

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT **OF iMARKETING SOLUTIONS GROUP**
INC. and those Companies referred to on Schedule "A"

Applicants

APPLICATION RECORD
VOLUME 2 OF 2

April 11, 2013

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Schedule “A”

List of Applicants

iMarketing Solutions Group Inc.
The Responsive Marketing Group Inc.
GWE Consulting Group (USA) Inc.
Direct Contact Strategies Inc.
Front Line Support Inc.
iMark Events Inc.
RMG General Partner Inc.
Cabot Call Centre Inc.
Engage Interactive Inc.
RMG Smiths Falls LP.
RMG Thunder Bay LP
Xentel Inc. (Delaware)
Wellesley Corporation Inc. (Delaware)
US Billing Inc. (Delaware)
American Graphics & Design Inc. (Wisconsin)
Courtesy Health Watch Inc. (Delaware)
Target Outreach Inc. (Nevada)
Engage Funding Inc. (Delaware)

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Exhibit “O”

U.S. SECURITY AGREEMENT

THIS U.S. SECURITY AGREEMENT (this "Security Agreement") dated as of December 4, 2012, is made by and among GWE CONSULTING GROUP (USA), INC., a Washington Corporation ("GWE"), TARGET OUTREACH, INC., a Nevada corporation ("Target"), and each other person who shall hereafter become a party hereto by execution of a U.S. Security Joinder Agreement (together with GWE and Target, each a "Grantor" and collectively, the "Grantors"), and SHOTGUN FUND LIMITED PARTNERSHIP III, as lender (the "Lender") pursuant to the Note referred to below.

RECITALS

A. Pursuant to that certain Secured Convertible Promissory Note of even date herewith (as the same may be amended, restated, supplemented, subdivided, reissued, refinanced or replaced, the "Note") made by iMarketing Solutions Group Inc., an Alberta corporation and direct or indirect parent corporation of each Grantor ("Parent"), the Lender has agreed to make certain loans and advances to Parent to be evidenced by such Note.

B. As a condition precedent to, and order induce the Lender to, make such advances and extensions of credit to Parent and to ensure the prompt and complete payment and performance by Parent of the Secured Obligations (as hereinafter defined), the Lender required that each Grantor enter into (a) that certain U.S. Guaranty of even date herewith in favor of Lender (the "U.S. Guaranty") and (b) this Security Agreement.

C. Each Grantor is a direct or indirect subsidiary of Parent and, as such, will materially benefit from such extensions of credit to Parent, and as such the entry into this Security Agreement is in the best business interest of such Grantor.

For and in consideration of the recitals made above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Certain Definitions.

All capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Note. Terms (whether or not capitalized) used in this Security Agreement (including, without limitation, in Section 2 hereof) that are not otherwise expressly defined herein or in the Note, and for which meanings are provided in the Uniform Commercial Code of the state of New York (the "UCC"), shall have such meanings set forth in such UCC, unless the context requires otherwise. In addition, for purposes of this Security Agreement, (a) "Secured Obligations" means the Grantors' Obligations (as defined in the U.S. Guaranty) and (b) "Permitted Liens" means solely such Liens that are authorized by the Lender in writing in its sole discretion.

2. Grant of Security Interest.

Each Grantor, as collateral security for its obligations for the payment, performance and satisfaction of the Secured Obligations, hereby grants to the Lender a continuing first priority security interest in and to, and hereby collaterally assigns to the Lender, all right, title and interest in any and all of the personal property assets of such Grantor or in which such Grantor has or may have or acquire an interest or the power to transfer rights therein, in each case, whether now owned or existing or hereafter created, acquired or arising and wheresoever located, including the following (terms describing the collateral below shall have the meanings assigned to them in the UCC, to the extent applicable):

(a) all accounts, contract rights, chattel paper (including electronic chattel paper), instruments, letter of credit rights, supporting obligations, payment intangibles and general intangibles, including, but not limited to, all amounts due to such Grantor from the Lender, and all returned or repossessed goods which, on sale or lease, resulted in an account or chattel paper;

(b) all inventory, including all materials, work in process and finished goods;

(c) all goods, including, all machinery, furniture, fixtures and other equipment of every type;

(d) all general intangibles, including, but not limited to, (i) all patents, all unpatented or unpatentable inventions, all patent licenses and applications and all rights of use of any of the foregoing, (ii) all trademarks, service marks, and trade names, all licenses and applications for any of the foregoing and all rights of use thereof, (iii) all copyrights and literary rights and all licenses and applications therefor and all rights of use thereof, (iv) all computer software programs, (v) all internet domain names and registration rights thereto, all internet websites and the content thereof, (vi) all mask works of semiconductor chip products, (vii) all trade secrets, proprietary information, customer lists, manufacturing, engineering and production plans, drawings, specifications, processes and systems, including, but not limited to, all good will connected with or symbolized by any of such general intangibles, all contract rights, documents, applications, licenses, materials and other matters related to such general intangibles, all tangible property embodying or incorporating any such general intangibles, and all chattel paper (including, without limitation, all components of electronic chattel paper) and instruments relating to such general intangibles;

(e) all deposit accounts, including demand, time, savings, passbook, or other similar accounts maintained with any bank by or for the benefit of such Grantor, and all securities accounts, together in each case, with all monies, securities and other property whether or not on deposit therein;

(f) all monies, instruments, notes, chattel paper (including electronic chattel paper), documents, certificates of deposit, securities and investment property of every type, including all liens, security agreements, leases and other contracts securing or otherwise relating to the foregoing;

(g) all commercial tort claims;

(h) all books and records relating to any of the foregoing (including customer data, credit files, ledgers, computer programs, printouts, and other computer materials and records (and all media on which such data, files, programs, materials and records are or may be stored)); and

(i) all proceeds, products and replacements of, accessions to, and substitutions for, any of the foregoing, including without limitation proceeds of insurance policies insuring any of the foregoing.

All of the property and interests in property described in subsections (a) through (i) are herein collectively referred to as the “Collateral”.

3. Perfection.

As of the date of execution of this Security Agreement or U.S. Security Joinder Agreement by each Grantor, as applicable (with respect to each Grantor, its “Applicable Date”), such Grantor shall have:

(a) furnished the Lender with duly authorized financing statements in form, number and substance suitable for filing, sufficient under applicable law, and satisfactory to the Lender in order that upon the filing of the same the Lender, shall have a duly perfected first priority security interest in all Collateral in which a security interest can be perfected by the filing of financing statements; and

(b) to the extent expressly required by the terms hereof or of the Note, or otherwise as the Lender may request, delivered to the Lender possession of all Collateral with respect to which either a security interest can be perfected only by possession or a security interest perfected by possession shall have priority as against Persons not having possession, and including certificated securities and duly executed endorsements or stock powers in blank, as the case may be, affixed thereto in form and substance acceptable to the Lender and sufficient under applicable law so that the Lender, shall have a security interest in all such Collateral perfected by possession;

with the effect that any grant, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing) (each a “Lien”) conferred in favor of the Lender, shall be and remain duly perfected (to the extent required hereunder) and of first priority, subject only to Permitted Liens. All financing statements (including all amendments thereto and continuations thereof), control agreements, certificates, acknowledgments, stock powers and other documents, electronic identification, restrictive legends, and instruments furnished in connection with the creation, enforcement, protection, perfection or priority of the Lender’s security interest in Collateral, including such items as are described above in this Section 3, are sometimes referred to herein as “Perfection Documents”. The delivery of possession of items of or evidencing Collateral, causing other Persons to execute

and deliver "Perfection Documents" as appropriate, the filing or recordation of Perfection Documents, the establishment of control over items of Collateral, and the taking of such other actions as may be necessary or advisable in the determination of the Lender to create, enforce, protect, perfect, or establish or maintain the priority of, the security interest of the Lender, in the Collateral is sometimes referred to herein as "Perfection Action".

4. Maintenance of Security Interest; Further Assurances.

(a) Each Grantor will from time to time at its own expense, deliver specific assignments of Collateral or such other Perfection Documents, and take such other or additional Perfection Action, as may be required by the terms of the Loan Documents or as the Lender may reasonably request in connection with the administration or enforcement of this Security Agreement or related to the Collateral or any part thereof in order to carry out the terms of this Security Agreement, to perfect, protect, maintain the first priority of or enforce the Lender's security interest, in the Collateral, subject only to Permitted Liens, or otherwise to better assure and confirm unto the Lender its rights, powers and remedies hereunder, including taking all actions as may be reasonably necessary to facilitate and/or ensure perfection of the Lender's security interest in and the assignment of all contracts. Without limiting the foregoing, each Grantor hereby irrevocably authorizes the Lender to file (with, or to the extent permitted by applicable law, without the signature of such Grantor appearing thereon) financing statements (including amendments thereto and initial financing statements in lieu of continuation statements) or other Perfection Documents (including copies thereof) showing such Grantor as "debtor" at such time or times and in all filing offices as the Lender may from time to time reasonably determine to be necessary or advisable to perfect or protect the rights of the Lender hereunder, or otherwise to give effect to the transactions herein contemplated, any of which Perfection Documents, at the Lender's election, may describe the Collateral as or including "all assets" or "all personal property" of the Grantor. Each Grantor hereby irrevocably ratifies and acknowledges the Lender's authority to have effected filings of Perfection Documents made by the Lender prior to its Applicable Date.

