLs and counsel; draft email to RBC re:Secondary document production.	2.60	\$210.00	\$546.00
Fri	03/06/2015	review Choice correspondence for name of responder; email request to RBC re:secondary document production; email to Mike Stanton @UMS re:backup documentation on restrained funds; email to counsel and JL re:restrained funds; t/c to counsel [REDACTED] coordinate attendance on Monday with JAL.	2.70	\$210.00	\$567.00
Mon	03/09/2015	Attend at 1376 Bayview Avenue, inventory equipment and furniture; memo to file [REDACTED] email to Daniel Wolski at TD re:supporting documentation; [REDACTED] in prep for Wed meeting with Smith; prepare summary brief for PGE.	6.20	\$210.00	\$1,302.00
Tues	03/10/2015	finalize [REDACTED] and review listing from JEA. [REDACTED] to JLs and counsel; send listing to corporate and general for desktop appraisal; download pictures for C&G; January Invoicing preparation and emails re:same; organize document brief re:BBIL file;	4.10	\$210.00	\$861.00
Wed	03/11/2015	Interview with Chris Smith and counsel; review of Choice Statements provided; email to LE [REDACTED] draft email to JLs [REDACTED]	3.70	\$210.00	\$777.00
Thur	03/12/2015	t/c with JLs and counsel; review of Allied Wallet documents and trace to Choice Statements; t/c with HS at JL's office [REDACTED] emails to PGE [REDACTED] t/c with PGE [REDACTED] finalize [REDACTED] prepare advance from Group to cover bank fees; t/c with counsel [REDACTED]	6.40	\$210.00	\$1,344.00

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Gillian Goldblatt (GGO)					
Fri	03/13/2015	review Choice Bank Statements and [REDACTED] email to counsel [REDACTED] t/c to John Citrullo at CIBC re:secondary document production; t/c to counsel [REDACTED]	5.80	\$210.00	\$1,218.00
Mon	03/16/2015	[REDACTED] discussion with PGE [REDACTED] email to counsel [REDACTED] t/c to RBC [REDACTED]	3.90	\$210.00	\$819.00

		re:request for additional documentation; [REDACTED]			
Tues	03/17/2015	[REDACTED] send to PGE [REDACTED] emails with counsel [REDACTED] t/u email to TD re:secondary document production; [REDACTED] [REDACTED] meeting with PGE [REDACTED] t/c to counsel [REDACTED] email to John Citrullo re:redactions; begin review of CIBC secondary documentation.	4.20	\$210.00	\$882.00
Wed	03/18/2015	meeting with counsel; meeting with Smith; [REDACTED] [REDACTED] email to PGE [REDACTED] [REDACTED] draft email to Jls [REDACTED] email to IT re:posting Oct 23, 2014 order;	6.50	\$210.00	\$1,365.00
Thur	03/19/2015	[REDACTED] t/c with Via Bank and counsel; t/c with Jls and counsel; review of secondary documentation, filing requirements, and attendance at Bayview next week with BLI; t/c with Noah Rechtsman @ Cushman Wakefield re:attendance at 1376 Bayview; email re:same; t/c with Stan Katchen, appraiser, re:1376 Bayview; email re:same; [REDACTED] [REDACTED] begin review of CIBC secondary documentation.	6.80	\$210.00	\$1,428.00
Fri	03/20/2015	t/c with Jls and Counsel, t/c with JL [REDACTED] t/c with Jeannette at Bankruptcy Highway re:HSBC and RBC demand letters; t/c with Counsel [REDACTED] email to Appraiser re:attendance; meeting with BLI [REDACTED] [REDACTED] [REDACTED] email to JL and Counsel [REDACTED] download CIBC secondary docs to USB key, courier to Counsel.	8.30	\$210.00	\$1,743.00
Mon	03/23/2015	emails to BLI [REDACTED] email to PGE [REDACTED] [REDACTED]	0.20	\$210.00	\$42.00
Tues	03/24/2015	emails to Appraiser, BLI re:Bayview property.	0.20	\$210.00	\$42.00
Wed	03/25/2015	emails to Appraiser, BLI, and Jls.	0.10	\$210.00	\$21.00
Thur	03/26/2015	emails with PGE [REDACTED]	0.10	\$210.00	\$21.00
Fri	03/27/2015	emails with realtor and PGE.	0.10	\$210.00	\$21.00
Sun	03/29/2015	Download March 25, 2015 Smith documents from CBB site; begin review.	1.10	\$210.00	\$231.00
Mon	03/30/2015	complete review of March 25 documents from Smith; emails with counsel and JL [REDACTED] [REDACTED] t/c with counsel [REDACTED] t/c with PGE.	5.70	\$210.00	\$1,197.00
Tues	03/31/2015	[REDACTED] email itinerary to Smith's counsel; [REDACTED]	1.70	\$210.00	\$357.00

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Gillian Goldblatt (GGO)					
Wed	04/01/2015	meeting with Smith and counsel (2.5 hrs); review documents produced, email to Jls [REDACTED]	3.10	\$210.00	\$651.00
Thur	04/02/2015	review of March 27 and April 1 productions from Smith; draft memo [REDACTED]; email to Jls & Counse [REDACTED]	5.30	\$210.00	\$1,113.00
Sun	04/05/2015	email to John Citrullo @ CIBC re:secondary documents; email to RBC	2.70	\$210.00	\$567.00

re:secondary document production; finalize review and memo of CIBC docs; email to PGE [REDACTED]; complete review of Choice statements [REDACTED]; email JAI [REDACTED]
re:document cataloging; email STO re:corporate profile searches;

Mon	04/06/2015	emails to JLS [REDACTED] email to counsel [REDACTED] [REDACTED] email to JLS [REDACTED] t/c with counsel [REDACTED] discussions with PGE [REDACTED]	3.60	\$210.00	\$756.00
Tues	04/07/2015	Attend at Bayview with Appraiser; emails with JLS [REDACTED] [REDACTED] t/c with counsel and PGE [REDACTED]	3.20	\$210.00	\$672.00
Wed	04/08/2015	meeting with counsel [REDACTED] meeting with Smith and counsel re:ongoing undertakings and discussions.	4.20	\$210.00	\$882.00
Thur	04/09/2015	Review Aramar documents, [REDACTED] lengthy discussions with counsel [REDACTED] email to counsel [REDACTED] emails to JLS [REDACTED] and send to counsel; emails to STP, Beanstream, and Payza re:contracts;	5.70	\$210.00	\$1,197.00
	04/10/2015	[REDACTED] t/c with Cathy at CBB [REDACTED] t/c with PGE [REDACTED] review all hard copy files and eliminate duplicates of scanned documents; t/c with JLS and counsel [REDACTED] t/c with Adam Shama Rubin [REDACTED] emails with counsel [REDACTED] email of February fees to Rubin (legals only).	4.80	\$210.00	\$1,008.00
Sun	04/12/2015	[REDACTED]	0.20	\$210.00	\$42.00
Mon	04/13/2015	attend Morgan Examination; meeting with counsel.	4.50	\$210.00	\$945.00
Tues	04/14/2015	email to JLS [REDACTED] memo to file [REDACTED] [REDACTED]	2.40	\$210.00	\$504.00
Wed	04/15/2015	interview with Smith and counsel.	2.50	\$210.00	\$525.00
Thur	04/16/2015	review PGE emails and file; emails with counsel and JLS [REDACTED] [REDACTED] execute Allied Wallet NDA and send to counsel.	2.80	\$210.00	\$588.00
Fri	04/17/2015	t/c with JLS [REDACTED] email to counsel [REDACTED] t/c with PGE re:fees on file; prepare deposit and cheque req re:same; email to counsel [REDACTED]	1.60	\$210.00	\$336.00
Mon	04/20/2015	t/c with Allied Wallet and counsel [REDACTED] [REDACTED] email to JLS [REDACTED] review of CIBC account #02511 review with BLI, vm to John Citrullo re:same, emails with counsel [REDACTED]	5.50	\$210.00	\$1,155.00
Tues	04/21/2015	Examination of Lorenzo Guarini and Kelly Stinson; t/c with BLI re:Allied Wallet [REDACTED] email to JAI [REDACTED] re:cataloguing all documents; emails to counsel/ JLS [REDACTED]	10.50	\$210.00	\$2,205.00
Wed	04/22/2015	Meeting with Smith and counsel; meeting with counsel [REDACTED] [REDACTED]	6.50	\$210.00	\$1,365.00

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Thur	04/23/2015	[REDACTED] email to PGE [REDACTED] meeting with BLI re:Allied Wallet account review; t/c with John Citrullo re:document	4.40	\$210.00	\$924.00

		production; email to John Citrullo re:same; email to counsel [REDACTED] [REDACTED] email to Jls and counsel [REDACTED]			
Fri	04/24/2015	[REDACTED] email to counsel [REDACTED]; prepare April dockets, send some to DRP with Feb and March invoices; email to PGE [REDACTED] email to counsel re:march invoice; various emails to counsel [REDACTED] [REDACTED] meeting with BLI [REDACTED]	2.30	\$210.00	\$483.00
Tues	04/28/2015	Review counsel's [REDACTED] [REDACTED] t/c with counsel and PGE [REDACTED] print and bind; email to counsel [REDACTED]	3.90	\$210.00	\$819.00
Wed	04/29/2015	examination of Stephanie Schlacht; meeting with counsel [REDACTED]	6.00	\$210.00	\$1,260.00
Thur	04/30/2015	Meeting with Smith and counsel; finalize and email summary of [REDACTED]	4.40	\$210.00	\$924.00
Fri	05/01/2015	Attendance at Morgan examination, witness absent; discussion with counsel and PGF [REDACTED]; begin review of Re-seller collections listing.	3.10	\$210.00	\$651.00
Mon	05/04/2015	complete review of reseller collections data and [REDACTED] [REDACTED] begin review of vector card data, email to counsel [REDACTED] email to Allied Wallet re:outstanding wires; [REDACTED] email to counsel [REDACTED]	3.60	\$210.00	\$756.00
Tues	05/05/2015	t/c with Caitlin Berg @Beanstream; email to counsel [REDACTED]	0.60	\$210.00	\$126.00
Wed	05/06/2015	retrieving Vector files from CBB http site; emails to Counsel [REDACTED] email to Clover.	0.60	\$210.00	\$126.00
Thur	05/07/2015	interview with Smith and counsel; meeting with counsel.	2.50	\$210.00	\$525.00
Fri	05/08/2015	emails with counsel [REDACTED] t/c with counsel and Jls.	1.10	\$210.00	\$231.00
Mon	05/11/2015	[REDACTED] analyze spreadsheet [REDACTED] t/c to John Citrullo at CIBC re:outstanding backup for [REDACTED] emails to counsel [REDACTED] t/c with counsel [REDACTED] email to UK [REDACTED] [REDACTED] discussion with BLI re:Allied Wallet [REDACTED]	5.70	\$210.00	\$1,197.00
Tues	05/12/2015	t/c with Paul Appleton [REDACTED]; emails to PGE and counsel [REDACTED] review and analyze Vector Card Services data, memo to file review Aramor receipts, [REDACTED] email to Appleton [REDACTED]	6.10	\$210.00	\$1,281.00
Wed	05/13/2015	emails to STP re:contracts, emails to counsel [REDACTED]; various emails to counsel [REDACTED]	1.60	\$210.00	\$336.00
Thur	05/14/2015	Meeting with Smith and counsel; [REDACTED] finalize memo on [REDACTED]	4.20	\$210.00	\$882.00
Fri	05/15/2015	Email to Jls [REDACTED] review of Allied Wallet memo; finalize MGI statement of Assets and Liabilities, email to Jls [REDACTED]	2.90	\$210.00	\$609.00
Wed	05/20/2015	Meeting with counsel; [REDACTED]	2.70	\$210.00	\$567.00

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Gillian Goldblatt (GGO)					
Thur	05/21/2015	[REDACTED] t/c with PGE [REDACTED]; update from JAI on document summary and watermarking; advise banking re: term deposits; begin review of STP transactional listing and [REDACTED]	4.40	\$210.00	\$924.00
Fri	05/22/2015	review of Payza documentation received, email to counsel re: same; fax copies of orders to CRA; [REDACTED]	3.90	\$210.00	\$819.00
Mon	05/25/2015	[REDACTED] upload documentation to FTP site.	2.00	\$210.00	\$420.00
Tues	05/26/2015	Upload CIBC files to CBB FTP site; t/c with counsel [REDACTED]	0.50	\$210.00	\$105.00
Wed	05/27/2015	Finalize [REDACTED]; review CIBC account and credit card summaries and pull backup; t/c with counsel [REDACTED]	4.00	\$210.00	\$840.00
Fri	05/29/2015	Continued examination of Maxwell Morgan; review of TD docs.	4.00	\$210.00	\$840.00
Gillian Goldblatt (GGO)			568.55		\$119,345.50
Harvey S. Lipman (HLI)					
Thur	01/15/2015	[REDACTED]	0.10	\$575.00	\$57.50
Mon	02/23/2015	[REDACTED]	0.10	\$575.00	\$57.50
Fri	03/20/2015	To file review with Gillian Goldblatt [REDACTED]	0.40	\$575.00	\$230.00
Thur	04/23/2015	[REDACTED]	0.10	\$575.00	\$57.50
Thur	05/07/2015	[REDACTED]	0.20	\$575.00	\$115.00
Harvey S. Lipman (HLI)			0.90		\$517.50
Inga Friptuleac (IFR)					
Mon	09/22/2014	B/A Set up; Deposit	0.40	\$50.00	\$20.00
Mon	10/06/2014	Issuing Cheque	0.20	\$50.00	\$10.00
Tues	10/14/2014	Issuing Cheques, Deposit	1.20	\$50.00	\$60.00
Mon	11/17/2014	Issuing cheque	0.20	\$50.00	\$10.00
Fri	11/28/2014	Issuing cheque	0.20	\$50.00	\$10.00
Mon	12/01/2014	issuing cheque	0.20	\$50.00	\$10.00
Mon	01/05/2015	Issuing cheque	0.20	\$50.00	\$10.00
Mon	01/12/2015	Issuing Cheque	0.20	\$50.00	\$10.00
Mon	01/26/2015	Deposit; Issuing cheques	0.40	\$50.00	\$20.00
Tues	02/03/2015	Issuing cheques	0.60	\$50.00	\$30.00
Mon	02/09/2015	Deposits; B/A set up	0.60	\$50.00	\$30.00
Tues	02/17/2015	Preparing Deposit	0.20	\$50.00	\$10.00
Wed	03/04/2015	Deposit; Issuing cheques	0.40	\$50.00	\$20.00
Mon	03/09/2015	Issuing cheque	0.20	\$50.00	\$10.00
Mon	04/13/2015	Deposit	0.20	\$50.00	\$10.00
Mon	04/20/2015	Issuing cheque	0.20	\$50.00	\$10.00
Mon	05/04/2015	Issuing cheques	0.40	\$50.00	\$20.00
Inga Friptuleac (IFR)			6.00		\$300.00
Jeff Adiken (JAD)					

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Jeff Adiken (JAD)					
Tues	01/20/2015	Oct 1, 2014 - cheques Oct 10, 2014 - cheques Dec 30, 2014 - cheques	0.30	\$250.00	\$75.00
Jeff Adiken (JAD)			<u>0.30</u>		<u>\$75.00</u>
Jeremy F. Adiken (JAI)					
Mon	03/09/2015	Attend 1376 Bayview Ave with Gillian Goldblatt to conduct thorough inventory listing of assets currently on site. Returned to office to complete inventory listing, upload and rename all photos to correspond with listing and [REDACTED] [REDACTED] [REDACTED] Reviewed with Gillian Goldblatt [REDACTED] Advised Mr. Burnett has left the office.	7.00	\$105.00	\$735.00
Fri	04/10/2015	Looked into software prices and cost for iBlaze Summation, contacted Accessdata and CDW Canada for quotes. Discussions with Gillian Goldblatt on best way to index files.	1.00	\$105.00	\$105.00
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	\$105.00	\$420.00
Wed	04/15/2015	Begin cataloguing and watermarking Smith Examination information.	6.50	\$105.00	\$682.50
Fri	04/17/2015	Calls with Ruben from Accessdata Houston to discuss Summation iBlaze pricing and software options. Calls with Luke Andrews from CDW Canada to determine if Spergel could order from them.	1.20	\$105.00	\$126.00
Mon	04/20/2015	Cataloging all documents as per court order directive.	3.50	\$105.00	\$367.50
Tues	04/21/2015	Cataloging all documents as per court order directive.	3.50	\$105.00	\$367.50
Wed	04/22/2015	Cataloging all documents as per court order directive.	4.30	\$105.00	\$451.50
Thur	04/23/2015	Cataloging all documents as per court order directive.	5.50	\$105.00	\$577.50
Fri	04/24/2015	Cataloging all documents as per court order directive.	5.70	\$105.00	\$598.50
Wed	04/29/2015	Watermarking and cataloging all documents as per court order.	4.50	\$105.00	\$472.50
Thur	04/30/2015	Watermarking and cataloging all documents as per court order.	7.00	\$105.00	\$735.00
Mon	05/04/2015	Continued to watermark and catalog all documents, assistance with adding more documents to the folder.	3.50	\$105.00	\$367.50
Tues	05/05/2015	Continued to watermark and catalog all documents, assistance with adding more documents to the folder.	6.50	\$105.00	\$682.50
Thur	05/07/2015	Continued to watermark and catalog all documents, assistance with adding more documents to the folder.	4.50	\$105.00	\$472.50
Fri	05/08/2015	Continued to watermark and catalog all documents, assistance with adding more documents to the folder.	3.00	\$105.00	\$315.00
Tues	05/19/2015	Continued to watermark and catalog all documents, assistance with adding more documents to the folder.	4.40	\$105.00	\$462.00
Wed	05/20/2015	Continued to watermark and catalog all documents, assistance with adding more documents to the folder.	4.50	\$105.00	\$472.50
Thur	05/21/2015	Finished cataloging all documents, assistance with adding more documents to the folder, performed final sweep to ensure everything was marked.	5.00	\$105.00	\$525.00
Wed	05/27/2015	Composition of document detailing [REDACTED] [REDACTED]	0.75	\$105.00	\$78.75
Jeremy F. Adiken (JAI)			<u>85.85</u>		<u>\$9,014.25</u>
Philip H. Gennis (PGE)					
Mon	06/09/2014	Numerous emails with Rubin & Partners; review of documents and liaise with Counsel; several i/c with Paul Appleton; email to UK Liquidator; i/c with UK Liquidator.	7.00	\$575.00	\$4,025.00
Tues	06/10/2014	i/c with Paul Appleton	0.25	\$575.00	\$143.75