(b) With respect to any and all Collateral, each Grantor agrees to do and cause to be done all things necessary to perfect, maintain the first priority of and keep in full force the security interest granted in favor of the Lender, including, but not limited to, the prompt payment upon demand therefor by the Lender of all fees and expenses (including documentary stamp, excise or intangibles taxes) incurred in connection with the preparation, delivery, or filing of any Perfection Document or the taking of any Perfection Action to perfect, protect or enforce a security interest in Collateral in favor of the Lender, subject only to Permitted Liens. All amounts not so paid when due shall constitute additional Secured Obligations and (in addition to other rights and remedies resulting from such nonpayment) shall bear interest from the date of demand until paid in full at the highest rate applicable to loans under the terms of the Note (including at a default rate, if applicable).

(c) Each Grantor agrees to maintain among its books and records appropriate notations or evidence of, and to make or cause to be made appropriate disclosure upon its financial statements of, the security interest granted hereunder to the Lender.

(d) Each Grantor shall promptly inform the Lender in writing of the acquisition by such Grantor of any personal property which is not adequately described in this security agreement, and each Grantor shall execute and deliver, from time to time, at its own expense, amendments to this Security Agreement and its schedules (if any) or additional security agreements or schedules as may be required by the Lender in order to preserve, protect and perfect its security interest in such personal property.

(e) If any Grantor acquires Collateral consisting of chattel paper, instruments or negotiable documents of title (collectively, "Negotiable Collateral"), such Grantor shall, immediately upon receipt thereof, deliver to the Lender the Negotiable Collateral and shall, at the request of the Lender (i) endorse the same for transfer in blank or as the Lender may direct, (ii) cause any transfer to be registered wherever, in the opinion of the Lender, such registration may be required or advisable, and (iii) deliver to the Lender any and all consents or other documents which may be necessary or desirable to transfer the Negotiable Collateral.

5. Receipt of Payment.

If an Event of Default shall occur and be continuing and a Grantor (or any of its affiliates, subsidiaries, stockholders, directors, officers, employees or agents) shall receive any proceeds of Collateral, including without limitation monies, checks, notes, drafts or any other items of payment, each Grantor shall hold all such items of payment in trust for the Lender, and as the property of the Lender, separate from the funds and other property of such Grantor, and no later than the first banking day following the receipt thereof, at the election of the Lender, such Grantor shall cause such Collateral to be forwarded to the Lender for its custody, possession and disposition in accordance with the terms hereof and of the other Loan Documents.

6. Preservation and Protection of Collateral.

(a) The Lender shall not be under any duty or liability with respect to the collection, protection or preservation of the Collateral, or otherwise. The Grantors will properly preserve and defend the Collateral against any adverse claims and demands.

(b) Each Grantor shall keep and maintain its tangible personal property Collateral in good operating condition and repair, ordinary wear and tear excepted. No Grantor shall permit any such items to become a fixture to real property (unless such Grantor has granted the Lender a Lien on such real property having a priority acceptable to the Lender) or accessions to other personal property.

(c) Each Grantor agrees (i) to pay when due all taxes (other than taxes which are being diligently contested in good faith by appropriate proceedings, in respect of which no lien has been filed of record and for which adequate reserves in accordance with GAAP shall have been set aside on its books (such contest meeting all such requirement being referred to herein as being "Properly Contested")), charges and assessments against the Collateral in which it has any interest, and (ii) to cause to be terminated and released all Liens (other than Permitted Liens) on the Collateral. Upon the failure of any Grantor to so pay such taxes, charges, or assessments, or cause such Liens to be terminated, the Lender at its option may pay any of them or amounts relating

thereto (the Lender having the sole right to determine the legality or validity and the amount necessary to discharge such taxes, charges, Liens or assessments) but shall not have any obligation to make any such payment or contest. All sums so disbursed by the Lender, including all fees and expenses of counsel (collectively, "Attorneys' Costs"), court costs, expenses and other charges related thereto, shall be payable on demand by the applicable Grantor to the Lender and shall be additional Secured Obligations secured by the Collateral, and any amounts not so paid on demand (in addition to other rights and remedies resulting from such nonpayment) shall bear interest from the date of demand until paid in full at the highest rate applicable to loans under the terms of the Note (including at a default rate, if applicable). In the event any Grantor shall fail to maintain, or fail to cause to be maintained, the full insurance coverage required hereunder or shall fail to keep any of its Collateral in good repair and good operating condition, the Lender may (but shall be under no obligation to), without waiving or releasing any Secured Obligation or Default or Event of Default by such Grantor hereunder, contract for the required policies of insurance and pay the premiums on the same or make any required repairs, renewals and replacements; and all sums so disbursed by the Lender, including reasonable Attorneys' Costs, court costs, expenses and other charges related thereto, shall be payable on demand by the applicable Grantor to the Lender, shall be additional Secured Obligations secured by the Collateral, and (in addition to other rights and remedies resulting from such nonpayment) shall bear interest from the date of demand until paid in full at the highest rate applicable to loans under the terms of the Note (including at a default rate, if applicable).

7. Status of Grantors and Collateral Generally.

Each Grantor represents and warrants to, and covenants with, the Lender, with respect to itself and the Collateral as to which it has or acquires any interest, that:

(a) It is at its Applicable Date (or as to Collateral acquired after its Applicable Date will be upon the acquisition of the same) and, except as permitted by subsection (b) of this Section 7, will continue to be, the owner of the Collateral, free and clear of all Liens, other than the security interest hereunder in favor of the Lender and Permitted Liens, and that it will at its own cost and expense defend such Collateral and any products and proceeds thereof against all claims and demands of all Persons (other than holders of Permitted Liens) claiming the same or any interest therein adverse to the Lender. Upon the failure of any Grantor to so defend, the Lender may do so at its option but shall not have any obligation to do so. All sums so disbursed by the Lender, including reasonable Attorneys' Costs, court costs, expenses and other charges related thereto, shall be payable on demand by the applicable Grantor to the Lender and shall be additional Secured Obligations secured by the Collateral, and any amounts not so paid on demand (in addition to other rights and remedies resulting from such nonpayment) shall bear interest from the date of demand until paid in full at the highest rate applicable to loans under the terms of the Note (including at a default rate, if applicable).

(b) It shall not (i) other than (x) sale or lease of inventory in the ordinary course of business or (y) sales or other dispositions of obsolete supplies or useless assets in the ordinary course of business, sell, assign, transfer, lease, license or otherwise

dispose of any of, or grant any option with respect to, the Collateral, (ii) create or suffer to exist any Lien upon or with respect to any of the Collateral except for the security interests created by this Security Agreement and Permitted Liens, or (iii) take any other action in connection with any of the Collateral that would materially impair the value of the interest or rights of such Grantor in the Collateral taken as a whole or that would materially impair the interest or rights of the Lender therein or thereto.

(c) It has full power, legal right and lawful authority to enter into this Security Agreement (and any Security Joinder Agreement applicable to it) and to perform its terms, including the grant of the security interests in the Collateral herein provided for.

(d) No authorization, consent, approval or other action by, and no notice to or filing with, any governmental authority or any other Person which has not been given or obtained, as the case may be, is required either (i) for the grant by such Grantor of the security interests granted hereby or for the execution, delivery or performance of this Security Agreement (or any U.S. Security Joinder Agreement) by such Grantor, or (ii) for the perfection of or the exercise by the Lender of its rights and remedies hereunder, except for action required by the Uniform Commercial Code to perfect and exercise remedies with respect to the security interest conferred hereunder.

(e) No effective financing statement or other Perfection Document similar in effect, nor any other Perfection Action, covering all or any part of the Collateral purported to be granted or taken by or on behalf of such Grantor (or by or on behalf of any other Person and which remains effective as against all or any part of the Collateral) has been filed in any recording office, delivered to another Person for filing (whether upon the occurrence of a contingency or otherwise), or otherwise taken, as the case may be, except such as pertain to Permitted Liens and such as may have been filed for the benefit of, delivered to, or taken in favor of, the Lender in connection with the security interests conferred hereunder.

(f) Schedule 7(f) attached hereto contains true and complete information as to each of the following: (i) the exact legal name of each Grantor as it appears in its organizational documents as of its Applicable Date, (ii) the jurisdiction of formation and form of organization of each Grantor, and the identification number of such Grantor in its jurisdiction of formation (if any), (iii) each address of the chief executive office of each Grantor as of its Applicable Date, (iv) all trade names or trade styles used by such Grantor as of its Applicable Date, (v) the address of each location of such Grantor at which any tangible personal property Collateral is located at its Applicable Date, (vi) with respect to each location described in clause (v) that is not owned beneficially and of record by such Grantor, the name of the owner thereof; and (vii) the relationship (e.g. lessor, warehousemen) of each Person described in clause (vi) to such Grantor. No Grantor shall change its name, change its jurisdiction of formation (whether by reincorporation, merger or otherwise), change the location of its chief executive office, or utilize any additional location where tangible personal property Collateral may be located, except in each case upon giving not less than thirty (30) days' prior written notice (or such lesser time as the Lender shall agree in writing) to the Lender and taking or causing to be taken prior thereto at such Grantor's expense all such Perfection Action,

including the delivery of such Perfection Documents, as may be reasonably requested by the Lender to perfect or protect, or maintain the perfection and first priority of, the Lien of the Lender in Collateral contemplated hereunder.