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Philip H. Gennis (PGE)					
Wed	06/11/2014	t/c with Paul Appleton; email to Counsel.	0.25	\$575.00	\$143.75
Mon	06/16/2014	Conference Call with Paul Appleton and Counsel	1.25	\$575.00	\$718.75
Fri	06/20/2014	Conference Call with UK Liquidator and Counsel.	1.00	\$575.00	\$575.00
Thur	07/03/2014	Conference call with UK; receipt and review of memo from Counsel	1.00	\$575.00	\$575.00
Wed	07/09/2014	Review Draft Affidavit and Orders	5.57	\$575.00	\$3,202.50
Thur	07/10/2014	Review of re-drafted court materials.	1.25	\$575.00	\$718.75
Mon	07/14/2014	Conference call with Counsel and joint liquidators.	0.30	\$575.00	\$172.50
Tues	07/15/2014	Finish draft of Media Notice; review memorandum listing outstanding matters.	1.00	\$575.00	\$575.00
Mon	07/28/2014	Conference call with joint liquidators and with Counsel	0.50	\$575.00	\$287.50
Tues	07/29/2014	Receipt and review of draft affidavit and revised orders.	1.25	\$575.00	\$718.75
Tues	08/05/2014	Conference Call with UK	0.50	\$575.00	\$287.50
Mon	08/11/2014	t/c with Counsel [REDACTED]	0.50	\$495.00	\$247.50
Mon	08/18/2014	Review final draft orders; review Factum.	2.50	\$575.00	\$1,437.50
Mon	08/18/2014	Email from Counsel; review of draft Fictum.	1.25	\$575.00	\$718.75
Tues	08/19/2014	Email exchange with Joint Liquidators and with Counsel; finalizing URL for court order	1.00	\$575.00	\$575.00
Wed	08/20/2014	Meeting with staff to [REDACTED] final revisions to URL document posting; t/c with Counsel	1.75	\$575.00	\$1,006.25
Thur	08/21/2014	t/c with David Ward; review [REDACTED] review correspondence from Harry Fogul, Counsel for Chris Smith; review e-protocol website.	1.00	\$575.00	\$575.00
Fri	08/22/2014	Court attendance	3.50	\$575.00	\$2,012.50
Sat	08/23/2014	Email exchange with Counsel and with Paul Appleton [REDACTED]	0.50	\$575.00	\$287.50
Sun	08/24/2014	Emails to IT staff to ensure appropriate postings to dedicated BBIL website; review of proposed advertisements.	0.50	\$575.00	\$287.50
Mon	08/25/2014	Email exchange with Paul Appleton [REDACTED] emails from Counsel [REDACTED] consider [REDACTED]	0.50	\$575.00	\$287.50
Tues	08/26/2014	Email from Counsel; telephone discussion with Paul Cooper [REDACTED] email from Paul Cooper [REDACTED]	0.75	\$575.00	\$431.25
Wed	08/27/2014	Review of Agenda; Conference Call with Joint Liquidators and Counsel; telephone discussion with Counsel.	1.50	\$575.00	\$862.50
Mon	09/01/2014	Email exchange with office of Joint Liquidators; preliminary review of attached documentation; telephone discussion with Paul Appleton; telephone discussion with Paul Cooper [REDACTED] email exchange with Paul Cooper.	1.75	\$575.00	\$1,006.25
Tues	09/02/2014	Meeting with Gillian Goldblatt regarding [REDACTED] discussion with Paul Appleton [REDACTED]	0.50	\$575.00	\$287.50
Tues	09/02/2014	Email to Paul Appleton.	0.10	\$575.00	\$57.50
Wed	09/03/2014	Internet tracking; telephone discussion with Counsel.	0.50	\$575.00	\$287.50
Wed	09/03/2014	Telephone discussion with David Ward; telephone discussion with Paul Cooper; telephone discussion with Paul Appleton; review of documentation provided by Adam Sharma; [REDACTED]	0.75	\$575.00	\$431.25

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Phillip H. Gennis (PGE)					
Wed	09/03/2014	[REDACTED] email to Counsel.	2.50	\$575.00	\$1,437.50
Thur	09/04/2014	Receipt and review of Crown Law seizure orders; telephone discussion with Crown law office; email exchange with Counsel and Joint Liquidators; [REDACTED] from Joint Liquidators	2.00	\$575.00	\$1,150.00
Thur	09/04/2014	Email exchange with Joint Liquidator regarding [REDACTED]; telephone discussion with David Ward; receipt and review of [REDACTED] from Joint Liquidators;	1.25	\$575.00	\$718.75
Fri	09/05/2014	Email exchange with Crown law office; receipt and review of affidavits provided by the Crown; [REDACTED]; email exchange with Counsel;	1.75	\$575.00	\$1,006.25
Fri	09/05/2014	Telephone calls from creditors in the UK and Ireland; telephone discussion [REDACTED]	0.65	\$575.00	\$373.75
Fri	09/05/2014	Receipt and review of email from Joint Liquidators [REDACTED]; email from Counsel [REDACTED]; telephone discussion with Counsel	0.75	\$575.00	\$431.25
Sat	09/06/2014	[REDACTED] memo to Gillian Goldblatt	2.50	\$575.00	\$1,437.50
Mon	09/08/2014	Conference call with Counsel and Joint Liquidators	1.15	\$575.00	\$661.25
Tues	09/09/2014	Conference call with Counsel for the Receiver and criminal counsel for Smith and Dixit, [REDACTED]	4.50	\$575.00	\$2,587.50
Wed	09/10/2014	Attendance at Commercial Court; [REDACTED] meeting at Cassels Brock [REDACTED]; conference call with Joint Liquidators; execution of letters to financial institutions and related parties.	4.25	\$575.00	\$2,443.75
Thur	09/11/2014	Conference call with Joint Liquidators; meeting with Receiver's Counsel and Counsel for Christopher Smith; execution and transmittal of letters to financial institutions; telephone conversation with Paul Appleton; email exchange with Counsel and Joint Liquidators; numerous telephone discussions and emails with and from BBIL clients responding to advertisement.	2.25	\$575.00	\$1,293.75
Thur	09/11/2014	Telephone discussion with Counsel for CIBC.	0.50	\$575.00	\$287.50
Fri	09/12/2014	Conference call with Joint Liquidators.	0.50	\$575.00	\$287.50
Sat	09/13/2014	Email exchange between Counsel, Receiver and Joint Liquidators; instructing GG regard [REDACTED]; telephone discussions with representatives of Scotiabank and CIBC; telephone discussion with Crown law office; telephone discussion with Counsel (From September 12th).	1.35	\$575.00	\$776.25
Sun	09/14/2014	Receipt and review of draft Order [REDACTED]	0.75	\$575.00	\$431.25
Mon	09/15/2014	Email exchanges with Joint Liquidators and with Counsel; email exchange with Meridien Credit Union.	0.25	\$575.00	\$143.75
Mon	09/15/2014	[REDACTED]	0.50	\$575.00	\$287.50
Tues	09/16/2014	Miscellaneous email exchanges in response to advertisements; telephone discussion with Counsel; execution of records and property demands; email exchange with Counsel and joint liquidators; receipt and review of correspondence from Counsel for Receiver to Aird & Berlis.	1.50	\$575.00	\$862.50
Tues	09/16/2014	Conference call with UK, IOM and Counsel; subsequent telephone conference with Counsel [REDACTED]	1.00	\$575.00	\$575.00

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Philip H. Gennis (PGE)					
Wed	09/17/2014	Telephone discussion with Paul Appleton; lengthy email from Paul Appleton [REDACTED]; telephone discussion with SBC; telephone discussion with TD Legal; telephone discussion with CI group at Scotiabank; correspondence from Oak Financial; correspondence from Shinhan bank; email to Crown law office; review of emails from Miles Benham; review of re-drafted Order on Smith examination.	2.50	\$575.00	\$1,437.50
Thur	09/18/2014	Lengthy Email to Tartis Law in Greece.	0.75	\$575.00	\$431.25
Thur	09/18/2014	Review of email from Tartis Law; response to email.	0.25	\$575.00	\$143.75
Thur	09/18/2014	Lengthy telephone call with Crown law Office and Counsel; subsequent telephone discussion with Counsel.	1.75	\$575.00	\$1,006.25
Thur	09/18/2014	Review memorandum from CB [REDACTED] review of [REDACTED] Review of [REDACTED] Conference Call with the UK.	1.25	\$575.00	\$718.75
Fri	09/19/2014	Telephone discussion with Paul Appleton; receipt and review of memorandum from CB; telephone discussion with David Ward regarding [REDACTED]; receipt and review of responses from a number of financial institutions; further research into [REDACTED] several emails to and from Counsel and other stakeholders	2.25	\$575.00	\$1,293.75
Sat	09/20/2014	Review and revise [REDACTED] email exchange with off-shore investigator.	1.25	\$575.00	\$718.75
Mon	09/22/2014	Email exchange with UK and Counsel; review of subsequent [REDACTED]	1.75	\$575.00	\$1,006.25
Tues	09/23/2014	Email exchange with Counsel and Joint Liquidators; telephone discussion with Paul Appleton; telephone discussion with Counsel; review of [REDACTED] telephone discussion with Crown law office; review of subsequent [REDACTED] correspondence to World eWallet; telephone discussion with RBC; correspondence from BMO	2.65	\$575.00	\$1,523.75
Tues	09/23/2014	Review of re-draft of [REDACTED] email exchange with Counsel and Joint Liquidators; review of draft Order [REDACTED]	1.75	\$575.00	\$1,006.25
Wed	09/24/2014	Receipt and review of responses from financial institutions.	0.75	\$575.00	\$431.25
Wed	09/24/2014	Conference call with Joint Liquidators;	1.25	\$575.00	\$718.75
Fri	09/26/2014	Review of [REDACTED] email exchange with JL's and Counsel; email exchange with financial institutions in response to enquiries;	1.35	\$575.00	\$776.25
Mon	09/29/2014	Email exchange with JLs and Counsel; receipt and review of additional documentation from Adam Sharma via David Ward; receipt of correspondence from UBS Bank; return correspondence to UBS; email communication with Alterna Bank; numerous emails and telephone calls with financial institutions and payment processors; email to Crown Law Office; receipt of correspondence from CB to Aird & Berlis; receipt of correspondence from Harry Fogut; telephone discussion with Counsel; review and finalize invoice for period ending September 26, 2014; follow-up emails to financial institutions;	2.75	\$575.00	\$1,581.25
Tues	09/30/2014	Conference call with JLs, [REDACTED] review of responses from financial institutions; telephone discussion with Counsel;	1.35	\$575.00	\$776.25

Wed	10/01/2014	Final review and execution of Report to Court.	1.25	\$575.00	\$718.75
Thur	10/02/2014	Meeting at Cassels Brock with Joint Liquidators and counsel.	8.00	\$575.00	\$4,600.00
Fri	10/03/2014	Telephone discussion with Adzerk, internet provider for BBIL.	0.50	\$575.00	\$287.50

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Philip H. Gennis (PGE)					
Mon	10/06/2014	Conference call with UK and Counsel; email exchanges with Joint Liquidators; review of correspondence with Cliksoe (Yesup); responses to creditor enquiries; correspondence to Aramor and Alert Pay Inc.	1.25	\$575.00	\$718.75
Tues	10/07/2014	Review of correspondence to Alert Pay Inc., review of [REDACTED] email exchange with Joint Liquidators; email responses to BBIL claimants; internal discussions regarding [REDACTED] email to Crown law office; review of lengthy email from Counsel	1.75	\$575.00	\$1,006.25
Thur	10/09/2014	Receipt and review of Factum for October 15th motion.	1.25	\$575.00	\$718.75
Fri	10/10/2014	Receipt and review of additional responses from financial institutions and payment processors; email from Joint Liquidators with attachments;	1.25	\$575.00	\$718.75
Tues	10/14/2014	Email exchange with Counsel; email exchange with Joint Liquidators; conference call with Counsel and Joint Liquidators; Review of Report [REDACTED]	2.25	\$575.00	\$1,293.75
Wed	10/15/2014	Court attendance; conference call with Joint Liquidators; receipt and review of endorsement of Justice Newbould; email exchanges with Counsel and with Joint Liquidators; receipt and review of email correspondence from Crown law office; receipt and execution of Acknowledgement and Direction with respect to the registration of CPL.	4.00	\$575.00	\$2,300.00
Thur	10/16/2014	Conference call with Counsel and Joint Liquidators; review of production orders; teleconference with Receiver's Counsel; [REDACTED]	5.00	\$575.00	\$2,875.00
Fri	10/17/2014	[REDACTED] email exchange with Counsel; receipt and review of letters from CB to Aird & Berllis	1.75	\$575.00	\$1,006.25
Mon	10/20/2014	emails with Counsel and Joint Liquidators.	0.50	\$575.00	\$287.50
Tues	10/21/2014	emails with Counsel and Joint Liquidators; t/c with GGO [REDACTED]	0.75	\$575.00	\$431.25
Wed	10/22/2014	emails with Counsel and Joint Liquidators.	0.50	\$575.00	\$287.50
Thur	10/23/2014	emails with Counsel and Joint Liquidators; t/c with GGO [REDACTED]	0.75	\$575.00	\$431.25
Fri	10/24/2014	emails with Counsel and Joint Liquidators; t/c with GGO [REDACTED]	0.50	\$575.00	\$287.50
Fri	10/24/2014	t/c with Counsel.	1.50	\$575.00	\$862.50
Mon	10/27/2014	t/c with GGO and Counsel.	1.25	\$575.00	\$718.75
Tues	10/28/2014	respond to emails.	0.50	\$575.00	\$287.50
Wed	10/29/2014	respond to emails.	0.50	\$575.00	\$287.50
Thur	10/30/2014	respond to emails.	0.50	\$575.00	\$287.50
Mon	11/03/2014	Email exchanges with Joint Liquidators and Counsel; review of documentary materials provided	0.75	\$575.00	\$431.25
Tues	11/04/2014	Review of materials provided in response to demands; email exchange with Joint Liquidators and Counsel.	1.25	\$575.00	\$718.75

Thur	11/06/2014	Weekly conference call; meeting at Aird & Berlis.	3.50	\$575.00	\$2,012.50
Fri	11/07/2014	Telephone call with Counsel; telephone call with joint liquidators; review of documentation provided by TD Bank and Use My Services.	1.50	\$575.00	\$862.50
Mon	11/10/2014	Telephone discussion with Counsel for BMO; review of creditor emails; [REDACTED]	1.25	\$575.00	\$718.75
Tues	11/11/2014	Review of letters to BNS, Via Bank, Choice Bank and Bateman; email exchange with JL and Counsel; telephone discussion with Counsel	1.25	\$575.00	\$718.75

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Phillip H. Gennis (PGE)					
Wed	11/12/2014	Email exchange with Counsel; telephone discussion with Counsel; telephone discussion with Wells Fargo Cdn Risk Officer; telephone discussion with Counsel for RBC; [REDACTED]	0.50	\$575.00	\$287.50
Wed	11/12/2014	Email exchange with Joint Liquidators; email exchange with Counsel [REDACTED]; liase with GG regarding various file matters; review of Digital documents	1.75	\$575.00	\$1,006.25
Fri	11/14/2014	Preliminary review of STP documents; email exchange with Choice Bank.	1.50	\$575.00	\$862.50
Mon	11/17/2014	Review Analysis of SPT documents prior to distribution; email exchange with JL and with Counsel	1.50	\$575.00	\$862.50
Wed	11/19/2014	Conference call with Counsel regarding [REDACTED]; email exchange with Counsel	0.75	\$575.00	\$431.25
Mon	11/24/2014	Email exchanges with Counsel and with Joint Liquidators; telephone discussion with Counsel;	1.25	\$575.00	\$718.75
Wed	11/26/2014	t/c with Counsel; email exchanges with Counsel and Joint Liquidators [REDACTED]; review of memoranda from Joint Liquidators.	2.50	\$575.00	\$1,437.50
Thur	11/27/2014	Email exchange with Counsel; review attachments; telephone discussion with Counsel;	1.00	\$575.00	\$575.00
Fri	11/28/2014	Document Review related to [REDACTED]	3.50	\$575.00	\$2,012.50
Fri	11/28/2014	Preparation for interviews; telephone discussion with Counsel and Paul Appleton	0.75	\$575.00	\$431.25
Sat	11/29/2014	Preparation for Interviews.	5.00	\$575.00	\$2,875.00
Mon	12/01/2014	Attend interview of Rajiv Dixit; meeting with Counsle and Joint Liquidators.	9.00	\$575.00	\$5,175.00
Tues	12/02/2014	Interviews with Kuldeep Josun and John Rock; lengthy discussions with the Joint Liquidators and Counsel.	9.00	\$575.00	\$5,175.00
Wed	12/03/2014	Interview with Christopher Smith; lengthy discussions with Joint Liquidators and Counsel.	11.00	\$575.00	\$6,325.00
Thur	12/04/2014	Attend interview of Chris Smith (continued); meeting with joint liquidators and Counsel.	10.00	\$575.00	\$5,750.00
Fri	12/05/2014	Receipt of correspondence from Aitchison Law Office regarding 5 Carlow Court properly; telephone discussion with David Ward; instructing GG [REDACTED]	0.75	\$575.00	\$431.25
Mon	12/08/2014	Review Memo [REDACTED]	1.20	\$575.00	\$690.00
Tues	12/09/2014	Conference call with Counsel [REDACTED]; review of [REDACTED]; email exchange with lawyers for Rajiv Dixit [REDACTED]	2.60	\$575.00	\$1,495.00
Fri	12/12/2014	Conference call with Joint Liquidators; receipt and review of emails from Joint Liquidators; internal discussions with GG regarding [REDACTED]; telephone discussion with Counsel	1.50	\$575.00	\$862.50

Thur	12/18/2014	Telephone discussions with RBC Corporate Securities Department; email exchange with Joint Liquidators; email communication with lawyers for Rajiv Dixit; telephone discussion with Counsel.	1.25	\$575.00	\$718.75
Tues	12/23/2014	Review of answers to undertaking supplied by Aird & Bertis.	1.50	\$575.00	\$862.50
Mon	01/05/2015	Review of email [REDACTED];	0.50	\$575.00	\$287.50
Tues	01/06/2015	Telephone discussion with David Ward; emails with Counsel.	0.50	\$575.00	\$287.50
Wed	01/07/2015	Conference call with Counsel and Joint Liquidators; [REDACTED] various emails.	1.00	\$575.00	\$575.00
Thur	01/08/2015	Telephone discussion with Counsel; conference call with Counsel and Joint Liquidators; email exchanges [REDACTED]	1.50	\$575.00	\$862.50

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MSGG - Detailed Time Dockets

Printed on: 6/22/2015

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Philip H. Gennis (PGE)					
Fri	01/09/2015	[REDACTED] Attendance to signature.	1.00	\$575.00	\$575.00
Mon	01/12/2015	[REDACTED]; review correspondence from Crown Attorney; telephone discussion with Counsel	0.80	\$575.00	\$460.00
Wed	01/14/2015	Attendance before His Honour Justice Newbould.	1.25	\$575.00	\$718.75
Wed	01/14/2015	Letters further to Newbould Order.	0.75	\$575.00	\$431.25
Thur	01/15/2015	Email exchanges with Counsel and Joint Liquidators;	0.75	\$575.00	\$431.25
Fri	01/16/2015	telephone discussion with Joint Liquidator; telephone discussion with Counsel; review of email correspondence regarding Allied Wallet.	1.00	\$575.00	\$575.00
Mon	01/19/2015	Meeting with Counsel and representative of Via Bank.	1.50	\$575.00	\$862.50
Wed	01/21/2015	telephone discussion with Counsel; internal meeting with GG;	1.25	\$495.00	\$618.75
Thur	01/22/2015	Telephone discussion with Larry Kelly; telephone discussion with GG	0.50	\$575.00	\$287.50
Fri	01/23/2015	Receipt and review of email from Larry Kelly regarding [REDACTED]	0.75	\$575.00	\$431.25
Mon	01/26/2015	Telephone discussions with Counsel; email to Counsel for Stellar and Dixit Holdings; email from Via Bank; email to Counsel for UseMy Services; finalize letter to Via Bank;	1.00	\$575.00	\$575.00
Mon	01/26/2015	General	0.50	\$575.00	\$287.50
Wed	01/28/2015	Conference call with Counsel and Joint Liquidators regarding [REDACTED]; review of email communication to joint liquidators.	1.50	\$575.00	\$862.50
Thur	01/29/2015	Discussions with GG; [REDACTED]	1.25	\$575.00	\$718.75
Mon	02/02/2015	Telephone discussion with David Ward; telephone discussion with GG [REDACTED]	0.75	\$575.00	\$431.25
Tues	02/03/2015	Conference call with JLS; telephone conference with Counsel.	0.75	\$575.00	\$431.25
Thur	02/05/2015	[REDACTED] telephone discussion with GG; receipt and review of [REDACTED] telephone discussion with Counsel;	2.50	\$575.00	\$1,437.50
Tues	02/17/2015	Conference call with JLS; telephone discussion with Counsel for Receiver.	1.00	\$575.00	\$575.00
Wed	02/18/2015	Legthy meeting with Counsel; discussions with GG.	3.50	\$575.00	\$2,012.50
Fri	02/20/2015	Review of [REDACTED]; conference call with Counsel and JL; teleconference with Counsel.	2.50	\$575.00	\$1,437.50
Wed	03/04/2015	[REDACTED] at Cassels Brock.	2.00	\$575.00	\$1,150.00
Thur	03/05/2015	Email exchange with JLS and Counsel; telephone discussion with Counsel	0.75	\$575.00	\$431.25
Fri	03/06/2015	Telephone discussion with Counsel	1.00	\$575.00	\$575.00

Fri	03/13/2015	t/c with counsel and JLS; emails to counsel, JLS, and GGO; t/c with GGO [REDACTED]	1.25	\$575.00	\$718.75
Mon	03/16/2015	Review and edit [REDACTED] review of non-disclosure order and discussion with GG and Counsel [REDACTED]	1.00	\$575.00	\$575.00
Tues	03/17/2015	[REDACTED]	2.50	\$575.00	\$1,437.50
Wed	03/18/2015	Attend meetings at Cassels Brock	4.00	\$575.00	\$2,300.00
Thur	03/19/2015	Conference call with Via Bank; conference call with JLS; [REDACTED]	1.00	\$575.00	\$575.00
Thur	03/19/2015	Telephone discussion with Counsel [REDACTED] telephone meeting with GG regarding [REDACTED] discussion with DW regarding [REDACTED]	1.25	\$575.00	\$718.75
Thur	03/19/2015	Review of [REDACTED] cataloguing emails; brief meeting with GG regarding [REDACTED]	1.00	\$575.00	\$575.00

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Filters Used:

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Philip H. Gennis (PGE)					
Fri	03/20/2015	telcon with counsel; telcon with Counsel and Cayman liquidators and telcon with JLS.	1.00	\$575.00	\$575.00
Tues	03/24/2015	Miscellaneous emails and meeting with JLS and Cayman Liquidators.	1.00	\$575.00	\$575.00
Wed	04/01/2015	Meeting with Counsel and Chris Smith.	3.00	\$575.00	\$1,725.00
Wed	04/08/2015	Telephone discussion with Counsel; meeting with Counsel; meeting with Chris Smith and his counsel; email exchanges with JLS.	4.00	\$575.00	\$2,300.00
Thur	04/09/2015	Email exchange with GG; email exchange with PA; email exchange and telephone discussion with realtor; telephone discussion with Counsel [REDACTED]	1.25	\$575.00	\$718.75
Mon	04/13/2015	Meeting with Counsel; examination of Maxwell Johnson; telephone discussion with realtor regarding Bayview property.	4.50	\$575.00	\$2,587.50
Wed	04/15/2015	Email exchange with Counsel; telephone discussion with Counsel; brief meeting with GG.	1.00	\$575.00	\$575.00
Thur	04/16/2015	Email exchange with Counsel; internal discussion with GG.	1.00	\$575.00	\$575.00
Mon	04/20/2015	Email exchanges with stakeholders; receipt and review of executed NDA with Allied Wallet; meeting with GG regarding [REDACTED]; telephone discussion with Larry Ellis at CB.	1.00	\$575.00	\$575.00
Mon	04/20/2015	Review of NDA with Allied Wallet; meeting with GG; email exchanges with various stakeholders; telephone discussion with Counsel	1.00	\$575.00	\$575.00
Tues	04/21/2015	Attendance at examinations of Lorenzo Guarini and Kathy Stinson; [REDACTED]	8.00	\$575.00	\$4,600.00
Wed	04/22/2015	Meeting with Smith and counsel, discussions with counsel [REDACTED]	2.00	\$575.00	\$1,150.00
Thur	04/23/2015	Review memo [REDACTED] review [REDACTED]	1.25	\$575.00	\$718.75
Mon	04/27/2015	telephone discussion with realtor; email exchange with Joint Liquidators; email exchange with Counsel.	0.50	\$575.00	\$287.50
Tues	04/28/2015	Email exchanges with Joint Liquidators; email exchange with Counsel; telephone discussion with Counsel [REDACTED]	1.50	\$575.00	\$862.50
Wed	04/29/2015	Attend examination of Stephanie Schlack; [REDACTED] emails from joint liquidators; telephone discussion with clover	7.00	\$575.00	\$4,025.00

liquidators; telephone discussion with crown attorney; telephone discussion with Counsel for Chris Smith.

Thur	04/30/2015	Attend interview with Chris Smith; meeting with Counsel; [REDACTED] [REDACTED] email exchanges with Counsel and joint liquidators	4.00	\$575.00	\$2,300.00
Fri	05/01/2015	Attend meeting at Cassels Brock; telephone discussion with Via Bank; email exchanges with Joint Liquidators on a variety of subjects	3.00	\$575.00	\$1,725.00
Fri	05/08/2015	Weekly conference call; telephone discussion with Counsel.	1.00	\$575.00	\$575.00
Tues	05/19/2015	Review of transcripts.	2.50	\$575.00	\$1,437.50
Thur	05/21/2015	Telephone discussion with Dan Gilchrist; telephone discussion with DH regarding leases.; receipt and review of Offer to Purchase Bayview property; conference call with HF and LE conference call with realtors.	1.50	\$575.00	\$862.50
Mon	05/25/2015	Telephone discussion with Counsel for Chris Smith.	0.25	\$575.00	\$143.75
Tues	05/26/2015	Review of offers on Bayview property; email from realtor.	0.20	\$575.00	\$115.00

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File ID: AABBL-R: to AABBL-R:

MSGG - Detailed Time Dockets

Printed on: 6/22/2015

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Philip H. Gennis (PGE)					
Thur	05/28/2015	[REDACTED] at CB; email exchange regarding Bayview Offer; email exchange with Counsel; email report on [REDACTED]	3.75	\$575.00	\$2,156.25
Fri	05/29/2015	Attendance at continuing examination of Maxwell Morgan.	3.00	\$575.00	\$1,725.00
Philip H. Gennis (PGE)			307.45		\$177,258.75
Shenaz Tolat (STO)					
Thur	03/19/2015	Making photocopies, creating pdfs and relabelling file names for CIBC Statements as requested by Gillian Goldblatt.	4.00	\$50.00	\$200.00
Shenaz Tolat (STO)			4.00		\$200.00
Total for File ID AABBL-R:			1,071.35		\$334,196.50
Grand Total:			1,071.35		\$334,196.50

Tab N

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)

AFFIDAVIT OF LARRY ELLIS
(sworn July 28, 2015)

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

1 I am a lawyer with Cassels Brock & Blackwell LLP ("**Cassels**"), counsel to the applicant, msi Spergel, Inc. in its capacity as court-appointed receiver of Banners Broker International Limited ("**BBIL**") and court-appointed investigatory receiver of certain entities affiliated with BBIL and its principals. As such, I have knowledge of the matters to which I depose except where stated to be on information and belief, and where so stated, I verily believe it to be true

2 On August 22, 2014, the Honourable Madam Justice Matheson issued an Order appointing msi Spergel, Inc. as the Receiver of all of the assets, undertakings and properties of BBIL.

3 Between August 28, 2014 and May 31, 2015, Cassels charged fees and
disbursements in the aggregate amount of \$649,730.05 plus applicable Harmonized Sales
Tax. Attached as **Exhibit "A"** are true copies of these invoices.

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


5 Further, attached as **Exhibit "C"** is a summary of each invoice together with a
calculation of the average hourly billing rates for the lawyers whose services are reflected
thereon. The average hourly billed rate for this period of the engagement is \$580.86.

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

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

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario, on
the 28th day of July, 2015.


Commissioner for Taking Affidavits


LARRY ELLIS

This is **Exhibit "A"** referred to in the affidavit of **LARRY ELLIS** sworn before me in the City of Toronto, in the Province of Ontario, this 28th day of July, 2015.


.....
A Commissioner For Taking Affidavits

EXHIBIT "A"

True Copy of Invoices issued by Cassels to Receiver.

See attached.



CASSELS BROCK

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

Date: 09/29/14
Our File #: 045803-00002
Invoice #: 1944604
HST/GST #: R121379572

Re: Application of Miles Andrew Benham and Paul Robert Appleton, in their capacity as Joint Liquidators of Banners Broker International Limited, under Part XIII of the *Bankruptcy and Insolvency Act* (Cross-Border Insolvencies), Court File No. CV-14-10663-00CL

TO PROFESSIONAL SERVICES RENDERED for the period August 28, 2014 to September 26, 2014.

Date		Description	Hours
09/02/14	RDK	Meeting and discussion with David Ward; receive instructions; review file material; research regarding [REDACTED] research including WestlawNext.	3.20
09/03/14	RDK	Research including WestlawNext.	2.00
09/04/14	RDK	Research including WestlawNext; preparation of memorandum to David Ward; preparation of cases regarding memorandum; review and revise memorandum to David Ward.	3.20
09/05/14	RDK	Review [REDACTED] review correspondence; research including WestlawNext; preparation of cases regarding memorandum; meeting and discussion with David Ward; receive further instructions.	2.40
09/08/14	RDK	Review and revise memorandum to David Ward; research including WestlawNext.	2.50

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

Cassels Brock & Blackwell LLP

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



-2-

Date		Description	Hours
09/09/14	RDK	Research including WestlawNext; meeting and discussion with David Ward; research including research on [REDACTED] [REDACTED]	2.20
09/10/14	RDK	Preparation of memorandum to David Ward; preparation of case law material regarding memorandum.	1.30
09/11/14	RDK	Review and revise memorandum to David Ward; research including [REDACTED] [REDACTED] [REDACTED]	3.00
09/15/14	RDK	Meeting and discussion with David Ward; research; review and revise memorandum to David Ward regarding [REDACTED] [REDACTED]	1.00
09/16/14	RDK	Review correspondence; research including WestlawNext; meeting and discussion with David Ward; review and revise memorandum to file and updated case law authorities.	3.20
09/17/14	RDK	Review and revise memorandum to David Ward; research regarding [REDACTED] research including WestlawNext; meeting and discussion with David Ward.	2.50
09/19/14	RDK	Review email from David Ward; preparation of memorandum to David Ward.	0.20

Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Robert D. Kligman, Research Partner	26.70	\$965.00	\$25,765.50
Our Fee			\$25,765.50
HST on Fees			\$3,349.52
Total Fees and Tax			\$29,115.02

Disbursements

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



-3-

Paid for photocopies and library computer searches	\$1,256.50
HST on Disbursements	\$163.35
Total Disbursements and Tax	\$1,419.85
Total Fees, Disbursements & Tax	\$ 30,534.87

This is our account herein
Cassels Brock & Blackwell LLP

David S Ward
 Larry Ellis
 E&OE

for

Outstanding Invoice Summary

<u>Invoice No.</u>	<u>Date</u>	<u>Amount</u>
1942867	Sep. 4, 2014	\$5,556.27
Total Outstanding Invoices		\$5,556.27



CASSELS BROCK
LAWYERS

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

Date: 10/31/14
Our File #: 045803-00002
Invoice #: 1946713
HST/GST #: R121379572

Re: Application of Miles Andrew Benham and Paul Robert Appleton, in their capacity as Joint Liquidators of Banners Broker International Limited, under Part XIII of the *Bankruptcy and Insolvency Act* (Cross-Border Insolvencies), Court File No. CV-14-10663-00CL

TO PROFESSIONAL SERVICES RENDERED for the period September 27, 2014 to October 30, 2014

Date		Description	Hours
10/07/14	LCE	Review communication from Receiver and consider [REDACTED] review and consider [REDACTED] [REDACTED] call to discuss [REDACTED] [REDACTED] [REDACTED]	0.50
10/16/14	NCA	Attend to filing at Commercial List Office.	0.60

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

Cassels Brock & Blackwell LLP

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



-2-

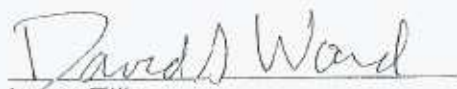
Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Larry Ellis	0.50	\$625.00	\$312.50
Nicholas Carmichael	0.60	\$175.00	\$105.00
Our Fee			\$417.50
HST on Fees			54.28
Total Fees and Tax			\$471.78

Disbursements

Paid for photocopies, delivery, travel, Court filing fees and agency fees and disbursements	\$1,117.14
HST on Disbursements	\$105.74
Total Disbursements and Tax	\$1,117.14
Total Fees, Disbursements & Tax	\$ 1,588.92

This is our account herein
Cassels Brock & Blackwell LLP


 Larry Ellis
 E&OE



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

Date: 11/28/14
Our File #: 045803-00002
Invoice #: 1948948
HST/GST #: R121379572

Re: Application of Miles Andrew Benham and Paul Robert Appleton, in their capacity as Joint Liquidators of Banners Broker International Limited, under Part XIII of the *Bankruptcy and Insolvency Act* (Cross-Border Insolvencies), Court File No. CV-14-10663-00CL

TO PROFESSIONAL SERVICES RENDERED for the period October 31, 2014 to November 27, 2014

Date		Description	Hours
11/11/14	LCE	Telephone discussions throughout the day with Receiver to discuss [REDACTED] [REDACTED] review numerous emails [REDACTED] follow up to review correspondence and [REDACTED] telephone discussion with David Ward to discuss [REDACTED]	1.10
11/12/14	LCE	Review email from Adam Shama regarding [REDACTED] [REDACTED] review emails from team on [REDACTED] [REDACTED] review draft correspondence to [REDACTED] [REDACTED]	0.50
11/14/14	LJO	Obtain subsearch and forward results regarding [REDACTED]	0.30



Date		Description	Hours
11/17/14	LCE	Review emails from Gillian Goldblatt concerning [REDACTED] [REDACTED] telephone discussions throughout the day to provide advice on [REDACTED] [REDACTED] draft language to [REDACTED] [REDACTED] telephone discussion with David Ward to [REDACTED]	1.30
11/19/14	LCE	Review update correspondence from third party and consider [REDACTED]	0.40
11/21/14	LCE	Review and consider emails with respect to [REDACTED] [REDACTED] provide request for analysis from Receiver regarding [REDACTED]	0.50

Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Larry Ellis, Financial Services Associate	3.80	\$625.00	\$2,375.00
Jane Oliveira, Real Estate Law Clerk	0.30	\$150.00	\$45.00
Our Fee			\$2,420.00
HST on Fees			\$314.60
Total Fees and Tax			\$2,734.60