(g) It will maintain, in respect of itself and each of its Subsidiaries, insurance at all times with responsible insurance carriers and in such amounts and covering such risks as are usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which a Grantor or any of its Subsidiaries, as the case may be, operate, such policies, in the case of property insurance policies, to show the Lender as a loss payee or additional insured, as applicable, in a form acceptable to the Lender.

8. Inspection.

During regular business hours and with reasonable prior notice (or at any time without notice if an Event of Default exists), the Lender and its agents shall have the right at any reasonable time to inspect the Collateral, all records related thereto (and to make extracts or copies from such records), and the premises upon which any of the Collateral is located, to discuss such Grantor's affairs and finances such Grantor's employees, officers and/or auditors, and to verify with any Person, including Grantor's account debtors, the amount, quality, quantity, value and condition of, or any other matter relating to, the Collateral.

9. Rights and Remedies Upon Event of Default.

Upon the occurrence and during the continuance of an Event of Default, the Lender shall have the following rights and remedies in addition to any rights and remedies set forth elsewhere in this Security Agreement or the other Loan Documents, all of which may be exercised with or, if allowed by law, without notice to a Grantor:

(a) Enforce the security interest given hereunder pursuant to the UCC and any other applicable law.

(b) Enforce the security interest of the Lender in any deposit account of such Grantor maintained with the Lender by applying such account to the Secured Obligations.

(c) Require the Grantors to obtain the Lender's prior written consent to any sale, lease, agreement to sell or lease, or other disposition of any Collateral consisting of inventory.

(d) Require the Grantors to segregate all collections and proceeds of the Collateral so that they are capable of identification and deliver daily such collections and proceeds to the Lender in kind.

(e) Require the Grantors to direct all account debtors to forward all payments and proceeds of the Collateral to a post office box under the Lender's exclusive control.

(f) Require the Grantors to assemble the Collateral and make them available to the Lender at a place designated by the Lender.

(g) Enter upon the property where any Collateral is located and take possession of such Collateral, and use such property (including any buildings and facilities) and any of the Grantors' equipment, if the Lender deems such use necessary or advisable in order to take possession of, hold, preserve, process, assemble, prepare for sale or lease, market for sale or lease, sell or lease, or otherwise dispose of, any Collateral.

(h) Demand and collect any payments on and proceeds of the Collateral. In connection therewith the Grantors irrevocably authorize the Lender to endorse or sign the applicable Grantor's name on all checks, drafts, collections, receipts and other documents, and to take possession of and open the mail addressed to the Grantors and remove therefrom any payments and proceeds of the Collateral.

(i) Grant extensions and compromise or settle claims with respect to the Collateral for less than face value, all without prior notice to the Grantors.

(j) Use or transfer any of each Grantor's rights and interests in any Intellectual Property now owned or hereafter acquired by such Grantor, if the Lender deems such use or transfer necessary or advisable in order to take possession of, hold, preserve, process, assemble, prepare for sale or lease, market for sale or lease, sell or lease, or otherwise dispose of, any Collateral. Each Grantor agrees that any such use or transfer shall be without any additional consideration to such Grantor. As used in this paragraph, "Intellectual Property" includes, but is not limited to, all trade secrets, computer software, service marks, trademarks, trade names, trade styles, copyrights, patents, applications for any of the foregoing, customer lists, working drawings, instructional manuals, and rights in processes for technical manufacturing, packaging and labeling, in which such Grantor has any right or interest, whether by ownership, license, contract or otherwise.

(k) Have a receiver appointed by any court of competent jurisdiction to take possession of the Collateral. Each Grantor hereby consents to the appointment of such a receiver and agrees not to oppose any such appointment.

(l) Take such measures as the Lender may deem necessary or advisable to take possession of, hold, preserve, process, assemble, insure, prepare for sale or lease, market for sale or lease, sell or lease, or otherwise dispose of, any Collateral, and each Grantor hereby irrevocably constitutes and appoints the Lender as the Grantor's attorney-in-fact to perform all acts and execute all documents in connection therewith.

(m) Without notice or demand to any Grantor, set off and apply against any and all of the Secured Obligations any and all deposits (general or special, time or demand, provisional or final) and any other indebtedness, at any time held or owing by the Lender or any of the Lender's agents or affiliates to or for the credit of the account of such Grantor or any guarantor or endorser of the Secured Obligations.

(n) Use the information recorded on or contained on a Grantor's internet website or otherwise in any data processing equipment and computer hardware and software relating to any Collateral to which a Grantor has access.

(o) Exercise any other remedies available to the Lender at law or in equity.

10. Proceeds of Sale.

The net cash proceeds resulting from the collection, liquidation, sale, or other disposition of the Collateral shall be applied first to the expenses (including all Attorneys' Costs) of retaking, holding, storing, processing and preparing for sale, selling, collecting, liquidating and the like, and then to the satisfaction of all Secured Obligations in such order of application as the Lender may from time to time elect. Each Grantor shall be liable to the Lender and shall pay to the Lender on demand any deficiency which may remain after such sale, disposition, collection or liquidation of the Collateral. In disposing of Collateral hereunder, the Lender may disclaim all warranties of title, possession, quiet enjoyment and the like.

11. Attorney-in-Fact.

To the extent permitted by law, each Grantor hereby appoints the Lender as such Grantor's attorney-in-fact for the purposes of carrying out the provisions of this Security Agreement and taking any action and executing any instrument which the Lender may deem necessary or advisable to accomplish the purposes hereof, which appointment is coupled with an interest and is irrevocable; provided that the Lender shall have and may exercise rights under this power of attorney only upon the occurrence and during the continuance of an Event of Default. Without limiting the generality of the foregoing, upon the occurrence and during the continuance of an Event of Default, the Lender shall have the right and power:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(b) to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (a) above;

(c) to endorse such Grantor's name on any checks, notes, drafts or any other payment relating to or constituting proceeds of the Collateral which comes into the Lender's possession or the Lender's control, and deposit the same to the account of the Lender on account and for payment of the Secured Obligations;

(d) to file any claims or take any action or institute any proceedings that the Lender may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Lender with respect to any of the Collateral; and

(e) to execute, in connection with any sale or other disposition of Collateral provided for herein, any endorsement, assignments, or other instruments of conveyance or transfer with respect thereto.

12. Reinstatement.

Each Grantor agrees that this Security Agreement shall continue to be effective or be reinstated, as the case may be, at any time payment received by the Lender in respect of the Secured Obligations is rescinded or must be restored for any reason, or is repaid by the Lender in whole or in part in good faith settlement of any pending or threatened avoidance claim.

13. Certain Waivers by the Grantors.

Each Grantor waives to the extent permitted by applicable law (a) any right to require the Lender or any other obligee of the Secured Obligations to (i) proceed against any Person or entity, including without limitation any Loan Party, (ii) proceed against or exhaust any Collateral or other collateral for the Secured Obligations, (iii) to marshal any Collateral or (iv) pursue any other remedy in its power; (b) any defense arising by reason of any disability or other defense of any other Person, or by reason of the cessation from any cause whatsoever of the liability of any other Person or entity, (c) any right of subrogation, and (d) any right to enforce any remedy which the Lender or any other obligee of the Secured Obligations now has or may hereafter have against any other Person and any benefit of and any right to participate in any collateral or security whatsoever now or hereafter held by the Lender. Each Grantor authorizes the Lender and each other obligee of the Secured Obligations without notice (except notice required by applicable law) or demand and without affecting its liability hereunder or under the Loan Documents from time to time to: (i) take and hold security, other than the Collateral herein described, for the payment of such Secured Obligations or any part thereof, and exchange, enforce, waive and release the Collateral herein described or any part thereof or any such other security; and (ii) apply such Collateral or other security and direct the order or manner of sale thereof as the Lender or obligee in its discretion may determine.

The Lender may at any time deliver (without representation, recourse or warranty) the Collateral or any part thereof to a Grantor and the receipt thereof by such Grantor shall be a complete and full acquittance for the Collateral so delivered, and the Lender shall thereafter be discharged from any liability or responsibility therefor.

14. Continued Powers.

Until the Termination Date (as hereinafter defined) shall have occurred, the power of sale and other rights, powers and remedies granted to the Lender hereunder shall continue to exist and may be exercised by the Lender at any time and from time to time irrespective of the fact that any of the Secured Obligations or any part thereof may have become barred by any statute of limitations or that any part of the liability of any Grantor may have ceased. For purposes of this Security Agreement, "Termination Date" means the date as of which all of the Secured Obligations have been paid in full in cash and all obligations or commitments of the Lender to make any further loans, advances or other financial accommodations have been terminated.

15. Other Rights.

The rights, powers and remedies given to the Lender by this Security Agreement shall be in addition to all rights, powers and remedies given to the Lender under any other Loan Document or by virtue of any statute or rule of law. Any forbearance or failure or delay by the Lender in

exercising any right, power or remedy hereunder shall not be deemed to be a waiver of such right, power or remedy, and any single or partial exercise of any right, power or remedy hereunder shall not preclude the further exercise thereof; and every right, power and remedy of the Lender shall continue in full force and effect until such right, power or remedy is specifically waived.