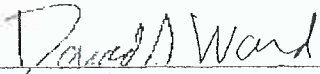
Disbursements

Paid for photocopies, binding, tabs, delivery, long distance telephone, agency fees and disbursements, courier delivery charges, title search and travel	\$2,067.62
HST on Disbursements	\$263.96



Total Disbursements and Tax	<u>\$2,331.58</u>
Total Fees, Disbursements & Tax	<u>\$ 5,066.18</u>

This is our account herein
Cassels Brock & Blackwell LLP



Larry Ellis
E&OE



CASSELS BROCK

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

Date: 12/31/14
Our File #: 045803-00002
Invoice #: 1951220
HST/GST #: R121379572

Re: **Application of Miles Andrew Benham and Paul Robert Appleton, in their Capacity as Joint Liquidators of Banners Broker International Limited, under Part XIII of the *Bankruptcy and Insolvency Act* (Cross-Border Insolvencies), Court File No. CV-14-10663-00CL**

TO PROFESSIONAL SERVICES RENDERED up to and including December 31, 2014

Date		Description	Hours
11/25/14	LJO	Subsearch and forward results regarding [REDACTED] discussion with law clerk; search of Real Estate Database to confirm ownership by certain individuals in the areas including [REDACTED] report [REDACTED]	0.70
11/25/14	ON	Receive and review instructions; conduct corporate searches on [REDACTED] forward the results for review.	0.60
11/28/14	JMARTIN	Review preliminary research from and providing additional instructions to law student.	1.80
12/01/14	DSW	Preparation for and conduct continued Rajiv Dixit interview; discussion with Jordon Oxley; meeting throughout the day with Joint Liquidator and Receiver; correspondence to Harry Fogel regarding productions from Criminal Court file;	1.80

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

Cassels Brock & Blackwell LLP

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



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Date		Description	Hours
12/03/14	JMARTIN	Review and code [REDACTED] forward [REDACTED] to msi Spergel.	0.80
12/03/14	DSW	Interview and meetings with Christopher Smith and Christopher Smith counsel team throughout the day; preparation for continued examinations of Christopher Smith; correspondence with counsel for Stephanie Schlacht; correspondence to Allied Wallet; correspondence to Harry Fogul;	1.00
12/04/14	DSW	Complete Christopher Smith examination/interview; meeting with Joint Liquidators, Receiver and Cassels team; telephone discussion and emails with Jordon Oxley; review correspondence from Mehrabi law firm;	1.40
12/11/14	RDK	Review file material; meeting and discussion with David Ward; receive instructions; research including WestLaw.	2.30
12/12/14	RDK	Research including WestLaw on [REDACTED] [REDACTED] and preparation of memorandum of advice.	2.80
12/15/14	RDK	Research including WestLaw on [REDACTED] [REDACTED] and preparation of memorandum of advice.	1.70
12/16/14	RDK	Research including WestLaw on [REDACTED] [REDACTED] and preparation of memorandum of advice.	4.20
12/17/14	RDK	Research including WestLaw on [REDACTED] [REDACTED] and preparation of memorandum of advice.	2.50
12/18/14	RDK	Research including WestLaw on [REDACTED] [REDACTED] and preparation of memorandum of advice.	0.90

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



-3-

Date		Description	Hours
12/19/14	RDK	Research including WestLaw on [REDACTED] [REDACTED] and preparation of memorandum of advice.	1.40

Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
David S. Ward, Senior Advocacy Partner	4.20	\$725.00	\$3,045.00
Jane Oliveira, Real Estate Law Clerk	0.70	\$150.00	\$105.00
Jeremy Martin, Law Student	2.60	\$390.00	\$1,014.00
Olivia D'Innocenzo, Corporate Law Clerk	0.60	\$280.00	\$168.00
Robert D. Kligman, Advocacy Partner	15.80	\$965.00	\$15,247.00
Our Fee			\$19,579.00
HST on Fees			\$2,545.27
Total Fees and Tax			\$22,124.27

Disbursements

Paid for photocopies, library computer searches, travel, long distance telephone calls, courier delivery charges, certificate of status, court reporting/official examiner fees, electronic due diligence, electronic business name search, title searches and agency fees and disbursements	\$4,346.02
Total Taxable Disbursements	
HST on Disbursements	\$490.81
Total Disbursements and Tax	\$4,836.83

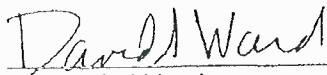
Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.



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Total Fees, Disbursements & Tax**\$ 26,961.10**

This is our account herein
Cassels Brock & Blackwell LLP



David S. Ward
E&OE



CASSELS BROCK

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

Date: 02/11/15
Our File #: 045803-00002
Invoice #: 1954658
HST/GST #: R121379572

Re: Application of Miles Andrew Benham and Paul Robert Appleton, in their Capacity as Joint Liquidators of Banners Broker International Limited, under Part XIII of the *Bankruptcy and Insolvency Act* (Cross-Border Insolvencies), Court File No. CV-14-10663-00CL

TO PROFESSIONAL SERVICES RENDERED up to and including 01/31/15

Date	Description	Hours
01/05/15 LCE	Review update from police regarding freeze order; review communications from client [REDACTED] [REDACTED] [REDACTED]	2.10
01/06/15 RDK	Meeting and discussion with David Ward;	0.20
01/06/15 LCE	Review communications from David Ward and client to consider [REDACTED] [REDACTED] telephone discussion with counsel for Christopher Smith to discuss [REDACTED] [REDACTED] [REDACTED] [REDACTED]	3.50
01/07/15 RDK	Research [REDACTED] review and revise memorandum to David Ward;	5.00

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

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Tel: 416.869.5300 Fax: 416.360.8877 www.casselsbrock.com



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Date		Description	Hours
01/07/15	LCE	Review communication from counsel for prior employee [REDACTED] [REDACTED] [REDACTED] [REDACTED]	1.50
01/08/15	RDK	Review and revise memorandum to David Ward;	0.90
01/08/15	LCE	Review communication from joint liquidator [REDACTED] [REDACTED] [REDACTED] [REDACTED] review flow of funds document in connection with associated companies; review communications [REDACTED] [REDACTED] [REDACTED] [REDACTED] review follow-up communications from counsel to Christopher Smith;	3.50
01/09/15	LCE	Telephone discussion with Counsel for Christopher Smith [REDACTED] [REDACTED] [REDACTED] meeting with David Ward to discuss and consider [REDACTED] [REDACTED] [REDACTED] meeting with David Ward to [REDACTED]; review communication from client [REDACTED]	3.20
01/12/15	LCE	Review communication [REDACTED] [REDACTED] review communication from client [REDACTED] [REDACTED] telephone discussion with counsel for Christopher Smith to discuss timing for his meeting with Christopher Smith [REDACTED] [REDACTED] review answers to undertakings and attend on follow-up call with counsel for Christopher Smith to discuss additional documents to be delivered;	1.70

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Date		Description	Hours
01/13/15	LCE	Review communication from use my services council and [REDACTED]; review communication from counsel for Allied wallet and [REDACTED]; meeting with David Ward [REDACTED]; review [REDACTED]; [REDACTED]; [REDACTED]; prepare for meeting with counsel for Christopher Smith including [REDACTED]; [REDACTED]; [REDACTED]	2.50
01/14/15	LCE	Review update regarding [REDACTED]; [REDACTED]; [REDACTED]; review letters that were sent out by client and [REDACTED]; call with counsel for Chirstopher Smith to discuss next steps including [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; review order of Ontario Superior Court Judge and review endorsement regarding today's hearing; telephone discussion with client to discuss [REDACTED]; [REDACTED]; [REDACTED]; meeting with David Ward to discuss [REDACTED];	2.40
01/15/15	LCE	Meeting with counsel for Christopher Smith to discuss his clients meeting with Christopher Smith; follow-up correspondence with counsel for Christopher Smith to understand [REDACTED]; [REDACTED]; follow-up call with counsel for Christopher Smith to discuss [REDACTED]; update meeting with David Ward to provide [REDACTED]; [REDACTED]; telephone discussion with counsel for Allied wallet to discuss [REDACTED]	3.70



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Date		Description	Hours
01/16/15	LCE	Telephone discussion with client to discuss [REDACTED]; review draft correspondence from client [REDACTED]; review communication from joint liquidator [REDACTED]; meeting with David Ward to discuss [REDACTED].	1.10
01/19/15	LCE	Review email from client regarding [REDACTED]; follow up calls throughout day with counsel for Christopher Smith to discuss [REDACTED]; review notes from [REDACTED].	3.10
01/20/15	LCE	Review final draft of communication [REDACTED].	2.50
01/21/15	LCE	Finalize preparation for meeting with counsel for Smith and attend at his office for lengthy meeting; follow-up meetings with David Ward [REDACTED]; calls to client to [REDACTED]; begin preparing note to client outlining [REDACTED].	7.00



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Date		Description	Hours
01/22/15	LCE	Review [REDACTED] and consider [REDACTED] follow-up calls throughout day with counsel for Christopher Smith to provide information and to request additional clarification with respect to documents provided; continue to work on update to client [REDACTED]; call with client to discuss [REDACTED]	2.80
01/23/15	LCE	Telephone discussion with client to discuss [REDACTED] [REDACTED] review follow-up correspondence in connection with [REDACTED]; review update of [REDACTED] for meetings in London next week; work in connection with [REDACTED]	1.80
01/23/15	DSW	[REDACTED]; discussion with Receiver; correspondence to Joint Liquidators; correspondence to Jordon Oxley;	1.90
01/23/15	JMARTIN	Cataloguing productions;	0.40
01/24/15	LCE	Review communication in connection with money held in Island Bank;	0.30
01/26/15	DSW	Follow up with Jordon Oxley; telephone discussion with Receiver; prepare for London meetings; correspondence regarding MacDonald Sagar Manis file; review and consider privilege issues; [REDACTED]	4.30
01/26/15	CHORKINS	Emails with David Ward and Gillian Goldblatt regarding [REDACTED] review and respond to email from potential BBIL creditor and [REDACTED]	0.20

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Date		Description	Hours
01/26/15	LCE	Review communications from joint liquidator in connection with [REDACTED]; prepare for meeting in London; telephone discussion with counsel for Christopher Smith [REDACTED]; travel to London for meetings;	7.10
01/27/15	CHORKINS	Review correspondence from Harry Fogul outlining [REDACTED]; telephone discussions with David Ward and Larry Ellis and [REDACTED]; email to David Ward and Larry Ellis; emails with Gillian Goldblatt regarding [REDACTED];	1.80
01/27/15	LCE	Attend meeting in London with joint liquidator to discuss [REDACTED]; review communication from counsel for Christopher Smith including [REDACTED]; receive instructions from client to [REDACTED] and work with David Ward [REDACTED];	5.00
01/27/15	JMARTIN	Classifying and cataloguing file materials;	0.20
01/27/15	DSW	Meetings, emails, correspondence and attendance in London;	5.00
01/28/15	DSW	Meetings, emails, correspondence and attendance in London;	5.00
01/28/15	LCE	Attend meeting at joint liquidators office to discuss [REDACTED]; meeting with David Ward to discuss [REDACTED];	2.00
01/29/15	JMARTIN	Cataloguing files; cross-checking duplicate transmissions;	2.80
01/29/15	DSW	Meetings, emails, correspondence and attendance in London;	5.00

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Date		Description	Hours
01/29/15	LCE	Review and respond to emails throughout the day with respect to [REDACTED] [REDACTED]; call with client to [REDACTED]; travel from London to Toronto; meeting with David Ward to [REDACTED] [REDACTED]; [REDACTED];	5.20
01/30/15	CHORKINS	Telephone discussion with David Ward regarding [REDACTED] [REDACTED] [REDACTED];	0.70
01/30/15	CS	Update database of documents in sources field;	0.60
01/30/15	DSW	Discussion with Chris Horkins regarding [REDACTED] [REDACTED]; review and comment on [REDACTED] [REDACTED]; review Joint Liquidator and Receiver advice [REDACTED] [REDACTED]; brief review of correspondence regarding [REDACTED] [REDACTED];	1.60
01/30/15	LCE	Work in connection with [REDACTED] [REDACTED];	2.00
01/31/15	LCE	Work in connection with [REDACTED] [REDACTED];	1.50



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Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
David S. Ward, Senior Advocacy Partner	22.80	\$745.00	\$16,986.00
Larry Ellis, Financial Services Partner	65.50	\$625.00	\$40,937.50
Robert D. Kligman, Research Partner	6.10	\$745.00	\$4,544.50
Jeremy Martin, Advocacy Partner	3.40	\$390.00	\$1,326.00
Christopher Horkins, Advocacy Associate	2.70	\$390.00	\$1,053.00
Cathy Stallone Law Clerk	0.60	\$300.00	\$180.00
			<hr/>
Our Fee			\$65,027.00
HST on Fees			<hr/> \$8,453.51
Total Fees and Tax			<hr/>\$73,480.51

Disbursements

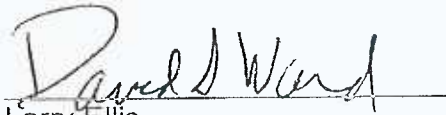
Paid for photocopies, delivery charges, long distance telephone charges, agency fees & disbursements, accommodations, travel and agency fees & disbursements	\$10,162.18
<hr/>	
HST on Disbursements	<hr/> \$238.27
<hr/>	
Total Taxable Disbursements and Tax	<hr/> \$10,420.49
<hr/>	
Total Fees, Disbursements & Tax	<hr/>\$ 83,901.00

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This is our account herein
Cassels Brock & Blackwell LLP


Larry Ellis
E&OE

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

Date: 03/13/15
Our File #: 045803-00002
Invoice #: 1957511
HST/GST #: R121379572

Re: Application of Miles Andrew Benham and Paul Robert Appleton, in their Capacity as Joint Liquidators of Banners Broker International Limited, under Part XIII of the *Bankruptcy and Insolvency Act* (Cross-Border Insolvencies), Court File No. CV-14-10663-00CL

TO PROFESSIONAL SERVICES RENDERED up to and including 02/28/15

Date		Description	Hours
02/01/15	LCE	Review and respond to emails from David Ward regarding [REDACTED] review Phil Gennis' email and [REDACTED] continue [REDACTED] meeting with David Ward to discuss [REDACTED]	2.00
02/01/15	LCE	Continue to work on [REDACTED]; meetings throughout the day to discuss [REDACTED]	2.50
02/02/15	CHORKI NS	Attend Macdonald Sager Manis LLP with Gillian Goldblatt to review and obtain copies of law files with respect to Rajiv Dixit and Banners Broker related matters; report on email to David Ward on [REDACTED]	4.10
02/02/15	CS	[REDACTED]	0.40

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Date		Description	Hours
02/02/15	LCE	Email to Joint Liquidators [REDACTED] [REDACTED] [REDACTED]; telephone discussion with Harry Fogul to discuss [REDACTED];	1.30
02/02/15	ECR	Review letter from Crown regarding status of criminal proceedings;	0.10
02/02/15	LCE	Continue to work on [REDACTED] [REDACTED]; meeting with David Ward to discuss [REDACTED]; review correspondence from Allied Wallet and [REDACTED]; telephone discussion to counsel for Allied Wallet; meeting with David Ward to discuss [REDACTED].	3.10
02/03/15	CS	[REDACTED] [REDACTED];	1.40
02/03/15	DSW	Review report and documents received from Receiver's counsel attendance at MacDonald, Sager & Manis and [REDACTED]; report to Receiver and Joint Liquidators; review memorandum regarding [REDACTED]; receipt and review [REDACTED] [REDACTED] [REDACTED]; pre-call with Receiver regarding [REDACTED]; conference call with all parties regarding [REDACTED]; follow up correspondence with Jordon Oxley; instructions to Erin Craddock regarding [REDACTED] [REDACTED];	3.20
02/03/15	LCE	Work throughout day to advance [REDACTED] [REDACTED]; review emails from David Ward and Miles Benham [REDACTED] [REDACTED]; review note from John Chaplin regarding [REDACTED];	1.50
02/03/15	ECR	Conference call regarding [REDACTED];	0.60

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Date		Description	Hours
02/03/15	LCE	[REDACTED] [REDACTED] telephone discussion with Receiver to discuss [REDACTED] [REDACTED] follow up with David Ward to discuss [REDACTED] telephone discussion with counsel Allied Wallet to discuss amount held in Los Angeles.	3.50
02/04/15	LCE	Finalize [REDACTED] [REDACTED]	3.00
02/04/15	ECR	Research [REDACTED]; review [REDACTED]	1.50
02/04/15	DSW	Emails to and from Receiver; discussion with Larry Ellis regarding [REDACTED] [REDACTED] meet with Erin Craddock regarding [REDACTED] [REDACTED]	1.70
02/04/15	LCE	Circulate [REDACTED] [REDACTED] circulate to Receiver and Joint Liquidators [REDACTED] telephone discussion with Receiver [REDACTED] meeting with team to discuss [REDACTED] [REDACTED]	4.10
02/05/15	CS	Review coded MSM documents and prepare briefcase of same; emails to and from Chris Horkins and Erin Craddock; prepare email to Gillian Goldblatt enclosing MSM documents on the FTP site;	1.50
02/05/15	CS	Receive further documents from Gillian Goldblatt and load on FTP site for review;	0.40

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Date		Description	Hours
02/05/15	DSW	Receipt and review correspondence from Esmaeil Mehrabi; emails with Receiver; [REDACTED] [REDACTED] review additional client documents and [REDACTED] [REDACTED]; meeting with Erin Craddock regarding [REDACTED]; emails with Receiver and Joint Liquidators;	2.40
02/05/15	ECR	Conference call regarding [REDACTED] [REDACTED] telephone discussion with Gillian Goldblatt regarding [REDACTED], instructions from David Ward regarding [REDACTED];	2.80
02/05/15	JMARTIN	Preparations for further file involvement; receiving instructions from David Ward;	0.20
02/05/15	LCE	Review email from receiver and [REDACTED] [REDACTED]; meeting with David to discuss billing going forward; review email from Joint Liquidators regarding [REDACTED] [REDACTED]; review correspondence from receiver regarding [REDACTED]; meeting with team to discuss [REDACTED] [REDACTED]; telephone discussion with Christopher Smith's legal counsel to discuss [REDACTED] and answers to undertakings.	6.20
02/06/15	DSW	Meeting with Harry Fogul; correspondence to and from Via Bank; discussion with Erin Craddock regarding [REDACTED] correspondence to and from Receiver; emails with Via Bank; discussion with Larry Ellis regarding [REDACTED];	5.40
02/06/15	ECR	Attend team conference call regarding [REDACTED] [REDACTED]; conference call with Gillian Goldblatt regarding the [REDACTED];	1.20