16. Anti-Marshaling Provisions.

The right is hereby given by each Grantor to the Lender to make releases (whether in whole or in part) of all or any part of the Collateral agreeable to the Lender without notice to, or the consent, approval or agreement of other parties and interests, including junior lienors, which releases shall not impair in any manner the validity of or priority of the Liens and security interests in the remaining Collateral conferred hereunder, nor release any Grantor from personal liability for the Secured Obligations. Notwithstanding the existence of any other security interest in the Collateral held by the Lender, the Lender shall have the right to determine the order in which any or all of the Collateral shall be subjected to the remedies provided in this Security Agreement. Each Grantor hereby waives any and all right to require the marshaling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein or in any other Loan Document.

17. Amendments.

Except as provided in Section 22 hereof, any amendment or modification of, or consent or waiver under, this Security Agreement or any U.S. Security Joinder Agreement must be in writing and signed by each party hereto.

18. Third Party Reliance.

Each Grantor hereby consents and agrees that all issuers of or obligors in respect of any Collateral, and all securities intermediaries, warehousemen, bailees, public officials and other Persons having any interest in, possession of, control over or right, privilege, duty or discretion in respect of, any Collateral shall be entitled to accept the provisions hereof and of the U.S. Security Joinder Agreements as conclusive evidence of the right of the Lender to exercise their rights hereunder or thereunder with respect to the Collateral, notwithstanding any other notice or direction to the contrary heretofore or hereafter given by any Grantor or any other Person to any of such Persons.

19. Binding Agreement; Assignment.

This Security Agreement, each U.S. Security Joinder Agreement and the terms, covenants and conditions hereof and thereof, shall be binding upon and inure to the benefit of the Grantors and the Lender, and to their respective legal representatives, successors and assigns; provided, however, that no Grantor shall be permitted to assign any of its rights, powers, duties or obligations under this Security Agreement, any Security Joinder Agreement or any other interest herein or therein without the prior written consent of the Lender. Without limiting the generality of the foregoing sentence of this Section 19, the Lender may assign to one or more Persons, or grant to one or more Persons participations in or to, all or any part of its rights and obligations under the Note and the other Loan Documents (to the extent permitted thereunder); and to the

extent of any such assignment or participation such other Person shall, to the fullest extent permitted by law, thereupon become vested with all the benefits in respect thereof granted to the Lender herein or otherwise. All references herein to the Lender shall include any successor thereof.

20. Severability.

The provisions of this Security Agreement are independent of and separable from each other. If any provision hereof shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof, but this Security Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

21. Counterparts.

This Security Agreement may be executed in as many counterparts as necessary or convenient, and by the different parties on separate counterparts each of which, when so executed, shall be deemed an original but all such counterparts shall constitute but one and the same agreement.

22. Termination.

Subject to reinstatement pursuant to Section 12, this Security Agreement and each U.S. Security Joinder Agreement and all obligations of the Grantors hereunder (excluding those obligations and liabilities that expressly survive such termination) shall terminate without delivery of any instrument or performance of any act by any party on the Termination Date. Upon such termination of this Security Agreement, the Lender shall, at the request and sole expense of the Grantors, promptly deliver to the Grantors such termination statements and take further actions as the Grantors may reasonable request to terminate of record, or otherwise give appropriate notice of the termination of, any Lien conferred hereunder.

23. Notices.

Unless otherwise provided herein, any notice required or permitted hereunder must be in writing and delivered in accordance with Section 6.4 of the Note.

24. Joinder.

Each Person who shall at any time execute and deliver to the Lender a U.S. Security Joinder Agreement substantially in the form attached as Exhibit A hereto shall thereupon irrevocably, absolutely and unconditionally become a party hereto and obligated hereunder as a Grantor and shall have thereupon pursuant to Section 2 hereof granted a security interest in and collaterally assigned to the Lender all Collateral in which it has at its Applicable Date or thereafter acquires any interest or the power to transfer, and all references herein and in the other Loan Documents to the Grantors or to the parties to this Security Agreement shall be deemed to include such Person as a Grantor hereunder. Each U.S. Security Joinder Agreement shall be accompanied by the Supplemental Schedule referred to therein, appropriately completed with information relating to the Grantor executing such U.S. Security Joinder Agreement and its property. The Schedule

attached hereto shall be deemed amended and supplemented without further action by such information reflected on such Supplemental Schedule.

25. Survival.

All representations and warranties contained herein shall survive the delivery of documents and any extension of credit referred to herein or secured hereby.

26. Governing Law.

This Security Agreement shall be governed by and construed in accordance with the laws of the State of New York. To the extent that the Lender has greater rights or remedies under federal law, whether as a national bank or otherwise, this paragraph shall not be deemed to deprive the Lender of such rights and remedies as may be available under federal law.

27. Jury Trial Waiver; Consent to Jurisdiction; Waiver of Claims.

(a) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH GRANTOR HEREBY WAIVES ITS RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). EACH GRANTOR REPRESENTS THAT IT HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(b) EACH GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK AND STATE OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT THE LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AGAINST ANY GRANTOR OR ITS PROPERTIES IN THE COURTS OF ANY OTHER JURISDICTION. EACH GUARANTOR WAIVES, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 27.

(c) NO CLAIM MAY BE MADE BY ANY GRANTOR AGAINST THE LENDER OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, REPRESENTATIVE, AGENT, OR ATTORNEY-IN-FACT OF IT FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION HERewith, AND EACH GRANTOR HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

28. New Subsidiaries.

Each Grantor hereby agrees, if reasonably requested by the Lender, to cause its Subsidiaries (whether by acquisition or creation) to enter into this Security Agreement by executing and delivering in favor of Lender a Joinder to this Security Agreement in substantially the form of Exhibit A. Upon the execution and delivery of Exhibit A by any such new Subsidiary, such Subsidiary shall become a Grantor hereunder with the same force and effect as if originally named as a Grantor herein. The execution and delivery of any instrument adding an additional Grantor as a party to this Security Agreement shall not require the consent of any or Grantor hereunder. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor hereunder.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties have duly executed this Security Agreement on the day and year first written above.

GRANTORS:

GWE CONSULTING GROUP (USA), INC.

By: _____
Title: CEO
Name: Andrew Langhorn

TARGET OUTREACH, INC.

By: _____
Title: CEO.
Name: Andrew Langhorn

LENDER:

**SHOTGUN FUND LIMITED
PARTNERSHIP III, by its general partner, SF
FUND MANAGEMENT III INC.**

By: _____
Title: _____
Name: _____

IN WITNESS WHEREOF, the parties have duly executed this Security Agreement on the day and year first written above.

GRANTORS:

GWE CONSULTING GROUP (USA), INC.

By: _____
Title: _____
Name: _____

TARGET OUTREACH, INC.

By: _____
Title: _____
Name: _____

LENDER:

**SHOTGUN FUND LIMITED
PARTNERSHIP III, by its general partner, SF
FUND MANAGEMENT III INC.**

By: _____
Title: Vice President
Name: James H. Ambrose

SCHEDULE 7(f)

Grantor Information

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Names/ Trade Styles	V. Collateral Locations (and Type of Collateral)	VI. Name of Owner of Collateral Location (If other than Grantor)	VII. Relationship of persons listed in VI to Grantor (e.g., lessor, warehousemen)
GWE Consulting Group (USA), Inc.	Washington corporation 601160464	700 W Virginia Street, Suite 700, Milwaukee, WI 53204	None	700 W Virginia Street, Suite 700, Milwaukee, WI 53204 (books and records)	LCM 20 LLC	Landlord
Target Outreach, Inc.	Nevada corporation E021361201 0-6	700 W Virginia Street, Suite 700, Milwaukee, WI 53204	None	700 W Virginia Street, Suite 700, Milwaukee, WI 53204 (equipment, furniture, and books & records) Suite 1132 - 1020 S. Koeller Street Oshkosh, WI 54902 (equipment, furniture) 777 Penn Center Blvd. Building 7 Suite 500 Monroeville, PA 15235 (equipment, furniture)	LCM 20 LLC Koeller One LLC PCE TT LP	Landlords

EXHIBIT A

Form of U.S. Security Joinder Agreement

U.S. SECURITY JOINDER AGREEMENT

THIS U.S. SECURITY JOINDER AGREEMENT (this "Security Joinder Agreement"), dated as of _____, 20__ is made by _____, a _____ (the "Joining Grantor"), in favor of SHOTGUN FUND LIMITED PARTNERSHIP III ("Shotgun"), as lender (the "Lender").

RECITALS

A. iMarketing Solutions Group Inc. ("Parent") executed that certain Secured Convertible Promissory Note, dated as of December 4, 2012 (as the same may be amended, restated, supplemented, subdivided, reissued, refinanced or replaced, the "Note"), in favor of the Lender. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Note.

B. Certain subsidiaries of Parent and Lender are party to that certain U.S. Security Agreement, dated as of December 4, 2012 (as amended, restated, extended, amended and restated, supplemented or otherwise modified from time to time, the "U.S. Security Agreement").

C. Pursuant to the Note, the Lender has agreed to make certain loans and advances to Parent to be evidenced by such Note.

D. The Joining Grantor is, directly or indirectly, a subsidiary of Parent and, as such, will materially benefit from the extensions of credit to Parent under the Note, and as such being joined as a "Grantor" under the U.S. Security Agreement is in the best business interest of such Grantor.