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Date		Description	Hours
02/06/15	LCE	Telephone discussion with team to discuss [REDACTED]; review follow-up correspondence from client regarding [REDACTED]; continue review of [REDACTED]; telephone discussion with Christopher Smith's lawyer to discuss timing and deliverables; telephone discussion with counsel for Allied Wallet; review correspondence regarding Via bank money.	5.80
02/08/15	ECR	Review and revise [REDACTED];	0.50
02/09/15	JMARTIN	Strategic meeting, receiving instructions, legal research;	3.90
02/09/15	DSW	Meeting with Cassels team; telephone discussion with Jordon Oxley; comments on [REDACTED];	5.30
02/09/15	ECR	Attend BBIL team meeting;	1.50
02/09/15	LCE	Meeting with team to discuss outstanding issues; review [REDACTED]; continue work on [REDACTED]; exchange correspondence with Allied wallet; prepare for telephone discussion with Allied Wallet by [REDACTED]; meeting with David Ward to [REDACTED]; attend on call with counsel for Christopher Smith to discuss [REDACTED]	7.10
02/10/15	ECR	Draft notices of examination;	1.00
02/10/15	DSW	Correspondence with Gillian Goldblatt regarding [REDACTED]; telephone discussion with Allied Wallet; meeting with Erin Craddock regarding [REDACTED]; planning regarding [REDACTED]; discussion with Larry Ellis regarding [REDACTED]	2.40

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Date		Description	Hours
02/10/15	LCE	Continue preparation for [REDACTED] [REDACTED], attend on call with Allied wallet to discuss procedures for obtaining money and obtaining information; review notes; attend on telephone discussion with client to provide update regarding [REDACTED] [REDACTED] prepare communication to Allied Wallet regarding [REDACTED]; review memorandum regarding [REDACTED] [REDACTED]; review communications from the joint liquidators; telephone discussion with Harry F. [REDACTED] to discuss [REDACTED] [REDACTED]	5.40
02/11/15	ECR	Instructions from David Ward;	0.30
02/11/15	DSW	Emails and correspondence to and from Joint Liquidators and Receiver; receipt and brief review of [REDACTED] [REDACTED] [REDACTED] preparation of motion in respect of [REDACTED] [REDACTED]	2.70
02/11/15	ECR	Review correspondence regarding [REDACTED] [REDACTED]	0.50
02/11/15	LCE	Review communications from Joint Liquidators [REDACTED]; review communications from Joint Liquidators regarding [REDACTED] [REDACTED] review [REDACTED] [REDACTED] [REDACTED] [REDACTED]; meeting with team to [REDACTED] [REDACTED] [REDACTED]	5.10
02/12/15	ECR	Draft letters to witnesses to be examined including [REDACTED] [REDACTED] [REDACTED]	1.30

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Date		Description	Hours
02/12/15	DSW	Preparation of correspondence to all new witnesses to be examined; correspondence with Harry Fogul; correspondence to and from Via Bank regarding turn-over of funds to the Receiver; meeting with Cassels team regarding [REDACTED]; consider [REDACTED]; preparation of receiver report materials;	2.80
02/12/15	JMARTIN	Draft review notes on [REDACTED]	1.20
02/12/15	ECR	Draft letters to witnesses regarding notices of examination; finalize same;	3.70
02/12/15	LCE	Review emails from Joint Liquidators regarding [REDACTED]; review comments from receiver on [REDACTED]; lengthy telephone discussion with Harry Fogul to discuss timing for [REDACTED]; review comments from Harry Fogul regarding [REDACTED]; review and revise [REDACTED]; meetings and calls for a day to discuss [REDACTED]	9.50
02/13/15	DSW	Review and finalize additional notices and correspondence in respect of witness examinations; conference call with Joint Liquidator and Receiver; discussion with Larry Ellis [REDACTED]; instructions to Erin Craddock; receipt and consider additional Christopher Smith answers to undertakings;	3.30
02/13/15	LCE	Work through day on [REDACTED]	7.00
02/13/15	ECR	Correspondence regarding notices of examination; correspondence regarding payment processors;	1.00

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Date		Description	Hours
02/13/15	ECR	Draft and revise letters and notices of examination to witnesses; finalize and serve the same;	3.50
02/14/15	LCE	Work throughout day on [REDACTED]	2.00
02/15/15	LCE	Work throughout day in reviewing [REDACTED]	1.80
02/16/15	LCE	Correspondence with Allied Wallet regarding status of access to account for information review; review correspondence regarding [REDACTED]; finalize draft of [REDACTED]	4.50
02/17/15	ECR	Draft and revise [REDACTED]	0.80
02/17/15	DSW	Telephone discussion with Brea Hardowa; review [REDACTED] to Larry Ellis; conference call with Receiver and Joint Liquidators; work on [REDACTED]; correspondence with Allied Wallet; follow up with Jordon Oxley; review additional correspondence regarding Tara Josun and consider STP issues; instructions to Erin Craddock and Chris Horkins regarding [REDACTED]	3.30
02/17/15	ECR	Attend BBIL team call; correspondence regarding Rob Pirie and examination; correspondence regarding Allied Wallet; review corporate search results for [REDACTED]	6.70
02/17/15	ON	Receive and review instructions; conduct Ontario and Quebec corporate searches; review results with Erin Craddock; conduct a federal corporate search; forward results for review;	0.70

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Date		Description	Hours
02/17/15	LCE	Work for a day to advance [REDACTED] [REDACTED] [REDACTED] meetings calls and correspondence to advance [REDACTED] [REDACTED]	7.50
02/18/15	DSW	Lengthy Banners Broker team meeting; telephone discussion with Butterfield Bank; preparation of correspondence to Butterfield Bank;	3.30
02/18/15	ECR	Attend Banners Broker team meeting; record minutes during the same; telephone discussion with L. Johnson regarding notice of examination; correspondence with Gillian Goldblatt regarding [REDACTED]; attend conference call with Larry Ellis and Harry Fogul regarding [REDACTED] [REDACTED]	6.30
02/18/15	LCE	Review correspondence from Allied Wallet setting out chargeback processing cycles and time frames for master card transactions; telephone discussion with counsel for Allied Wallet to advance access; review communication to Mr. Morris and meet with David Ward to discuss [REDACTED]; prepare for document review at G cube office; calls, emails and work with Harry Fogul to [REDACTED] [REDACTED] and to understand scope of document review at G cube office; [REDACTED] [REDACTED] [REDACTED]	9.00
02/19/15	DSW	Engaged regarding correspondence to and securing co-operation of priority witnesses; meeting with and instructions to Erin Craddock; correspondence from Harry Fogul; consider [REDACTED]; follow up with Via Bank;	3.30
02/19/15	ECR	Correspondence with Gillian Goldblatt regarding [REDACTED]	0.30

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Date		Description	Hours
02/19/15	LCE	Travel to New York for meeting at G cube lawyer office; document review throughout day with respect to G cube and [REDACTED]; calls, emails and work through day to advance [REDACTED]; telephone discussions with counsel for G cube to discuss parameters for document review.	7.50
02/20/15	DSW	Correspondence from Lynda and Keith Johnson; telephone discussion with Jag Virk; correspondence with counsel for Maxwell Morgan and Sara Yousefi; correspondence to Liberty Tax; discussion with Harry Fogul and clients; [REDACTED]; instructions to Erin Craddock; discussion throughout the day with Larry Ellis;	3.00
02/20/15	ECR	Correspondence regarding [REDACTED]; internet research regarding Rob Pirie and Tara Josun; preparations for examination of Rob Pirie and Tara Josun; telephone discussion with Tara Josun regarding the same; revise Liberty Tax letter; finalize same;	5.00
02/20/15	ON	Receive and review instructions; discussion with Erin Craddock regarding corporate searches on [REDACTED].	0.30
02/20/15	LCE	Continue preparation for document review at G cube legal office; continue review of documents at G cube legal office; attend on calls throughout day with team to discuss [REDACTED]; attend on numerous calls with Harry Fogul throughout the day to discuss G cube document review and findings; Attend on calls with Harry Fogul to discuss [REDACTED]; attend on numerous calls with David Ward to receive instruction and [REDACTED].	11.50
02/21/15	ECR	[REDACTED]	0.50

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Date		Description	Hours
02/21/15	LCE	Exchange correspondence with team regarding [REDACTED] [REDACTED] [REDACTED] [REDACTED] work on reporting letter to team with respect to [REDACTED]	4.00
02/22/15	ECR	Prepare draft outline for examination of Rob Pirie; email team [REDACTED] [REDACTED]	2.80
02/22/15	LCE	Finalize memorandum with respect [REDACTED] [REDACTED]; review undertaking list and begin [REDACTED] [REDACTED] [REDACTED]	2.10
02/23/15	CHORKI NS	Review of Macdonald Sager Manis documents and [REDACTED] [REDACTED] email to David Ward regarding [REDACTED]	4.60
02/23/15	DSW	Telephone discussion with Stephanie Schlacht; preparation for scheduled examination including Rob Pirie and Tara Josun; telephone discussion with Jordon Oxley; correspondence to Via Bank; correspondence with Receivers and Joint Liquidators; correspondence and discussions with Receiver throughout the day;	3.10
02/23/15	LCE	[REDACTED] [REDACTED]; review outlines for document review and questions for various examinations to take place; attend on calls with counsel for Allied Wallet and Harry Fogul; update David Ward to discuss [REDACTED]	2.50
02/23/15	ECR	Draft meeting minutes; correspondence regarding examinations scheduled to date;	1.70
02/24/15	ECR	Draft examination outline of Tara Josun;	1.40
02/24/15	ECR	Prepare for examinations of Rob Pirie and Tara Josun;	2.40

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Date		Description	Hours
02/24/15	DSW	Correspondence to Joint Liquidator regarding [REDACTED]; brief review of memorandum regarding [REDACTED] [REDACTED]; correspondence to Via Bank; correspondence to Via Bank; discussion with Phil Gennis; discussion with Joint Liquidator regarding [REDACTED] [REDACTED]; preparation for examination by Receiver; review of GCube Media Reports;	4.50
02/24/15	LCE	Review communications from Joint Liquidators and respond by providing necessary documentation; attend on telephone discussion with counsel for prior employee to discuss [REDACTED] [REDACTED]; review updated search is on new companies and consider same; continue outline [REDACTED] [REDACTED]; review Maxwell Morgan information; prepare for interviews to take place tomorrow; telephone discussion with Receiver to discuss [REDACTED] [REDACTED]	4.00
02/25/15	DSW	Emails and correspondence with Joint Liquidators and Receiver regarding [REDACTED]; emails with Jordon Oxley; preparation for and attend examination of Rob Pirie; document review and preparation for Tara Josun examination;	6.00
02/25/15	LCE	Attend examination for prior Banners Broker employee, Ron Anderson; telephone discussions and meetings throughout day with team and receiver to discuss [REDACTED] [REDACTED]; telephone discussion with Receiver to discuss [REDACTED] [REDACTED] [REDACTED]	6.50
02/25/15	ECR	Examination of Rob Pirie; summary of same;	6.00

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Date		Description	Hours
02/26/15	LCE	Prepare for and attend examination of prior Banners Broker employee; communication with Harry Fogul to discuss [REDACTED] [REDACTED]; telephone discussion with Receiver to discuss [REDACTED] [REDACTED] [REDACTED] [REDACTED]. meeting with David Ward to discuss [REDACTED] [REDACTED] [REDACTED]; review communications from joint liquidators and communication from receiver.	6.90
02/26/15	LJO	Subsearch and provide results regarding [REDACTED] [REDACTED].	0.30
02/26/15	ECR	Correspondence regarding examination of Rob Pirie; revise minutes of team meeting; examination of Tara Josun;	3.00
02/26/15	DSW	Draft and review report to client group on [REDACTED] [REDACTED]; preparation of correspondence to counsel for M. Morgan; preparation for examination of discovery and examination of Tara Josun; discussions with counsel for Stephanie Dixit; correspondence to counsel for Stephanie Schlacht	5.50
02/27/15	LCE	Work with Receiver to discuss [REDACTED] [REDACTED]; communications to Harry Fogul and attend on lengthy call to discuss next steps; work with team to [REDACTED] [REDACTED] [REDACTED]	7.00
02/27/15	LJO	Subsearch and provide results regarding [REDACTED] [REDACTED]	0.30

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



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Date		Description	Hours
02/27/15	DSW	Meeting with Erin Craddock [REDACTED] [REDACTED] discussion with Larry Ellis regarding [REDACTED] [REDACTED]; reviewed Judge minutes and trial list; telephone conference with Receiver; email with Joint Liquidators;	2.70
02/27/15	ECR	Draft memorandum of [REDACTED],	2.30

Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
David S. Ward, Advocacy Partner	63.90	\$755.00	\$48,244.50
Larry Ellis, Financial Services Associate	143.90	\$625.00	\$89,937.50
Erin Craddock, Advocacy Associate	58.70	\$480.00	\$28,176.00
Christopher Horkins, Advocacy Associate	8.70	\$390.00	\$3,393.00
Jeremy Martin, Advocacy Associate	5.30	\$390.00	\$2,067.00
Cathy Stallone, Advocacy Law Clerk	3.70	\$300.00	\$1,110.00
Olivia D'Innocenzo, Corporate Law Clerk	1.00	\$250.00	\$250.00
Jane Oliveira, Real Estate Law Clerk	0.60	\$155.00	\$93.00
Our Fee			\$173,271.00
HST on Fees			<u>\$22,525.23</u>
Total Fees and Tax			\$195,796.23

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Disbursements

Paid for photocopies, long distance telephone calls, \$8,702.99
 travel, accommodations, courier charges, agency fees
 and disbursements, Certificate of Status, Electronic
 Business Name Search and Title Search

Total Tax on Disbursements \$219.70

Total Fees, Disbursements & Tax**\$ 204,718.92**

This is our account herein
Cassels Brock & Blackwell LLP

 Larry Ellis
 E&OE

Outstanding Invoice Summary

<u>Invoice No.</u>	<u>Date</u>	<u>Amount</u>
1954658	Feb. 11, 2015	\$83,901.00
Total Outstanding Invoices		\$83,901.00

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CASSELS BROCK

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

Date: 04/09/15
Our File #: 045803-00002
Invoice #: 1958653
HST/GST #: R121379572

Re: Application of Miles Andrew Benham and Paul Robert Appleton, in their Capacity as Joint Liquidators of Banners Broker International Limited, under Part XIII of the *Bankruptcy and Insolvency Act* (Cross-Border Insolvencies), Court File No. CV-14-10663-00CL

TO PROFESSIONAL SERVICES RENDERED up to and including 03/31/15

Date		Description	Hours
03/01/15	ECR	Review MSM documents regarding [REDACTED];	0.60
03/02/15	DSW	Receipt and consider [REDACTED] review instructions; [REDACTED] preparation for Stephanie Schlacht examination;	4.10
03/02/15	ECR	Circulate memorandum regarding [REDACTED]; review materials from Gillian Goldblatt regarding [REDACTED];	2.00

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Cassels Brock & Blackwell LLP

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

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Date		Description	Hours
03/02/15	LCE	Review material from Joint Liquidator with respect to [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]; telephone discussion with Harry Fogul to discuss [REDACTED] [REDACTED]	3.70
03/03/15	CHORKINS	Attend meeting regarding Stephanie Schlacht examination preparation with David Ward, Erin Craddock, Larry Ellis and Gillian Goldblatt;	1.40
03/03/15	JMARTIN	Review summary documents in preparation for [REDACTED];	2.90
03/03/15	LJO	Obtain and forward instruments regarding [REDACTED] [REDACTED]	0.40
03/03/15	DSW	Meeting with Cassels team and Receiver regarding [REDACTED]; request and review [REDACTED]; [REDACTED] discussion with Larry Ellis regarding [REDACTED] [REDACTED]; telephone discussions and correspondence with counsel for Stephanie Schlacht; correspondence from Receiver and Joint Liquidators regarding [REDACTED] [REDACTED] telephone discussion with general counsel to Liberty Tax Service; correspondence to Butterfields Corporation;	4.80
03/03/15	ECR	Meeting regarding [REDACTED] [REDACTED] with David Ward and Gillian Goldblatt; review [REDACTED] [REDACTED] conference call with John Tyler of Liberty Tax regarding contact information for franchisee of Liberty Tax;	4.20

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Date		Description	Hours
03/03/15	LCE	Review documents from Joint Liquidator with respect to [REDACTED] [REDACTED] review email chain between certain banners employees; review committee of inspection approval for term sheet; internal meeting to discuss [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	4.80
03/04/15	CHORKI NS	Attend [REDACTED] meeting with David Ward, Larry Ellis, Erin Craddock, Jeremy Martin, Phil Gennis and Gillian Goldblatt; begin review of [REDACTED] [REDACTED]	4.60
03/04/15	JMARTI N	Attend and [REDACTED] [REDACTED]	3.10
03/04/15	DSW	Telephone discussion and correspondence with counsel for Stephanie Schlacht; Canadian team meeting regarding [REDACTED] [REDACTED] telephone discussion with Liberty Tax Service; arrangements regarding examinations;	3.20
03/04/15	ECR	Attend Banners Broker team meeting; background research regarding [REDACTED] [REDACTED]; correspondence with Canadian team and counsel for Maxwell Morgan regarding new date for discovery;	3.20