E. The Joining Grantor is a Subsidiary and required by the terms of the U.S. Security Agreement to become a Grantor and be joined as a party to the U.S. Security Agreement.

F. The Joining Grantor will materially benefit directly and indirectly from the credit facilities made available and to be made available to the Parent by the Lender under the Note.

In order to induce the Lender to, from time to time, make and maintain extensions of credit under the Note, the Joining Grantor hereby agrees as follows:

1. Joinder. The Joining Grantor hereby irrevocably, absolutely and unconditionally becomes a party to the U.S. Security Agreement as a Grantor and bound by all the terms, conditions, obligations, liabilities and undertakings of each Grantor or to which each Grantor is subject thereunder, including without limitation the grant pursuant to Section 2 of the U.S. Security Agreement of a security interest to the Lender in the property and property rights constituting Collateral (as defined in Section 2 of the U.S. Security Agreement) of such Grantor or in which such Grantor has or may have or acquire an interest or the power to transfer rights

therein, whether now owned or existing or hereafter created, acquired or arising and wheresoever located, as security for the payment and performance of the Secured Obligations (as defined in the U.S. Security Agreement), all with the same force and effect as if the Joining Grantor were a signatory to the U.S. Security Agreement. It being agreed that the provisions of Section 2 of the Security Agreement (and the grant of by the Joining Grantor of the security thereunder) shall be deemed incorporated herein (as it relates to the Joining Grantor) by this reference hereto as if set forth in its entirety hereunder as a grant by the Joining Grantor of security to Lender in all of its Collateral (as set forth therein by each category or collateral) in accordance with the terms thereof.

2. Affirmations. The Joining Grantor hereby acknowledges and reaffirms as of the date hereof with respect to itself, its properties and its affairs each of the waivers, representations, warranties, acknowledgements and certifications applicable to any Grantor contained in the U.S. Security Agreement.

3. Supplemental Schedules. Attached to this Security Joinder Agreement is a duly completed schedule (the "Supplemental Schedule") supplementing as thereon indicated the Schedule to the U.S. Security Agreement. The Joining Grantor represents and warrants that the information contained on the Supplemental Schedule with respect to such Joining Grantor and its properties and affairs is true, complete and accurate as of the date hereof.

4. Severability. The provisions of this U.S. Security Agreement are independent of and separable from each other. If any provision hereof shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof, but this U.S. Security Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

5. Counterparts. This Security Joinder Agreement may be executed in as many counterparts as necessary or convenient, and by the different parties on separate counterparts each of which, when so executed, shall be deemed an original but all such counterparts shall constitute one and the same agreement.

6. Delivery. The Joining Grantor hereby irrevocably waives notice of acceptance of this Security Joinder Agreement and acknowledges that the Secured Obligations are and shall be deemed to be incurred, and credit extensions under the Loan Documents made and maintained, in reliance on this Security Joinder Agreement and the Grantor's joinder as a party to the U.S. Security Agreement as herein provided.

7. Governing Law. The provisions of Section 26 of the U.S. Security Agreement are hereby incorporated by reference as if fully set forth herein.

8. Dispute Resolution Provision. The provisions of Section 27 of the U.S. Security Agreement are hereby incorporated by reference as if fully set forth herein.

IN WITNESS WHEREOF, the Joining Grantor has duly executed and delivered this Security Joinder Agreement as of the day and year first written above, intending to create an instrument under seal.

JOINING GRANTOR:

[_____]

By: _____

Title: _____

Name: _____

**SUPPLEMENTAL
SCHEDULE 7(f)**

Grantor Information

I. Name	II. Jurisdiction of Formation/ Form of Equity/I.D. Number	III. Address of Chief Executive Office	IV. Trade Styles	V. Collateral Locations (and Type of Collateral)	VI. Name and address of Owner of Collateral Location (If other than Grantor)	VII. Relationship of persons listed in VI to Grantor (e.g., lessor, warehousemen)

Delivered pursuant to Security Joinder Agreement of _____
Applicable Date: _____, 20____

Exhibit “P”

U.S. PLEDGE AGREEMENT

This U.S. PLEDGE AGREEMENT (this "Pledge Agreement"), dated as of December 4, 2012, is made by iMARKETING SOLUTIONS GROUP INC., an Alberta corporation (the "Borrower" and a "Pledgor"), EACH OTHER PERSON WHO SHALL BECOME A PARTY HERETO BY EXECUTION OF A PLEDGE JOINDER AGREEMENT (the "Subsidiary Pledgors" and, together with the Borrower, each a "Pledgor" and collectively, the "Pledgors") in favor of SHOTGUN FUND LIMITED PARTNERSHIP III, an Ontario limited partnership ("Shotgun"), as lender (the "Lender").

RECITALS

A. Pursuant to that certain Secured Convertible Promissory Note of even date herewith (as the same may be amended, restated, supplemented, subdivided, reissued, refinanced or replaced, the "Note") made by the Borrower, the Lender has agreed to make certain loans and advances to the Borrower to be evidenced by such Note.

B. In connection with the Note and this Pledge Agreement, GWE Consulting Group (USA), Inc., a Washington corporation ("GWE"), and Target Outreach, Inc., a Nevada corporation ("Target"), entered into that certain U.S. Guaranty, of even date herewith (the "Guaranty"), in favor of the Lender of, among other things, the Borrower's obligations under the Note and the other Loan Documents (as defined in the Guaranty).

C. In order to induce the Lender to make the advances and extensions of credit to the Borrower pursuant to the Note and to ensure the prompt and complete payment and performance by Borrower of the Secured Obligations (as hereinafter defined), each Pledgor has agreed to enter into this Pledge Agreement.

D. Each Pledgor will materially benefit from such extensions of credit to the Borrower, and as such the entry into this Pledge Agreement is in the best interest of such Pledgor and will further the corporate purpose of such Pledgor.

In consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Certain Definitions.

All capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Note. Terms used in this Pledge Agreement that are not otherwise expressly defined herein or in the Note, and for which meanings are provided in the Uniform Commercial Code of the State of New York (the "UCC"), shall have such meanings unless the context requires otherwise. In addition, for purposes of this Pledge Agreement, the following terms have the following definitions:

- (a) "Equity Interest" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the

securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

- (b) “Secured Obligations” means (a) in the case of the Borrower, the “Obligations” as such term is defined in that certain Security Agreement of even date herewith (as amended, restated, extended, amended and restated, supplemented or otherwise modified from time to time, the “Canadian Security Agreement”), between the Borrower and the Lender, and (b) in the case of the Subsidiary Pledgors, the “Guarantors’ Obligations” as such term is defined in the Guaranty.
- (c) “Lien” shall have the meaning given to such terms in the Guaranty.

2. Pledge of Pledged Interests; Other Collateral.

- (a) As collateral security for the payment and performance by each Pledgor of its now or hereafter existing Secured Obligations, each Pledgor hereby grants, pledges and collaterally assigns to the Lender a first priority security interest in all of the following items of property in which it now has or may at any time hereafter acquire any interest or the power to transfer rights therein, and wheresoever located:
 - (i) all Equity Interests owned by such Pledgor in each direct subsidiary of such Pledgor organized under the laws of a state of the United States or the District of Columbia (“U.S. Subsidiary”), whether now existing or hereafter created or acquired, together with all accessions, dividends, products or proceeds therein or thereof (all such Equity Interests, collectively, the “Pledged Interests”), including without limitation the Pledged Interests more particularly described on Schedule I hereto (such subsidiaries, together with all other subsidiaries whose Equity Interests may be required to be subject to this Pledge Agreement from time to time, are referred to collectively as the “Pledged Subsidiaries”);
 - (ii) all money, securities, security entitlements and other investment property, dividends, rights, general intangibles and other property at any time and from time to time (x) declared or distributed in respect of or in exchange for or on conversion of any Pledged Interest, or (y) by its or their terms exchangeable or exercisable for or convertible into any Pledged Interest;
 - (iii) all other property of whatever character or description, including money, securities, security entitlements and other investment property, and general intangibles hereafter delivered to the Lender in substitution for or as an addition to any of the foregoing;

- (iv) all securities accounts to which may at any time be credited any or all of the foregoing or any proceeds thereof and all certificates and instruments representing or evidencing any of the foregoing or any proceeds thereof; and
- (v) all proceeds of any of the foregoing.

All such Pledged Interests, certificates, instruments, cash, securities, interests, dividends, rights and other property referred to in clauses (i) through (v) of this Section 2 are herein collectively referred to as the "Collateral."

- (b) Subject to Section 11(a), each Pledgor agrees to deliver all certificates, instruments or other documents representing any Collateral to the Lender at such location as the Lender shall from time to time designate by written notice pursuant to Section 21 for its custody at all times until termination of this Pledge Agreement, together with such instruments of assignment and transfer as requested by the Lender.
- (c) Each Pledgor agrees to execute and deliver, or cause to be executed and delivered by other Persons, at Pledgor's expense, all share certificates, documents, instruments, agreements, financing statements (and amendments thereto and continuations thereof), assignments, control agreements, or other writings as the Lender may reasonably request from time to time to carry out the terms of this Pledge Agreement or to protect or enforce the Lender's Lien and security interest in the Collateral hereunder granted to the Lender and further agrees to do and cause to be done upon the Lender's request, at Pledgor's expense, all things determined by the Lender to be necessary or advisable to perfect and keep in full force and effect the Lien in the Collateral hereunder granted to the Lender, including the prompt payment of all out-of-pocket fees and expenses incurred in connection with any filings made to perfect or continue the Lien and security interest in the Collateral hereunder granted in favor of the Lender.
- (d) All filing fees, advances, charges, costs and expenses, including all fees and expenses of counsel (collectively, "Attorneys' Costs"), incurred or paid by the Lender in exercising any right, power or remedy conferred by this Pledge Agreement, or in the enforcement thereof, shall become a part of the Secured Obligations secured hereunder and shall be paid to the Lender by the Pledgor in respect of which the same was incurred immediately upon demand therefor, and any amounts not so paid on demand (in addition to other rights and remedies resulting from such nonpayment) shall bear interest from the date of demand until paid in full at the highest rate applicable to loans (including any default rate) under the terms of the Note.
- (e) Each Pledgor agrees to register and cause to be registered the interest of the Lender, in the Collateral on its own books and records and the registration books of each of the Pledged Subsidiaries.

3. Status of Pledged Interests.

Each Pledgor hereby represents, warrants and covenants to the Lender, with respect to itself and the Collateral as to which it has or acquires any interest, that:

- (a) All of the Pledged Interests (i) are, as of the date of execution of this Pledge Agreement or Pledge Joinder Agreement by each Pledgor pledging such Pledged Interests (such date as applicable with respect to each Pledgor, its "Applicable Date"), and shall at all times thereafter be, validly issued and outstanding, fully paid and non-assessable, (ii) constitute all of the issued and outstanding Equity Interests owned by such Pledgor in each U.S. Subsidiary constituting a Pledged Subsidiary and (iii) are accurately described on Schedule I.
- (b) The Pledgor is as at its Applicable Date and shall at all times thereafter be the sole registered and record and beneficial owner of the Pledged Interests, free and clear of all Liens, charges, equities, options, hypothecations, encumbrances and restrictions on pledge or transfer, including transfer of voting rights (other than the pledge hereunder and applicable restrictions pursuant to federal, state and applicable foreign securities laws). Without limiting the foregoing, the Pledged Interests are not and will not be subject to any voting trust, shareholders agreement, right of first refusal, voting proxy, power of attorney or other similar arrangement (other than the rights hereunder in favor of the Lender).
- (c) At no time shall any Pledged Interests (i) be held or maintained in the form of a security entitlement or credited to any securities account and (ii) constitute a "security" (or as to which the related Pledged Subsidiary has elected to have treated as a "security") under Article 8 of the UCC (including, for the purposes of this Section, the Uniform Commercial Code of any other applicable jurisdiction) to be maintained in the form of uncertificated securities. With respect to Pledged Interests that are "securities" under the UCC, or as to which the issuer has elected at any time to have such interests treated as "securities" under the UCC, such Pledged Interests are, and shall at all times be, represented by the share certificates listed on Schedule I hereto, which share certificates, with stock powers duly executed in blank by the Pledgor, have been delivered to the Lender or are being delivered to the Lender simultaneously herewith or, in the case of Additional Interests as defined in Section 23, shall be delivered pursuant to Section 23. In addition, with respect to all Pledged Interests, including Pledged Interests that are not "securities" under the UCC and as to which the applicable Pledged Subsidiary has not elected to have such interests treated as "securities" under the UCC, the Pledgor has at its Applicable Date delivered to the Lender (or has previously delivered to the Lender or, in case of Additional Interests shall deliver pursuant to Section 23) Uniform Commercial Code financing statements (or appropriate amendments thereto) duly authorized by the Pledgor and naming the Lender as "secured party," in form, substance and number sufficient in the reasonable opinion of the Lender to be filed in all UCC filing offices and in all jurisdictions in which filing is necessary or advisable to perfect in favor of the Lender the Lien on such Pledged Interests, together with all required filing fees.

- (d) It has full corporate power, legal right and lawful authority to execute this Pledge Agreement (and any Pledge Joinder Agreement applicable to it) and to pledge, assign and transfer its Pledged Interests in the manner and form hereof.
- (e) The pledge, assignment and delivery of its Pledged Interests (along with undated stock powers executed in blank, financing statements and other agreements referred to in Section 3(c) hereof) to the Lender pursuant to this Pledge Agreement (or any Pledge Joinder Agreement) creates or continues, as applicable, a valid and perfected first priority security interest in such Pledged Interests in favor of the Lender, securing the payment of the Secured Obligations, assuming, in the case of the Pledged Interests which constitute certificated "securities" under the UCC (including, for the purposes of this Section, the Uniform Commercial Code of any other applicable jurisdiction), continuous and uninterrupted possession by or on behalf of the Lender. The Pledgor will at its own cost and expense defend the Lender's right, title and security interest in and to the Collateral against the claims and demands of all Persons whomsoever.
- (f) None of the Pledged Interests (nor any interest therein or thereto) shall be sold, transferred or assigned without the Lender's prior written consent, which may be withheld for any reason.
- (g) It shall at all times cause the Pledged Interests of such Pledgor that constitute "securities" (or as to which the issuer elects to have treated as "securities") under the UCC to be represented by the certificates now and hereafter delivered to the Lender in accordance with Sections 2, 3 and 23 hereof and that it shall cause each of the Pledged Subsidiaries as to which it is the Pledgor not to issue any Equity Interests, or securities convertible into, or exchangeable or exercisable for, Equity Interests, at any time during the term of this Pledge Agreement unless the Pledged Interests of such Pledge Subsidiary are issued solely to either (y) such Pledgor who shall immediately comply with Sections 3 and 23 hereof with respect to such property or (z) the Borrower or another Pledgor who shall immediately pledge such additional Equity Interests to the Lender pursuant to Section 22 or 23 hereof, as applicable, on substantially identical terms as are contained herein and deliver or cause to be delivered the appropriate documents described in Section 3(c) hereof to the Lender and take such further actions as the Lender may deem necessary in order to perfect a first priority security interest in such Equity Interests.
- (h) The exact legal name and address, type of Person, jurisdiction of formation, jurisdiction of formation identification number (if any), and location of the chief executive office of such Pledgor are as specified on Schedule II attached hereto. No Pledgor shall change its name, jurisdiction of formation (whether by reincorporation, merger or otherwise), or the location of its chief executive office, except upon giving not less than thirty (30) days' prior written notice to the Lender and taking or causing to be taken all such action at such Pledgor's expense as may be reasonably requested by the Lender to perfect or maintain the perfection of the lien of the Lender in Collateral.

4. Preservation and Protection of Collateral.

- (a) The Lender shall be under no duty or liability with respect to the collection, protection or preservation of the Collateral, beyond the use of reasonable care in the custody and preservation thereof while in its possession.
- (b) Each Pledgor agrees to pay when due all taxes, charges, liens and assessments against the Collateral in which it has any interest. Upon the failure of any Pledgor to so pay such taxes, charges, liens or assessments, or upon the failure of any Pledgor to pay any amount pursuant to Section 2(c), the Lender at its option may pay any of them or amounts relating thereto (the Lender having the sole right to determine the legality or validity and the amount necessary to discharge such taxes, charges, Liens or assessments) but shall not have any obligation to make any such payment or contest. All sums so disbursed by the Lender, including Attorneys' Costs, court costs, expenses and other charges related thereto, shall be payable on demand by the applicable Pledgor to the Lender and shall be additional Secured Obligations secured by the Collateral, and any amounts not so paid on demand (in addition to other rights and remedies resulting from such nonpayment) shall bear interest from the date of demand until paid in full at the highest rate applicable to loans (including default rate) under the terms of the Note.
- (c) Each Pledgor hereby (i) irrevocably authorizes the Lender to file (with, or to the extent permitted by applicable law, without the signature of the Pledgor appearing thereon) financing statements (including amendments thereto and continuations and copies thereof) showing such Pledgor as "debtor" at such time or times and in all filing offices as the Lender may from time to time determine to be necessary or advisable to perfect or protect the rights of the Lender hereunder, or otherwise to give effect to the transactions herein contemplated, and (ii) irrevocably ratifies and acknowledges all such actions taken by or on behalf of the Lender prior to the Applicable Date.