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



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Date		Description	Hours
03/04/15	LCE	Review correspondence in connection with liberty tax and [REDACTED] [REDACTED] review communication regarding [REDACTED]; call with Harry Fogul to discuss agenda for meeting next week; attend internal meeting to discuss [REDACTED] [REDACTED]; begin work on [REDACTED] [REDACTED] Communications throughout day with Harry Fogul; review communications regarding CIBC; review communications regarding examination of the Maxwell Morgan.	4.60
03/05/15	CHORKI NS	Review [REDACTED] [REDACTED] telephone discussion with David Ward regarding [REDACTED] [REDACTED];	0.90
03/05/15	DSW	Receipt and brief review of Pirie evidence and undertakings, refusals and under advisements; correspondence from Shaun Morris at Butterfield Group; correspondence to Via Bank; telephone discussion with Paul Appleton; emails, discussions and correspondence with Joint Liquidators, [REDACTED] [REDACTED]; telephone discussions with Brian McNeely, Ministry of the Attorney General;	2.90
03/05/15	ECR	Draft [REDACTED] [REDACTED]; review correspondence on [REDACTED] [REDACTED]; draft meeting minutes from Banners Broker team meeting;	2.80

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Date		Description	Hours
03/05/15	LCE	Review communication to principle of certain bank; attend on call with principal for certain bank and internal team for [REDACTED]; telephone discussions with Harry Fogul to discuss various outstanding issues including production of information and attendance at Bayview office; meetings with David Ward to discuss [REDACTED]; review communications throughout the day from third-party bank; [REDACTED]; work with various parties to obtain signature pages and circulate finalized cooperation agreement; review correspondence; communications with team regarding [REDACTED]	5.10
03/06/15	CHORKI NS	Review confidentiality order and confidentiality agreement [REDACTED]; email to David Ward regarding [REDACTED]; continued review of [REDACTED]	3.40
03/06/15	DSW	Emails, correspondence and telephone discussions with Jordon Oxley and Receiver regarding Via Bank and Butterfields Corp and Clove Asset Management; preparation for examination of Stephanie Dixit;	2.70
03/06/15	LCE	Telephone discussion with third-party bank; telephone discussion with team to discuss [REDACTED]; telephone discussion with Harry Fogul throughout the day to discuss police raid, document disclosure, and attendance at Bayview for the purpose of inventorying certain assets and for the production of correspondence; review analysis with respect to [REDACTED]	2.90

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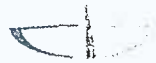


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Date		Description	Hours
03/06/15	ECR	[REDACTED]	3.70
03/08/15	LCE	[REDACTED]	2.00
03/09/15	CHORKI NS	[REDACTED] [REDACTED] [REDACTED] Telephone discussion with David Ward to discuss [REDACTED] [REDACTED]	4.20
03/09/15	DSW	Discussion with Brian McNeely regarding seizure of Receivership records by police; meetings and discussions with Larry Ellis regarding [REDACTED] [REDACTED] receipt and consider memorandum from Chris Horkins regarding [REDACTED] [REDACTED] [REDACTED] instructions to Chris Horkins regarding [REDACTED] [REDACTED] correspondence regarding request of Peter DeGaeve;	2.50
03/09/15	LCE	Review corres, onence with res, ect to [REDACTED] review minutes of March for meeting and [REDACTED] [REDACTED]; continue work on Allied Wallet nondisclosure agreement.	2.50
03/09/15	ECR	Circulate meeting minutes; revise notice of examination for Maxwell Morgan and serve a copy of the same; review corres, onence from Chris Horkins regarding [REDACTED] [REDACTED] [REDACTED]	3.10

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Date		Description	Hours
03/10/15	CHORKI NS	Telephone discussion with Cathy Stallone to discuss [REDACTED] [REDACTED] [REDACTED]; review "MISC" coded documents [REDACTED] [REDACTED] [REDACTED];	2.90
03/10/15	DSW	Preparation of correspondence to counsel for Max Mayer; telephone discussion with Paul Appleton and Paul Cooper regarding [REDACTED] [REDACTED]; follow up correspondence with Via Bank regarding consider Clover Asset Management Insolvency and recovery options related thereto; discussion with Phil Gennis; receipt and brief review of [REDACTED] [REDACTED]; further discussion with Receiver; review materials in preparation of Stephanie Interview/cross-examination;	4.40
03/10/15	LCE	Review communication from client regarding [REDACTED] review communication from David Ward regarding [REDACTED] [REDACTED]; review [REDACTED] memorandum from client and [REDACTED] [REDACTED]; review and respond to correspondence with respect to money in St. Lucia; review clients accounts to the Joint Liquidators and [REDACTED] [REDACTED];	2.20
03/10/15	CS	Email and add transcript of Pirie to database; review transcript;	0.50
03/10/15	CS	Prepare brief of documents for various individuals for Erin Craddock;	1.50
03/10/15	ECR	Review receiver's report regarding [REDACTED] [REDACTED];	0.30

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Date		Description	Hours
03/11/15	CHORKI NS	Attend meeting with Christopher Smith and Harry Fogul with Erin Craddock, David Ward, Larry Ellis and Gillian Goldblatt; [REDACTED] [REDACTED] [REDACTED] discuss [REDACTED] [REDACTED] discuss Receiver motions [REDACTED] [REDACTED];	5.10
03/11/15	CS	[REDACTED] instructions from Chris Horkins regarding [REDACTED] and to Lilianna Mota;	0.50
03/11/15	CS	Review R. Pirie's transcript from his examination [REDACTED] [REDACTED]; email to David Ward;	1.20
03/11/15	JMARTI N	Preparation for [REDACTED] [REDACTED];	1.50
03/11/15	DSW	Brief review of Rob Pirie examination transcript and instructions to Erin Craddock regarding [REDACTED] [REDACTED]; receipt and consider correspondence from Noel Gerry and answers to undertakings from Rob Pirie; meeting with Christopher Smith; correspondence with counsel for Stephanie Schlacht, [REDACTED] [REDACTED] meeting with Chris Horkins regarding [REDACTED] [REDACTED]; emails and correspondence with Harry Fogul;	3.10
03/11/15	ECR	Attend lunch meeting with Christopher Smith; correspondence with counsel for Maxwell Morgan; circulate discovery transcripts and exhibits from examination for discovery of Tara Reeves and Rob Pirie; instructions from Larry Ellis regarding [REDACTED] [REDACTED];	4.50


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Date		Description	Hours
03/11/15	ON	Receive and review instructions; conduct corporate searches to confirm corporate existence regarding [REDACTED]	0.60
03/11/15	LCE	Review transcripts from discovery of two prior employees of the company; review success manual, T4 statement and various other deliverables; prepare for and attend meeting with Christopher Smith and report to client regarding [REDACTED], follow-up calls and communications with counsel for Christopher Smith;	6.00
03/12/15	CHORKI NS	Continue with coordination of import of Christopher Smith email productions into DMS and Summation and review of same; email to Banners Broker internal working group re [REDACTED], discuss [REDACTED] with Erin Craddock;	2.30
03/12/15	ECR	Review correspondence from Gillian Goldblatt [REDACTED]; attend Banners Broker team conference call; review correspondence on [REDACTED]; circulate to team the exhibit from the examination of Tara Reeves; instructions from Larry Ellis regarding [REDACTED]; draft an email regarding [REDACTED]	5.90
03/12/15	DSW	Correspondence with Glyn Middleton; telephone discussion with Karen Dosan; consider new review [REDACTED]; lengthy conference call with Receiver and Joint Liquidators; meeting with Larry Ellis regarding [REDACTED]; review Christopher Smith emails; follow up with Stephanie Schlacht counsel;	4.10

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Date		Description	Hours
03/12/15	LCE	Review memorandum from client [REDACTED] [REDACTED] review communication with respect to [REDACTED] [REDACTED]; prepare for and attend on call at 10:00 a.m.;	1.10
03/13/15	CS	Emails from Erin Craddock [REDACTED] [REDACTED] email to Erin Craddock; [REDACTED] [REDACTED]	0.50
03/13/15	ECR	Correspondence with Gillian Goldblatt regarding [REDACTED] [REDACTED] review [REDACTED] [REDACTED] [REDACTED] [REDACTED];	6.00
03/13/15	DSW	Correspondence to and from Harry Fogul regarding [REDACTED] directions to Erin Craddock regarding [REDACTED]; emails with Scott Wilson at Choice Bank; correspondence from Jordon Oxley; correspondence to Ralf Del Facco; receipt and review correspondence from Paul Appleton; review and revise correspondence to Via Bank;	2.80
03/13/15	LCE	Review communication from Harry Fogul regarding [REDACTED] [REDACTED] review communication to Ralph with respect to money held in St. Lucia and consider attachments; review communication from Erin Craddock [REDACTED] [REDACTED] [REDACTED];	4.00
03/16/15	CHORKI NS	Email to David Ward, Erin Craddock [REDACTED] [REDACTED] [REDACTED] [REDACTED]	1.30

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Date		Description	Hours
03/16/15	DSW	Telephone discussion with Brian McNeely regarding search warrants, seizure and possible [REDACTED]; preparation for Christopher Smith interview; correspondence to Harry Fogul; discussion with Phil Gennis; review and revise correspondence; correspondence to counsel for Stephanie Schlacht; consider issues regarding [REDACTED]; instructions to Cassels team regarding [REDACTED]; telephone discussion with Brian McNeely;	3.10
03/16/15	CS	Review Christopher Smith documents and create boolean search for Chris Horkins;	0.40
03/16/15	CS	Review and load Tara Reeves transcript; revise descriptions in database; instructions to Lilianna Mota to load exhibit; email regarding [REDACTED];	1.00
03/16/15	ECR	[REDACTED]; correspondence with David Ward regarding [REDACTED];	1.70
03/16/15	LCE	Review draft letter to [REDACTED]; [REDACTED] review [REDACTED]; [REDACTED]; review agenda for upcoming Christopher Smith meeting;	0.50
03/17/15	CHORKI NS	[REDACTED] with David Ward and meeting with Christopher Smith and [REDACTED]; continued review of Christopher Smith email productions;	4.20
03/17/15	DSW	Correspondence from Receiver regarding additional agenda and preparation for Christopher Smith attendance on March 18, 2015; correspondence to Harry Fogul; emails to and from Gillian Goldblatt regarding [REDACTED]; [REDACTED] discussions with Receiver; instructions to Erin Craddock and Christopher Horkins regarding [REDACTED];	3.00

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Date		Description	Hours
03/17/15	ECR	Correspondence with Harry Fogul regarding [REDACTED]; telephone call with Phil Gennis regarding [REDACTED]; draft letter to Brian McNeely; draft letter to Frank Guarini and Kelly Stinson;	6.80
03/17/15	JMARTIN	Reviewing records and affidavits [REDACTED]	4.20
03/17/15	CS	Discussion with Lilianna Mota regarding documents to load; review and email with Chris Horkins;	1.00
03/17/15	CS	Review documents loaded into database and add dates of attachments;	1.50
03/18/15	JMARTIN	Attending meeting, [REDACTED]	3.80
03/18/15	CS	Review emails loaded and add lead date; create boolean regarding date sorted; email to Chris Horkins;	2.70
03/18/15	CHORKINS	Meet with David Ward [REDACTED] attend BBIL team meeting with David Ward, Erin Craddock, Jeremy Martin, Phil Gennis and Gillian Goldblatt; attend examination/meeting with Christopher Smith; continue review of Christopher Smith email productions;	6.30

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Date		Description	Hours
03/18/15	DSW	Preparation of correspondence to Karen Dosanjh; [REDACTED]; receipt and review Dixit CIBC bank account requests; correspondence and call to Ralph Delfiacco; correspondence to and from Joint Liquidator; [REDACTED]; receive briefs and consider TD Bank Group; correspondence to Harry Fogul regarding additional agenda items for meeting today; receipt and review additional Smith document from Harry Fogul regarding [REDACTED]; lengthy interview with Christopher Smith and follow up on conference call with Harry Fogul; meeting with Phil Gennis, Erin Craddock and Gillian Glodblatt;	6.20
03/18/15	ECR	Attend BBIL Canada team meeting; attend meeting with Christopher Smith; prepare for the same; [REDACTED];	5.40
03/18/15	LCE	Review communications [REDACTED]; review and respond to correspondence from client and [REDACTED];	1.30

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Date		Description	Hours
03/19/15	DSW	Draft and revise correspondence to Lorenzo Guarini and Kelly Stinson; meeting with Erin Craddock and discuss [REDACTED] [REDACTED]; emails and discussions with Via Bank and conference call with Via Bank CEO; further conference call with Receiver of Clover Asset Management; further telephone discussion with Joint Liquidators; emails to and from Receiver and Cassels team regarding [REDACTED] [REDACTED]; further telephone discussion with Phil Gennis; telephone discussion with Andrew Childe of Fund Solutions Services; telephone discussion with Phil Gennis; further telephone call with Andrew Childe;	5.30
03/19/15	CS	Review attachments for document dates in loaded Christopher Smith documents and code same;	2.40
03/19/15	ECR	Finalize letters to Frank Guarini and Kelly Stinson; [REDACTED]; correspondence with Gillian Goldblatt regarding [REDACTED]; discussion with Gillian Goldblatt regarding [REDACTED]; instructions from David Ward regarding [REDACTED] [REDACTED];	3.80
03/19/15	LCE	Review communications regarding the [REDACTED] [REDACTED] [REDACTED] review [REDACTED] [REDACTED];	4.00
03/19/15	CHORKI NS	Continue to review Christopher Smith email productions;	5.30
03/20/15	CHORKI NS	Attend telephone discussion update to Paul Appleton, Miles Benham and team with David Ward, Erin Craddock, Phil Gennis and Gillian Goldblatt; continue to review Christopher Smith email productions;	8.60

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



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Date		Description	Hours
03/20/15	CS	Email from Erin Craddock; [REDACTED] [REDACTED] emails to Miles Benham; receive email and documents to add to FTP site; email with Erin Craddock;	0.60
03/20/15	ECR	Banners Broker team conference call; [REDACTED] [REDACTED] discussion with Gillian Goldblatt regarding [REDACTED]; prepare for examination for discovery of Stephanie Schlacht;	4.20
03/20/15	DSW	Preparation of correspondence to Stephan Schlacht counsel together with updated Notice of Examination demand and request for dates; conference call with Receiver for Clover Asset Management; preparation of correspondence to Receiver for Clover Asset Management regarding background and details on Banners proceedings; [REDACTED] [REDACTED]; provision of additional background information to Andrew Childe; conference call with Cayman Receiver and Canadian Receiver; further conference call with Joint Liquidator and Receiver;	4.50
03/20/15	LCE	Review correspondence from fund solution services and [REDACTED] [REDACTED], review correspondence from Harry short including [REDACTED] [REDACTED]	3.50
03/23/15	CHORKI NS	Continue review of Christopher Smith email productions;	1.80
03/23/15	CS	Instructions to Lilianna Mota to load documents into database and review database;	0.40
03/23/15	DSW	Correspondence with Scott Wilson regarding Bob Cummings; follow up email from Rajiv Dixit; instructions to Erin Craddock;	0.90

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



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Date		Description	Hours
03/23/15	ECR	[REDACTED]; correspondence with Phil Gennis regarding [REDACTED] review litigation search results for [REDACTED]; instructions from David Ward regarding [REDACTED]	5.30
03/23/15	LCE	Review communication from Erin Craddock with respect to [REDACTED] internal meeting to [REDACTED]	2.80
03/24/15	CHORKI NS	Continue review of Christopher Smith email productions;	3.30
03/24/15	CS	Email regarding loading documents; code and tag banking documents in database;	0.40
03/24/15	CS	Meeting with Erin Craddock; instructions to Lilianna Mota to load documents (USB) from client; prepare printouts and brief of documents; prepare index;	2.30
03/24/15	DSW	Correspondence regarding ViaBank next steps and Cayman assist recovery including emails with ViaBank CEO Ralph Delfiaco; further correspondence with Karen Toor; review and approve [REDACTED] correspondence to and from Harry Fogul; email to counsel for Stephanie Dixit; telephone discussion with Andrew Childe at Fund Solutions Inc.; meeting with Erin Craddock regarding [REDACTED]; report to Receiver;	4.40
03/24/15	ECR	Circulate minutes from global conference call; instructions from David Ward regarding [REDACTED] [REDACTED] prepare for examination of Maxwell Morgan;	4.10

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Date		Description	Hours
03/24/15	LCE	Review communication from Joint Liquidator and [REDACTED]; review communication from Harry Fogul with respect to Christopher Smith meeting; internal meeting to establish [REDACTED] [REDACTED] [REDACTED] telephone discussion with Receiver to discuss [REDACTED]	4.10
03/25/15	CHORKI NS	Continue review of Christopher Smith email productions;	4.20
03/25/15	CS	Review and finalize index for CIBC brief of documents;	1.10
03/25/15	CS	Review and code documents in database re CIBC; email to Erin Craddock;	0.60
03/25/15	CS	Receive email from Harry Fogul; [REDACTED] regarding Christopher Smith undertakings; upload to FTP site for all counsel; email to all counsel; instructions to Lilianna Mota to load into database;	1.40
03/25/15	DSW	Preparation for continued Christopher Smith interview; instructions to Chris Horkins regarding [REDACTED]; email to Scott Wilson; receipt and review additional Christopher Smith access to undertakings; meeting with Larry Ellis regarding [REDACTED] [REDACTED] meeting with Chris Smith; receipt and review additional smith access to undertakings; emails and telephone discussions regarding [REDACTED] [REDACTED] telephone discussion with Phil Gennis; telephone discussion with Paul Appleton;	5.10
03/25/15	JMARTI N	Prepare for and attending examination of Christopher Smith; review response and supporting documents;	3.90