5. Rights and Remedies Upon Event of Default.

Upon the occurrence and during the continuance of any Event of Default, the Lender is given full power and authority, then or at any time thereafter, to sell, assign, deliver or collect the whole or any part of the Collateral, or any substitute therefor or any addition thereto, in one or more sales, with or without any previous demands or demand of performance or, to the extent permitted by law, notice or advertisement, in such order as the Lender in its sole discretion may elect; and any such sale may be made either at public or private sale at the Lender's place of business or elsewhere, either for cash or upon credit or for future delivery, at such price or prices as the Lender may reasonably deem fair; and the Lender may be the purchaser of any or all Collateral so sold and hold the same thereafter in its own right free from any claim of any Pledgor or right of redemption. Demands of performance, advertisements and presence of property and sale and notice of sale are hereby waived to the extent permissible by law. Any sale hereunder may be conducted by an auctioneer or any officer or agent of the Lender. Each

Pledgor recognizes that the Lender may be unable to effect a public sale of the Collateral by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the "Securities Act"), and applicable state law, and may be otherwise delayed or adversely affected in effecting any sale by reason of present or future restrictions thereon imposed by governmental authorities, and that as a consequence of such prohibitions and restrictions the Lender may be compelled (i) to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire the Collateral for their own account, for investment and not with a view to the distribution or resale thereof, or (ii) to seek regulatory approval of any proposed sale or sales, or (iii) to limit the amount of Collateral sold to any Person or group. Each Pledgor agrees and acknowledges that private sales so made may be at prices and upon terms less favorable to such Pledgor than if such Collateral was sold either at public sales or at private sales not subject to other regulatory restrictions, and that the Lender has no obligation to delay the sale of any of the Collateral for the period of time necessary to permit the Pledged Subsidiary to register or otherwise qualify the Collateral, even if such Pledged Subsidiary would agree to register or otherwise qualify such Collateral for public sale under the Securities Act or applicable state law. Each Pledgor further agrees, to the extent permitted by applicable law, that the use of private sales made under the foregoing circumstances to dispose of the Collateral shall be deemed to be dispositions in a commercially reasonable manner. Each Pledgor hereby acknowledges that a ready market may not exist for the Pledged Interests if they are not traded on a national securities exchange or quoted on an automated quotation system and agrees and acknowledges that in such event the Pledged Interests may be sold for an amount less than a pro rata share of the fair market value of the Pledged Subsidiary's assets minus its liabilities. In addition to the foregoing, the Lender may exercise such other rights and remedies as may be available under the Loan Documents, at law (including without limitation the UCC) or in equity.

6. Proceeds of Sale.

The net cash proceeds resulting from the collection, liquidation, sale, or other disposition of the Collateral shall be applied first to the expenses (including all Attorneys' Costs) of retaking, holding, storing, processing and preparing for sale, selling, collecting, liquidating and the like, and then to the satisfaction of all Secured Obligations in such order of application as the Lender may from time to time elect. Each Pledgor shall be liable to the Lender and shall pay to the Lender on demand any deficiency which may remain after such sale, disposition, collection or liquidation of the Collateral.

7. Presentments, Demands and Notices.

The Lender shall not be under any duty or obligation whatsoever to make or give any presentments, demands for performances, notices of nonperformance, protests, notice of protest or notice of dishonor in connection with any obligations or evidences of indebtedness held thereby as collateral, or in connection with any obligations or evidences of indebtedness which constitute in whole or in part the Secured Obligations secured hereunder.

8. Attorney-in-Fact.

To the extent permitted by law, each Pledgor hereby appoints the Lender as such Pledgor's attorney-in-fact for the purposes of carrying out the provisions of this Pledge Agreement and taking any action and executing any instrument which the Lender may deem necessary or advisable to accomplish the purposes hereof, which appointment is coupled with an interest and is irrevocable. Without limiting the generality of the foregoing, the Lender shall have the right and power to receive, endorse and collect all checks and other orders for the payment of money made payable to any Pledgor representing any dividend, interest payment, principal payment or other distribution payable or distributable in respect to the Collateral or any part thereof and to give full discharge for the same.

9. Reinstatement.

Each Pledgor agrees that this Pledge Agreement shall continue to be effective or be reinstated, as the case may be, at any time payment received by the Lender in respect of the Secured Obligations is rescinded or must be restored for any reason, or is repaid by the Lender in whole or in part in good faith settlement of any pending or threatened avoidance claim.

10. Certain Waivers by the Pledgors.

Each Pledgors waives to the extent permitted by applicable law (a) any right to require the Lender or any other obligee of the Secured Obligations to (i) proceed against any Person or entity, including without limitation any Loan Party, (ii) proceed against or exhaust any Collateral or other collateral for the Secured Obligations, or (iii) pursue any other remedy in its power; (b) any defense arising by reason of any disability or other defense of any other Person, or by reason of the cessation from any cause whatsoever of the liability of any other Person or entity, (c) any right of subrogation, and (d) any right to enforce any remedy which the Lender or any other obligee of the Secured Obligations now has or may hereafter have against any other Person and any benefit of and any right to participate in any collateral or security whatsoever now or hereafter held by the Lender. Each Pledgor authorizes the Lender and each other obligee of the Secured Obligations without notice (except notice required by applicable law) or demand and without affecting its liability hereunder or under the Loan Documents from time to time to: (i) take and hold security, other than the Collateral herein described, for the payment of such Secured Obligations or any part thereof, and exchange, enforce, waive and release the Collateral herein described or any part thereof or any such other security; and (ii) apply such Collateral or other security and direct the order or manner of sale thereof as the Lender or obligee in its discretion may determine.

The Lender may at any time deliver (without representation, recourse or warranty) the Collateral or any part thereof to a Pledgor and the receipt thereof by such Pledgor shall be a complete and full acquittance for the Collateral so delivered, and the Lender shall thereafter be discharged from any liability or responsibility therefor.

11. Dividends and Voting Rights.

- (a) All dividends and other distributions with respect to any of the Pledged Interests shall be subject to the pledge hereunder, provided, however, that cash dividends paid to a Pledgor as record owner of the Pledged Interests, to the extent permitted by the Loan Documents to be declared and paid, may be retained by such Pledgor so long as no Event of Default shall have occurred and be continuing, free from any liens hereunder.
- (b) So long as no Event of Default shall have occurred and be continuing, the registration of the Collateral in the name of a Pledgor as record and beneficial owner shall not be changed and such Pledgor shall be entitled to exercise all voting and other rights and powers pertaining to the Collateral for all purposes not inconsistent with the terms of the Loan Documents.
- (c) Upon the occurrence and during the continuance of any Event of Default, at the direction of the Lender, all rights of the Pledgors to receive and retain cash dividends and other distributions upon the Collateral pursuant to subsection (a) above shall cease and shall thereupon be vested in the Lender and each Pledgor shall promptly deliver, or shall cause to be promptly delivered, all such cash dividends and other distributions with respect to the Pledged Interests to the Lender (together, if the Lender shall request, with the documents described in Sections 2(c) and 3(c) hereof or other negotiable documents or instruments so distributed) to be held by it hereunder or, at the option of the Lender, to be applied to the Secured Obligations in such order as the Lender in its sole discretion may elect. Pending delivery to the Lender of such property, each Pledgor shall keep such property segregated from its other property and shall be deemed to hold the same in trust for the benefit of the Lender.
- (d) Upon the occurrence and during the continuance of any Event of Default, at the option of the Lender, all rights of each of the Pledgors to exercise the voting or consensual rights and powers which it is authorized to exercise pursuant to subsection (b) above shall cease and the Lender may thereupon (but shall not be obligated to), at its request, cause such Collateral to be registered in the name of the Lender or its nominee or agent and/or exercise such voting or consensual rights and powers as appertain to ownership of such Collateral, and to that end each Pledgor hereby appoints the Lender as its proxy, with full power of substitution, to vote and exercise all other rights as a shareholder with respect to such Pledged Interests hereunder upon the occurrence and during the continuance of any Event of Default, which proxy is coupled with an interest and is irrevocable until the Facility Termination Date (as hereinafter defined), and each Pledgor hereby agrees to provide such further proxies as the Lender may request; provided, however, that the Lender in its discretion may from time to time refrain from exercising, and shall not be obligated to exercise, any such voting or consensual rights or such proxy.

12. Continued Powers.

Until the Facility Termination Date shall have occurred, the power of sale and other rights, powers and remedies granted to the Lender hereunder shall continue to exist and may be exercised by the Lender at any time and from time to time irrespective of the fact that any of the Secured Obligations or any part thereof may have become barred by any statute of limitations or that any part of the liability of any Pledgor may have ceased. For purposes of this Pledge Agreement, "Facility Termination Date" means the date as of which all Secured Obligations have been paid in full and Loan Documents and all obligations of the Lender to make any further loans, advances or other financial accommodations to the Borrower and the other Loan Parties have been terminated.

13. Other Rights.

The rights, powers and remedies given to the Lender by this Pledge Agreement shall be in addition to all rights, powers and remedies given to the Lender under any other Loan Document or by virtue of any statute or rule of law. Any forbearance or failure or delay by the Lender in exercising any right, power or remedy hereunder shall not be deemed to be a waiver of such right, power or remedy, and any single or partial exercise of any right, power or remedy hereunder shall not preclude the further exercise thereof; and every right, power and remedy of the Lender shall continue in full force and effect until such right, power or remedy is specifically waived in accordance with the terms hereof.

14. Anti-Marshaling Provisions.

The right is hereby given by each Pledgor to the Lender to make releases (whether in whole or in part) of all or any part of the Collateral agreeable to the Lender without notice to, or the consent, approval or agreement of other parties and interests, including junior lienors, which releases shall not impair in any manner the validity of or priority of the liens and security interests in the remaining Collateral conferred hereunder, nor release any Pledgor from personal liability for the Secured Obligations. Notwithstanding the existence of any other security interest in the Collateral held by the Lender, the Lender shall have the right to determine the order in which any or all of the Collateral shall be subjected to the remedies provided in this Pledge Agreement. Each Pledgor hereby waives any and all right to require the marshaling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein or in any other Loan Document.

15. Amendments.

Except as provided in Section 20 hereof, any amendment or modification of, or consent or waiver under, this Pledge Agreement or any Pledge Joinder Agreement must be in writing and signed by each party hereto.