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



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Date		Description	Hours
03/25/15	LCE	Review communication with respect to contact information for former employee; prepare for and attend a portion of Christopher Smith meeting; work with team throughout day to [REDACTED] [REDACTED] meeting with Jeremy Martin to discuss [REDACTED] [REDACTED]	3.20
03/25/15	ECR	Meeting with Christopher Smith; preparations for examination of Maxwell Morgan;	4.00
03/26/15	CS	Review new documents and cross reference to undertakings chart; review database documents; instructions from Erin Craddock; instructions to Lilianna Mota;	2.20
03/26/15	DSW	Conference call with Andrew Childe, Phil Gennis, Larry Ellis and Ralf DeFiacco; report to Joint Liquidators; follow up with Dixit counsel; emails to Paul Appleton; discussion with Receiver;	2.30
03/26/15	ECR	Instructions to Cathy Stallone regarding Christopher Smith undertakings documents;	0.10
03/26/15	LCE	Prepare for call with Clover to discuss receipt of funds from Cayman Islands; attend on call with team to [REDACTED] review [REDACTED] [REDACTED]	1.80
03/27/15	CS	Review answers chart and revise; update database documents;	1.20
03/27/15	CS	Review and code new documents added to database; create boolean search of all Christopher Smith undertaking documents;	0.40
03/27/15	DSW	Preparation of correspondence to Clover and Butterfield; emails with Receiver; correspondence with Dixit counsel;	1.40
03/27/15	LCE	[REDACTED] [REDACTED] [REDACTED] and meeting with Erin Craddock to discuss [REDACTED]	4.20

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



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Date		Description	Hours
03/29/15	LCE	Review communication from Joint Liquidator with respect to [REDACTED] review communication from certain bank regarding same;	0.40
03/30/15	CHORKI NS	Meet with David Ward to discuss [REDACTED] [REDACTED] [REDACTED]	1.60
03/30/15	CS	Revise charts of answers and reference chart; email to Erin Craddock and Chris Horkins;	0.80
03/30/15	DSW	Telephone conference with Paul Appleton, Michael Pearson; discussion with Joint Liquidators regarding [REDACTED] [REDACTED] [REDACTED] review MSM documents; telephone conference with Lorenzo and Kelly; correspondence with Harry Fogul; correspondence with Receiver; meeting with Chris Horkins regarding [REDACTED] [REDACTED];	3.50
03/30/15	JMARTI N	[REDACTED] [REDACTED] [REDACTED]	1.20
03/30/15	LCE	Review communication from Joint Liquidator and from Receiver regarding various outstanding issues; Attend on call with Receiver to discuss agenda for Christopher Smith meeting and Choice Bank documents; assist team throughout day to develop agenda for Christopher Smith meeting; review current version of Court report and make comment;	1.90
03/30/15	ECR	Review proposed itinerary from Gillian Goldblatt regarding meeting with Christopher Smith; correspondence with Gillian Goldblatt;	0.90

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



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Date		Description	Hours
03/31/15	LCE	Review information in connection with preparation for Christopher Smith meeting; [REDACTED]; [REDACTED];	2.20
03/31/15	CS	Email regarding deponent on April 29th; email to contact (Victory Verbatim) to schedule attendance at our offices; email with Erin Craddock; email from Erin Craddock regarding further examinations on April 13th and 21st; email to reporter; prepare chart of all examinations/interviews;	1.00
03/31/15	DSW	Correspondence with Harry Fogul and receipt of brief review of document regarding answers to undertakings; correspondence to Stephanie Schlacht;	0.50
03/31/15	ECR	Schedule and arrange examinations for discovery of Lorenzo Guarini and Stephanie Schlacht; correspondence with Gillian Goldblatt;	0.50
03/31/15	CHORKI NS	Continue review of Christopher Smith email productions;	2.40
03/31/15	JMARTI N	[REDACTED];	5.60

Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
David S. Ward, Senior Advocacy Partner	74.80	\$751.71	\$56,228.00
Larry Ellis, Financial Services Associate	68.80	\$625.00	\$43,000.00
Erin Craddock, Advocacy Associate	73.10	\$480.00	\$35,088.00
Christopher Horkins, Advocacy Associate	63.80	\$390.00	\$24,882.00
Jeremy Martin, Advocacy Associate	26.20	\$390.00	\$10,218.00

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



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<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Cathy Stallone, Advocacy Law Clerk	25.60	\$300.00	\$7,680.00
Olivia D'Innocenzo, Corporate Law Clerk	0.60	\$250.00	\$150.00
Jane Oliveira, Real Estate Clerk	0.40	\$155.00	\$62.00
<hr/>			
Our Fee			\$177,308.00
HST on Fees			<u>\$23,050.04</u>
Total Fees and Tax			\$200,358.04

Disbursements

Paid to photocopies, official examiners fees, production of cross-examination transcripts, delivery, long distance telephone, library computer searches, travel, agency fees and disbursements, certificate of status, accommodations and title searches

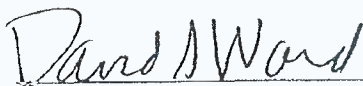
\$14,457.58

Total Tax on Disbursements

\$844.71

Total Fees, Disbursements & Tax**\$ 214,815.62**

This is our account herein
Cassels Brock & Blackwell LLP


 David Ward
 E&OE

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



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

Date: 06/10/15
Our File #: 045803-00002
Invoice #: 1963135
HST/GST #: R121379572

Re: Application of Miles Andrew Benham and Paul Robert Appleton, in their capacity as Joint Liquidators of Banners Broker International Limited, under Part XIII of the *Bankruptcy and Insolvency Act* (Cross-Border Insolvencies), Court File No. CV-14-10663-00CL

TO PROFESSIONAL SERVICES RENDERED up to and including 05/31/15

Date	Description	Hours
05/01/15 CHORKINS	Emails with Cathy Stallone regarding [REDACTED] [REDACTED] emails with Erin Craddock regarding [REDACTED] emails with Jeremy Martin regarding [REDACTED] [REDACTED]	1.20
05/01/15 CS	Emails from and to Erin Craddock; [REDACTED] Maxwell Morgan brief; meet with court reporter regarding ordering transcript; update USB key;	1.20
05/01/15 CS	Receive email and documents from Erin Craddock; load documents onto FTP site for group; arrange to have documents loaded into database;	0.60
05/01/15 CS	Instructions from Erin Craddock; prepare documents for new brief;	1.50
05/01/15 LJO	Instruction from Erin Craddock; subsearch and provide results regarding [REDACTED] [REDACTED]	0.80

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

Cassels Brock & Blackwell LLP

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



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Date		Description	Hours
05/01/15	JMARTIN	Telephone discussion with Crown Attorney, preparing application materials and draft reproduction order for Chris Horkins; arranging for service and filing of same;	5.90
05/01/15	JMARTIN	Review Facebook records for [REDACTED];	0.20
05/01/15	DSW	Emails and correspondence to and from Receiver; arrangements regarding order and service of Criminal Code Application to return documents relating to Bayview property; preparation for Maxwell Morgan examination; correspondence with Joint Liquidator regarding [REDACTED]; meeting with Receiver; telephone discussion with Maxwell Morgan; emails and correspondence to and from Maxwell Morgan;	5.30
05/01/15	LCE	Provide various updates to Joint Liquidators on [REDACTED]; meeting with team internally to discuss all outstanding issues on case; finalize report and provide to Joint Liquidators in Cayman Islands; review and respond to numerous emails from client, the Receiver and Joint Liquidators;	8.00
05/01/15	ECR	Attend cancelled examination for discovery of Maxwell Morgan; attend brief meeting regarding [REDACTED]; research regarding [REDACTED]; correspondence with Harry Fogul; draft report [REDACTED];	5.40
05/03/15	JMARTIN	Preparing new draft order; providing instructions to Chris Horkins;	0.70
05/03/15	DSW	Preparation of correspondence regarding [REDACTED];	1.30



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Date		Description	Hours
05/04/15	CHORKINS	Prepare for and attend hearing of Criminal Code reproduction application at Old City Hall plea court to obtain order for production of seized materials in respect of the Bayview Property; email copy of issued Reproduction Order to BBIL Canadian working group; emails with Det. Const. Chad Nickels regarding production of seized documents; emails to Phil Gennis regarding [REDACTED] [REDACTED] [REDACTED]; review edits to [REDACTED] correspondence between David Ward to Howard Manis and David Gray;	6.70
05/04/15	CS	Arrange [REDACTED] [REDACTED];	1.20
05/04/15	LJO	Subsearch and provide results regarding [REDACTED] [REDACTED];	0.40
05/04/15	CS	Receive transcripts of Maxwell Morgan; order electronic versions from Victory Verbatim; receive transcripts of Stephanie Schlacht and electronic versions; load into database;	0.50
05/04/15	ECR	Review information regarding [REDACTED] [REDACTED]; provide update on [REDACTED] [REDACTED] correspondence regarding [REDACTED] [REDACTED]	3.20



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Date	Description	Hours
05/04/15 DSW	<p>Brief review of correspondence to and from Joint Liquidators regarding [REDACTED]</p> <p>[REDACTED]; revise and finalize draft order for Criminal Code of Canada application; draft, revise memorandum to client regarding [REDACTED]; consider memorandum from Erin Craddock regarding [REDACTED]</p> <p>[REDACTED]; instructions to Erin Craddock regarding [REDACTED]; receipt and review correspondence from Receive regarding [REDACTED]; draft and revise correspondence regarding [REDACTED]; receipt and review of order of Justice Pmaks and [REDACTED]; instructions to Chris Horkins regarding [REDACTED]</p>	5.10



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Date	Description	Hours
05/04/15 LCE	<p>Work with Harry Fogul throughout the day to discuss [REDACTED]; follow-up research and document review in connection with [REDACTED]; prepare questions for Christopher Smith in connection with [REDACTED]; work with client to develop [REDACTED]; spend time interfacing with Allied Wallet account to retrieve information in connection with [REDACTED]; attend meetings and calls with clients and internal throughout Day in connection with [REDACTED]; review analysis from Erin Craddock in connection with [REDACTED]; review communication from Allied wallet and [REDACTED]; review communication from Joint Liquidator in Cayman Islands regarding timing and next steps for release of funds; review reproduction order from criminal court proceeding;</p>	7.40
05/05/15 CS	Review transcript received to date; discuss with assistant; email to Erin Craddock;	0.40
05/05/15 ECR	<p>Draft and finalize report on [REDACTED]; correspondence with Gillian Goldblatt and Larry Ellis regarding [REDACTED];</p>	1.20



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Date		Description	Hours
05/05/15	LCE	Work with team to [REDACTED] [REDACTED] [REDACTED]; review and respond to emails from Joint Liquidator; telephone discussion with client to discuss [REDACTED] attend on lengthy call with Joint Liquidator in Cayman Islands; attend on call with Harry Fogul to discuss [REDACTED] [REDACTED] [REDACTED]; review information from Allied wallet and [REDACTED]; review updated memorandum from Chris Horkins;	3.90
05/06/15	CS	Email from Erin Craddock regarding [REDACTED] [REDACTED]; follow up with DPC and Raymond Johnston (IT); upload converted documents onto FTP site and email to Gillian Goldblatt;	0.80
05/06/15	CS	Review transcript of Maxwell Morgan and [REDACTED] [REDACTED];	1.50
05/06/15	ECR	Report to team regarding [REDACTED] [REDACTED]; correspondence with Gillian Goldblatt [REDACTED];	0.20
05/06/15	LCE	Work with Joint Liquidator in the Cayman Islands to finalize movement of funds; review and respond to numerous emails from client regarding [REDACTED]; attend on lengthy call with client to discuss [REDACTED]; review correspondence from Joint Liquidator in Isle of Man and consider [REDACTED];	3.10
05/07/15	CS	Update database - add undertakings in Maxwell Morgan transcript and L. Guarini transcript;	2.20
05/07/15	CS	[REDACTED] [REDACTED]; telephone call with Michelle Bannister; email to Erin Craddock regarding [REDACTED];	0.60



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Date		Description	Hours
05/07/15	ECR	Prepare for and attend meeting with Christopher Smith; meeting with Larry Ellis and Gillian Goldblatt regarding [REDACTED]; correspondence with Harry Fogul regarding meeting with Christopher Smith;	4.10
05/07/15	LCE	Spend day developing memorandum detailing [REDACTED]; review [REDACTED]; review and complete analysis with respect to [REDACTED]; attend on call with Harry Fogul to discuss [REDACTED];	4.80
05/08/15	ECR	Attend BBIL team conference call; telephone calls with RBC and TD regarding outstanding documents; draft letters to the banks regarding the same;	2.20
05/08/15	LCE	Review and respond to email from client with respect to [REDACTED]; attend on the call with Harry Fogul to discuss [REDACTED];	1.80
05/11/15	CS	Complete list of undertakings L. Guarini; prepare list of undertakings of K. Stinson; email to Erin Craddock;	1.70
05/11/15	JMARTIN	Decide next steps with regard to [REDACTED];	0.10
05/11/15	ECR	Finalize letters to banks regarding production of documents; discussion with Gillian Goldblatt regarding [REDACTED];	2.00



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Date		Description	Hours
05/11/15	LCE	Review communication from receiver and consider recovery of information from Allied wallet; review draft letters to various banks to recover information; meeting with team to discuss [REDACTED]; continue development of [REDACTED]; attend on call to discuss [REDACTED]; attend on call with client to consider [REDACTED];	3.60
05/12/15	JMARTIN	Review examination transcripts;	4.20
05/12/15	CS	[REDACTED]; email to Erin Craddock and Gillian Goldblatt;	1.10
05/12/15	ECR	Finalize letters to financial institutions; review [REDACTED]; correspondence with Harry Fogul regarding meeting with Christopher Smith; correspondence with Jordan Ross regarding documents form RBC; correspondence with Gillian Goldblatt regarding [REDACTED];	4.00
05/12/15	LCE	Review and respond to email from Joint Liquidator regarding [REDACTED]; consider [REDACTED]; attend at law firm office to continue document review;	4.50
05/13/15	ECR	Correspondence with Jordan Ross regarding production of documents; correspondence with Gillian Goldblatt regarding [REDACTED]; draft letter to Lorenzo Guarini regarding undertakings provided at examination; correspondence with Gillian Goldblatt regarding [REDACTED];	2.00



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Date	Description	Hours
05/13/15 LCE	Review and respond to communication from Joint Liquidator and Isle of man; attend on a call with client to discuss [REDACTED]; update from team with respect to [REDACTED]; review [REDACTED]; review of [REDACTED]; [REDACTED] prepare for and attend Christopher Smith meeting to request information and background in connection with [REDACTED]; follow-up review of information provided for by Christopher Smith;	5.50
05/13/15 CS	Review excel spreadsheet and extract [REDACTED];	0.40
05/14/15 ECR	Correspondence with Gillian Goldblatt regarding [REDACTED]; discussions with TD Bank regarding the production of documents; correspondence with TD bank regarding the same; correspondence with RBC regarding production of documents; meeting with Christopher Smith;	4.00
05/14/15 LCE	Provide assistance and guidance internal with respect to [REDACTED]; continue review of information provided for by Christopher Smith; telephone discussion with Harry Fogul to discuss [REDACTED]; [REDACTED]; internal meeting with Erin Craddock to discuss [REDACTED]; instructions to Chris Horkins in connection with [REDACTED]; review latest draft of memorandum and [REDACTED];	4.70
05/15/15 LCE	Lengthy meeting and calls throughout day in connection with [REDACTED]; [REDACTED]; meetings and call with client to discuss [REDACTED];	3.40



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Date		Description	Hours
05/15/15	CS	Update transcript in database and revise undertakings chart;	0.50
05/15/15	JMARTIN	Reviewing examination transcripts;	1.10
05/15/15	ECR	Correspondence with Cathy Stallone regarding [REDACTED]; correspondence with Gillian Goldblatt regarding [REDACTED];	0.20
05/16/15	LCE	Review settlement agreement and [REDACTED] [REDACTED] [REDACTED]; review communications from Christopher Smith's lawyer;	1.10
05/19/15	DSW	Meeting with Erin Craddock regarding [REDACTED] [REDACTED]; disclosure relevant to Stephanie Schlact and flow of funds analysis; Cassels team meeting regarding [REDACTED] [REDACTED]; correspondence to and from Harry Fogul; review correspondence and email communication from May 6 to 15;	3.70
05/19/15	ECR	Correspondence regarding [REDACTED]; instructions from David Ward; review memorandum from Gillian Goldblatt; organize Smith meeting; instructions from Larry Ellis; update [REDACTED] [REDACTED]; draft [REDACTED] [REDACTED];	5.50
05/19/15	LCE	Review email from Harry Fogul with respect to [REDACTED] [REDACTED]; review communication from client regarding [REDACTED]; review [REDACTED] [REDACTED]; work with the team to arrange for call to discuss [REDACTED] attend on call with counsel for Christopher Smith and receiver and [REDACTED] [REDACTED];	3.10
05/19/15	CHORKINS	Attend telephone discussions with banking representatives with Larry Ellis and Erin Craddock;	1.20



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Date		Description	Hours
05/20/15	CHORKINS	Working lunch with David Ward, Erin Craddock and Gillian Goldblatt to discuss [REDACTED] [REDACTED]	1.10
05/20/15	CHORKINS	Preparing [REDACTED] [REDACTED]	2.40
05/20/15	DSW	Meeting with Gillian Goldblatt; consider [REDACTED] email with Christopher Smith's counsel; review [REDACTED]	1.80
05/20/15	ECR	Revise [REDACTED]	1.10
05/20/15	LCE	Work with receiver throughout day to discuss and [REDACTED]	1.10
05/21/15	CHORKINS	Preparing [REDACTED] email to Larry Ellis [REDACTED]	1.80
05/21/15	DSW	Meeting with Erin Craddock regarding [REDACTED] consider correspondence regarding [REDACTED] [REDACTED] receipt and consider memorandum from Receiver and [REDACTED] preparation for [REDACTED]	2.90
05/21/15	ECR	Review and comment on [REDACTED] correspondence regarding [REDACTED]	2.00
05/21/15	LCE	Work with Erin Craddock to recover documents and information from Toronto Dominion Bank; review correspondence from bank and [REDACTED] [REDACTED] meeting with Erin Craddock to discuss [REDACTED] meeting with Christopher Horkins to discuss [REDACTED] review first draft of [REDACTED]	1.50




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Date	Description	Hours
05/22/15 LCE	Work with team throughout day to recover information from banks; attend on call with receiver to discuss [REDACTED]	0.40
05/22/15 DSW	Review correspondence between Receiver, CIBC and RBC; review [REDACTED] [REDACTED] consider [REDACTED] and instructions to Chris Horkins; continued review of [REDACTED] [REDACTED]	2.10
05/22/15 JMARTIN	Review notes from examination of Stephanie Schlacht; [REDACTED]; review recent correspondence with respect to [REDACTED] [REDACTED];	2.10
05/22/15 ECR	Correspondence with RBC regarding production of documents; correspondence with Gillian Goldblatt regarding [REDACTED] [REDACTED];	0.20
05/25/15 ECR	Review documents received from RBC; correspondence with Larry Ellis and David Ward regarding [REDACTED]; revise [REDACTED] [REDACTED]; correspondence with Gillian Goldblatt regarding [REDACTED] [REDACTED];	4.00
05/25/15 LCE	Work with team throughout day to recover information from the Royal Bank of Canada; attend on call with client to discuss [REDACTED] [REDACTED];	0.70
05/25/15 CHORKINS	Discuss [REDACTED] with Erin Craddock;	0.40
05/26/15 CHORKINS	Attend BBIL Cassels working group team meeting with David Ward, Larry Ellis, Erin Craddock and Jeremy Martin to [REDACTED] [REDACTED]	1.80



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Date	Description	Hours
05/26/15 CS	Email from and to Erin Craddock; [REDACTED] [REDACTED]	1.60
05/26/15 DSW	Correspondence to and from Joint Liquidators; review and revise [REDACTED] [REDACTED]; preparation of correspondence to Maxwell Morgan; meeting with Cassels team; continued preparation from Maxwell Morgan and Dixit examinations;	4.20
05/26/15 JMARTIN	Preparing for, attending, and organizing [REDACTED] [REDACTED]	2.00
05/26/15 ECR	Attend internal CBB [REDACTED] review undertakings of Christopher Smith [REDACTED] [REDACTED]; correspondence with Gillian Goldblatt regarding [REDACTED] [REDACTED]; correspondence with Harry Fogul regarding meeting with Christopher Smith;	6.40
05/26/15 LCE	Work with Erin Craddock to [REDACTED] [REDACTED]; telephone discussion with certain off shore banks to discuss the recovery of information; review update from Jon chaplain with respect to [REDACTED] [REDACTED]; prepare for internal meeting with receiver; attend lengthy meeting with client to discuss [REDACTED] [REDACTED]; telephone discussion with Harry Fogul and Christopher Smith to discuss agenda items including [REDACTED] review and respond to emails regarding [REDACTED]	3.10
05/27/15 ON	Receive and review instructions; conduct a PPSA search regarding [REDACTED] forward the results for review;	0.40



CASSELS BROCK

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Date	Description	Hours
05/27/15 DSW	Correspondence to and from Harry Fogul regarding Christopher Smith examination meetings; review Maxwell Morgan transcripts and [REDACTED]; meeting with Erin Craddock and [REDACTED]; receipt and brief review of correspondence and documentary productions from TD Bank;	3.30
05/27/15 JMARTIN	[REDACTED]	3.00
05/27/15 CS	Meeting with Erin Craddock regarding [REDACTED]; email from and to Victory Verbatim confirming examination on Friday;	0.60
05/27/15 CS	Instructions from Erin Craddock regarding [REDACTED]; review database;	0.60
05/27/15 ECR	Preparation for examination for Discovery of Maxwell Morgan; review [REDACTED]; revise [REDACTED]; revise [REDACTED];	7.20
05/27/15 LCE	Review [REDACTED]; review additional information provided for by third parties and [REDACTED]; review communications from Harry Fogul with respect to [REDACTED] and attend on call with client to discuss [REDACTED];	1.20
05/28/15 CHORKINS	Prepare for and attend BBIL Canadian Working Group [REDACTED] with David Ward, Larry Ellis, Erin Craddock, Jeremy Martin and Phil Gennis;	2.70
05/28/15 JMARTIN	Prepare for and attending BBIL Team [REDACTED]; reviewing [REDACTED];	4.60



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Date		Description	Hours
05/28/15	DSW	Continue review of [REDACTED]; meeting with Erin Craddock; Canada team meeting with Receiver and Cassels lawyer; draft and revise [REDACTED]	5.20
05/28/15	ON	Received and reviewed instructions; conducted corporate, bankruptcy and PPSA searches regarding [REDACTED]; forwarded the results for review;	0.80
05/28/15	CS	Review database of Christopher Smith answers; [REDACTED]; meet with Erin Craddock; [REDACTED]; emails from Court reporter to confirm continued examination tomorrow of Maxwell Morgan;	1.40
05/28/15	CS	Internet search for [REDACTED]; arrange to have corporate search done; print various articles found on [REDACTED]; instructions for another corporate search on [REDACTED]	1.20
05/28/15	CS	Receive instructions from Erin Craddock regarding [REDACTED]	1.60
05/28/15	ECR	BBIL team meeting regarding [REDACTED]; preparation for examination for discovery of Maxwell Morgan; revise [REDACTED]; draft [REDACTED]	8.10



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Date	Description	Hours
05/28/15 LCE	<p>Review and respond to communication from via bank; internal meeting to discuss [REDACTED]; lengthy call with Scotia Bank to discuss the recovery of information with respect to various transfers to their institution; lengthy call with Allied wallet to discuss various transfers from their institution to off shore accounts; call with Harry Fogul to request [REDACTED]; follow-up call with Harry to review [REDACTED]; review [REDACTED]; meeting with David Ward to discuss [REDACTED] internal team meeting to [REDACTED] review update from client with respect to [REDACTED]; comments to Joint Liquidators to provide [REDACTED]; prepare communication for client review with respect to [REDACTED];</p>	4.70
05/29/15 ON	<p>Receive and review instructions; conduct corporate and business name searches re: [REDACTED]; forward results for review;</p>	0.70
05/29/15 DSW	<p>Preparation for and complete Maxwell Morgan examination for discovery; follow up meeting with Cassels team; emails with Receiver and Joint Liquidators; revise Stephanie Schlacht production binder;</p>	4.80



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Date	Description	Hours
05/29/15 LCE	Calls throughout the day with Harry Fogul, Scotia Bank, another off shore bank, and Allied wallet, all with a view to [REDACTED] [REDACTED]; review and respond to various emails from the Isle of Man Joint Liquidators in connection with the [REDACTED]; review file and to provide advice to Joint Liquidators in connection [REDACTED]; review and respond to numerous emails in connection with [REDACTED] [REDACTED]; review and respond to emails from Joint Liquidators with respect to [REDACTED]; communication with Paul Appleton with respect to [REDACTED] [REDACTED]	2.60
05/29/15 ECR	Attend examination for discovery of Maxwell Morgan; review documents for [REDACTED] [REDACTED];	5.80
05/29/15 ON	Receive and review instructions; conduct corporate search regarding [REDACTED] [REDACTED]; forward the results for review;	0.40
05/29/15 CS	Continue review of answers and email to Erin Craddock; review database charts; update binder of answers;	2.10
05/29/15 CS	[REDACTED] [REDACTED]	0.20
05/31/15 LCE	Review and respond to emails from client with respect to scheduling call to discuss [REDACTED] [REDACTED];	0.20



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Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
David S. Ward, Senior Advocacy Partner	39.70	\$755.00	\$29,973.50
Larry Ellis, Financial Services Partner	70.40	\$625.00	\$44,000.00
Erin Craddock, Financial Services Associate	68.80	\$480.00	\$33,024.00
Christopher Horkins, Advocacy Associate	19.30	\$390.00	\$7,527.00
Jeremy Martin, Advocacy Associate	23.90	\$390.00	\$9,321.00
Cathy Stallone, Advocacy Law Clerk	23.50	\$300.00	\$7,050.00
Olivia D'Innocenzo, Corporate Law Clerk	2.30	\$250.00	\$575.00
Jane Oliveira, Real Estate Law Clerk	1.20	\$155.00	\$186.00
Our Fee			\$131,656.50
HST on Fees			<u>\$17,115.35</u>
Total Fees and Tax			\$148,771.85

Disbursements

Paid for photocopies, courier charges, delivery, certificate of status, PPSA search/registrations, electronic business name search, tiles search, examination for discovery reporter, examination for discovery transcripts, Court filings and agency fees and disbursements	\$12,175.52
HST on Disbursements	<u>\$1,169.24</u>
Total Disbursements and Tax	<u>\$13,344.76</u>
Total Fees, Disbursements & Tax	<u>\$ 162,116.61</u>

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



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This is our account herein
Cassels Brock & Blackwell LLP

A handwritten signature in dark ink, appearing to read "LE", written over a horizontal line.

Larry Ellis
E&OE

This is **Exhibit "B"** referred to in the affidavit of **LARRY ELLIS** sworn before me in the City of Toronto, in the Province of Ontario, this 28th day of July, 2015.


.....
A Commissioner For Taking Affidavits

EXHIBIT "B"

Summary of Lawyers Services per Invoice Issued

Invoice No. 1944604 (for the period from August 28, 2014 – September 26, 2014)

Year of Call	Lawyer	Billed Rate (\$)	Fees Billed (\$)	Hours Worked
1980	Robert Kligman	965.00	25,765.50	26.7
Actual fees incurred			\$25,765.50	
Total Fees Billed			\$25,765.50	26.7

Invoice No. 1946713 (for the period from September 27, 2014 – October 30, 2014)

Year of Call	Lawyer	Billed Rate (\$)	Fees Billed (\$)	Hours Worked
2004	Larry Ellis	625.00	312.50	.5
	Nicholas Carmichael	175.00	105.00	.6
Actual fees incurred			\$417.50	
Total Fees Billed			\$417.50	1.1

Invoice No. 1948948 (for the period from October 31, 2014 – November 27, 2014)

Year of Call	Lawyer	Billed Rate (\$)	Fees Billed (\$)	Hours Worked
2004	Larry Ellis	625.00	2,375.00	3.8
	Jane Oliveira	150.00	45.00	.3
Actual fees incurred			\$2,420.00	
Total Fees Billed			\$2,420.00	4.1

Invoice No. 1951220 (for the period up to December 31, 2014)

Year of Call	Lawyer	Billed Rate (\$)	Fees Billed (\$)	Hours Worked
1992	David Ward	725.00	3,045.00	4.2
2012	Jeremy Martin	390.00	1,014.00	2.6
1980	Robert Kligman	965.00	15,247.00	15.8
	Jane Oliveira	150.00	105.00	.7
	Olivia D'Innocenzo	280.00	168.00	6
Actual fees incurred			\$19,579.00	
Total Fees Billed			\$19,579.00	23.9

Invoice No. 1954658 (for the period up to January 31, 2015)

Year of Call	Lawyer	Billed Rate (\$)	Fees Billed (\$)	Hours Worked
1992	David Ward	745.00	16,986.00	22.8
2004	Larry Ellis	625.00	40,937.50	65.5
2012	Jeremy Martin	390.00	1,326.00	3.4
1980	Robert Kligman	745.00	4,544.50	6.1
2012	Christopher Horkins	390.00	1,053.00	2.7
	Cathy Stallone	300.00	180.00	0.6
Actual fees incurred			\$65,027.00	
Total Fees Billed			\$65,027.00	101.1

Invoice No. 1957511 (for the period up to February 28, 2015)

Year of Call	Lawyer	Billed Rate (\$)	Fees Billed (\$)	Hours Worked
1992	David Ward	755.00	48,244.50	63.9
2004	Larry Ellis	625.00	89,937.50	143.9
2012	Jeremy Martin	390.00	2,067.00	5.3
2012 ¹	Erin Craddock	480.00	28,176.00	58.7
2012	Christopher Horkins	390.00	3,393.00	8.7
	Cathy Stallone	300.00	1,110.00	3.7
	Olivia D'Innocenzo	250.00	250.00	1.0
	Jane Oliveira	155.00	93.00	0.6
Actual fees incurred			\$173,271.00	
Total Fees Billed			\$173,271.00	285.8

Invoice No. 1958653 (for the period up to March 31, 2015)

Year of Call	Lawyer	Billed Rate (\$)	Fees Billed (\$)	Hours Worked
1992	David Ward	751.71	56,228.00	74.8
2004	Larry Ellis	625.00	43,000.00	68.8
2012	Jeremy Martin	390.00	10,218.00	26.2
2012	Erin Craddock	480.00	35,088.00	73.1
2012	Christopher Horkins	390.00	24,882.00	63.8
	Cathy Stallone	300.00	7,680.00	25.6
	Olivia D'Innocenzo	250.00	150.00	0.6
	Jane Oliveira	155.00	62.00	0.4
Actual fees incurred			\$177,308.00	
Total Fees Billed			\$177,308.00	333.3

¹ Erin Craddock was called to the Ontario Bar in 2012, and was admitted to the New York Bar in 2009.

Invoice No. 1963135 (for the period up to May 31, 2015)

Year of Call	Lawyer	Billed Rate (\$)	Fees Billed (\$)	Hours Worked
1992	David Ward	755.00	29,973.50	39.7
2004	Larry Ellis	625.00	44,000.00	70.4
2012	Jeremy Martin	390.00	9,321.00	23.9
2012	Erin Craddock	480.00	33,024.00	68.8
2012	Christopher Horkins	390.00	7,527.00	19.3
	Cathy Stallone	300.00	7,050.00	23.5
	Olivia D'Innocenzo	250.00	575.00	2.3
	Jane Oliveira	155.00	186.00	1.2
Actual fees incurred			\$131,656.50	
Total Fees Billed			\$131,656.50	249.1

This is **Exhibit "C"** referred to in the affidavit of **LARRY ELLIS** sworn before me in the City of Toronto, in the Province of Ontario, this 28th day of July, 2015.

A handwritten signature in blue ink that reads "David S. Ward". The signature is written in a cursive style with a horizontal dotted line underneath it.

A Commissioner For Taking Affidavits

Exhibit "C"

Calculation of Average Hourly Billing Rates of
Cassels Brock & Blackwell LLP
for the period August 28, 2014 to May 31, 2015

Invoice No./ Period	Fees (\$)	Disbursements (\$)	HST (\$)	Total Fees, Disbursements and HST (\$)	Hours Billed	Average Billed Rate (\$)
Inv.# 1944604 (Aug. 28 – Sept. 26, 2014)	25,765.50	1,256.50	3,512.87	30,534.87	26.7	965.00
Inv. #1946713 (Sept. 27 – Oct. 30, 2014)	417.50	1,117.14	54.28	1,588.92	1.1	379.55
Inv.# 1948948 (Oct. 31 – Nov. 27, 2014)	2,420.00	2,067.62	578.56	5,066.18	4.1	590.24
Inv.# 1951220 (up to Dec. 31, 2014)	19,579.00	4,346.02	3,036.08	29,961.10	23.9	819.21
Inv.#1954658 (up to Jan. 31, 2015)	65,027.00	10,162.18	8,697.78	83,901.00	101.1	643.19
Inv.# 1957511 (up to Feb. 28, 2015)	173,271.00	8,702.99	22,744.93	204,718.92	285.8	606.26
Inv.# 1958653 (up to Mar. 31 2015)	177,308.00	14,457.58	23,894.75	214,815.62	333.3	531.98
Inv.# 1963135 (up to May 31, 2015)	131,656.50	12,175.52	18,284.59	162,116.61	249.1	528.53
TOTAL	\$595,444.50	\$54,285.55	\$80,803.84	\$732,703.22²	1,025.10	\$580.86

² There is a \$105.74 difference between the Receiver's Interim Statement of Receipts and Disbursements and the Total Fees, Disbursements and HST charged by Cassels. This difference is a result of the omission by Cassels to charge the Receiver HST on disbursements by Cassels in connection with Invoice # 1946713.

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

Court File No CV-14-10663-00C

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

AFFIDAVIT OF LARRY ELLIS

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

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

Erin Craddock LSUC#: 62828J
Tel: 416.860.6480
Fax: 416.644.9324
ecraddock@casselsbrock.com

Lawyers for the Receiver and Joint Liquidators

Tab 0

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

**In the Matter of the Receivership of
Banners Broker International Limited
Receiver's Interim Statement of Receipts and Disbursements
as at May 31, 2015**

Receipts

1.	Return of Legal Retainer	\$	200,000.00	
2.	Advance From Liquidators		286,548.10	

Total Receipts

\$ 486,548.10

Disbursements

1.	Receiver's Fees	\$	334,196.50	
2.	Gain on Foreign Exchange		5,009.56	Note 1
3.	Legal Fees		61,782.19	Note 2
4.	Advertising		16,753.20	
5.	Appraisal Fees		6,215.00	
6.	Search Fees		779.87	
7.	Miscellaneous Disbursements		2,398.51	
8.	HST on Receiver's Fees		44,096.80	
9.	HST on Legal Fees		7,925.15	Note 2
10.	HST on Disbursements		3,176.82	

Total Disbursements

\$ 482,333.60

Total Receipts less Disbursements

\$ 4,214.50 E&OE

Prepared without audit

Restrained Funds Note 3**CANADIAN FUNDS:**

Use My Services	93,336.70
Payza	33,374.80

\$ 126,711.50 CAD

USD FUNDS:

Beanstream	537,576.31
Solid Trust Pay	104,260.51

\$ 641,836.82 USD

Dated the 22nd day of July, 2015

msi Spargel Inc.

Court-appointed Receiver of
Banners Broker International Limited



Per: Philip H. Genns, I.D., CRP

Note 1 As the Receiver's fees from August 2014 - December 2014 were paid by the Joint Liquidators in the UK, there was a minor gain on foreign exchange upon conversion.

Note 2 Additional Legal Fees of \$689,071.31, which are subject to the within motion for approval, were incurred by the Receiver but were paid directly by the Joint Liquidators in the UK. Such payments were approved by the Joint Liquidators' Committee of Inspection.

Note 3 The Receiver is holding the restrained funds pursuant to the Order of the Honourable Justice Newbould, dated January 14, 2015.

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

Court File No CV-14-10663-00CL

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

MOTION RECORD

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

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

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

Lawyers for the Receiver and Joint Liquidators