16. Further Assurances.

Each Pledgor agrees at its own expense to do such further acts and things, and to execute and deliver, and cause to be executed and delivered as may be necessary or advisable to

give effect thereto, such additional conveyances, assignments, financing statements, control agreements, documents, certificates, stock powers, agreements and instruments, as the Lender may at any time reasonably request in connection with the administration or enforcement of this Pledge Agreement or any Pledge Joinder Agreement or related to the Collateral or any part thereof or in order better to assure and confirm unto the Lender its rights, powers and remedies hereunder or thereunder. Each Pledgor hereby consents and agrees that the Pledged Subsidiaries and all other Persons, shall be entitled to accept the provisions hereof and of the Pledge Joinder Agreements as conclusive evidence of the right of the Lender to exercise its rights, privileges, and remedies hereunder and thereunder with respect to the Collateral, notwithstanding any other notice or direction to the contrary heretofore or hereafter given by any Pledgor or any other Person to any of such Pledged Subsidiaries or other Persons.

17. Binding Agreement; Assignment.

This Pledge Agreement, each Pledge Joinder Agreement and the terms, covenants and conditions hereof and thereof, shall be binding upon and inure to the benefit of the Pledgors and the Lender, and to their respective legal representatives, successors and assigns; provided, however, that no Pledgor shall be permitted to assign any of its rights, powers, duties or obligations under this Pledge Agreement, any Pledge Joinder Agreement or any other interest herein or therein without the prior written consent of the Lender. Without limiting the generality of the foregoing sentence of this Section 17, the Lender may assign to one or more Persons, or grant to one or more Persons participations in or to, all or any part of its rights and obligations under the Note and the other Loan Documents (to the extent permitted by the Note or such Loan Documents, as applicable); and to the extent of any such assignment or participation such other Person shall, to the fullest extent permitted by law, thereupon become vested with all the benefits in respect thereof granted to the Lender herein or otherwise. All references herein to the Lender shall include any successors thereof.

18. Severability.

The provisions of this Pledge Agreement are independent of and separable from each other. If any provision hereof shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof, but this Pledge Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

19. Counterparts.

This Pledge Agreement may be executed in as many counterparts as necessary or convenient, and by the different parties on separate counterparts each of which, when so executed, shall be deemed an original but all such counterparts shall constitute but one and the same agreement.

20. Termination.

Subject to reinstatement pursuant to Section 9, this Pledge Agreement and each Pledge Joinder Agreement and all obligations of the Pledgors hereunder (excluding those obligations and liabilities that expressly survive such termination) shall terminate without delivery of any instrument or performance of any act by any party on the Facility Termination Date. Upon such termination of this Pledge Agreement, the Lender shall, at the sole expense of the Pledgors, promptly deliver to the Pledgors the certificates evidencing its shares of Pledged Interests (and any other property received as a dividend or distribution or otherwise in respect of such Pledged Interests to the extent then held by the Lender as additional Collateral hereunder), together with any cash then constituting the Collateral not then sold or otherwise disposed of in accordance with the provisions hereof, and take such further actions at the request of the Pledgors as may be necessary to effect the same.

21. Notices.

Unless otherwise provided herein, any notice required or permitted hereunder or under any Pledge Joinder Agreement must be in writing and delivered in accordance with Section 6.4 of the Note.

22. Joinder.

Each Person who shall at any time execute and deliver to the Lender a Pledge Joinder Agreement substantially in the form attached as Exhibit A hereto shall thereupon irrevocably, absolutely and unconditionally become a party hereto and obligated hereunder as a Pledgor and shall have thereupon pursuant to Section 2 hereof granted a security interest in and collaterally assigned to the Lender all Collateral in which it has at its Applicable Date or thereafter acquires any interest or the power to transfer, and all references herein and in the other Loan Documents to the Pledgors or to the parties to this Pledge Agreement shall be deemed to include such Person as a Pledgor hereunder. Each Pledge Joinder Agreement shall be accompanied by the Supplemental Schedules referred to therein, appropriately completed with information relating to the Pledgor executing such Pledge Joinder Agreement and its property. Each of the applicable Schedules attached hereto shall be deemed amended and supplemented without further action by such information reflected on such Supplemental Schedules.

23. Additional Interests.

If any Pledgor shall at any time acquire or hold any additional Pledged Interests, including any Pledged Interests issued by any subsidiary not listed on Schedule I hereto which are required to be subject to a Lien pursuant to a Pledge Agreement by the terms hereof or of any provision of the Note (any such shares being referred to herein as the "Additional Interests"), such Pledgor shall deliver to the Lender (i) a Pledge Agreement Supplement in the form of Exhibit B hereto with respect to such Additional Interests duly

completed and executed by such Pledgor and (ii) any other document required in connection with such Additional Interests as described in Section 3(c). Each Pledgor shall comply with the requirements of this Section 23 promptly with the acquisition of any such Additional Interests; provided, however, that the failure to comply with the provisions of this Section 23 shall not impair the Lien on Additional Interests conferred hereunder.

24. Survival.

All representations and warranties contained herein shall survive the delivery of documents and any extension of credit referred to herein or secured hereby.

25. Governing Law.

This Pledge Agreement shall be governed by and construed in accordance with the laws of the State of New York. To the extent that the Lender has greater rights or remedies under federal law, whether as a national bank or otherwise, this paragraph shall not be deemed to deprive the Lender of such rights and remedies as may be available under federal law.

26. Jury Trial Waiver; Consent to Jurisdiction; Waiver of Claims.

- (a) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH PLEDGOR HEREBY WAIVES ITS RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS PLEDGE AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). EACH PLEDGOR REPRESENTS THAT IT HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS PLEDGE AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.
- (b) EACH PLEDGOR HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK AND STATE OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS PLEDGE AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS PLEDGE AGREEMENT SHALL AFFECT ANY RIGHT THAT THE LENDER

MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS PLEDGE AGREEMENT AGAINST ANY PLEDGOR OR ITS PROPERTIES IN THE COURTS OF ANY OTHER JURISDICTION. EACH PLEDGOR WAIVES, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 26.

- (c) NO CLAIM MAY BE MADE BY ANY PLEDGOR AGAINST THE LENDER OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, REPRESENTATIVE, AGENT, OR ATTORNEY-IN-FACT OF IT FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS PLEDGE AGREEMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION HEREWITH, AND EACH PLEDGOR HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties have duly executed this Pledge Agreement as of the day and year first written above.

PLEDGOR:

IMARKETING SOLUTIONS GROUP INC.

By: Upkar Arora
Title: CFO
Name: UPKAR ARORA

LENDER:

**SHOTGUN FUND LIMITED
PARTNERSHIP III, by its general partner,
SF FUND MANAGEMENT III INC.**

By: _____
Title: _____
Name: _____

IN WITNESS WHEREOF, the parties have duly executed this Pledge Agreement as of the day and year first written above.

PLEDGOR:

iMARKETING SOLUTIONS GROUP INC.

By: _____
Title: _____
Name: _____

LENDER:

**SHOTGUN FUND LIMITED
PARTNERSHIP III, by its general partner,
SF FUND MANAGEMENT III INC.**

By: _____
Title: Vice President
Name: James H. Ambrose

SCHEDULE I

Pledged Interests

Name of Pledgor	Name, Jurisdiction of Formation and Type of Entity of Pledged subsidiary	Class or Type of Pledged Interest	Total Amount of Pledged Interests Authorized	Total Amount of Class or Type Outstanding	Total Amount Pledged	Certificate Number (if applicable)	Par Value (if applicable)	Name of Transfer Lender (if any)
iMarketing Solutions Group Inc.	GWE Consulting Group (USA), Inc., a Washington corporation	Common	50,000	50,000	50,000	1	N/A	N/A

SCHEDULE II

Pledgor Information

Name and Address of Pledgor	Type of Person	Jurisdiction of Formation of Pledgor	Jurisdiction of Formation Identification Number	Address of Chief Executive Office
iMarketing Solutions Group Inc. 481 University Avenue, 6 th Floor Toronto, Ontario M5G2E9	Corporation	Alberta, Canada	AB-0208003616	481 University Avenue, 6 th Floor Toronto, Ontario M5G2E9

EXHIBIT A

Form of Pledge Joinder Agreement

PLEDGE JOINDER AGREEMENT

THIS PLEDGE JOINDER AGREEMENT (this "Pledge Joinder Agreement"), dated as of _____, 20__, is made by _____, a _____ (the "Joining Pledgor"), in favor of SHOTGUN FUND LIMITED PARTNERSHIP III, ("Shotgun"), as lender (the "Lender").

RECITALS

A. Pursuant to that certain Secured Convertible Promissory Note, dated as of December 4, 2012 (as the same may be amended, restated, supplemented, subdivided, reissued, refinanced or replaced, the "Note") made by the iMarketing Solutions Group Inc. (the "Borrower"), the Lender has agreed to make certain loans and advances to the Borrower to be evidenced by such Note.

B. In connection with the Note, the Borrower, certain other pledgors party thereto, and the Lender have entered into that certain Pledge Agreement, dated as of December 4, 2012 (as amended, restated, extended, amended and restated, supplemented or otherwise modified from time to time, the "Pledge Agreement"). All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Pledge Agreement.

C. The Joining Pledgor is a U.S. Subsidiary of the Borrower and, as such, will materially benefit from the extensions of credit to the Borrower under the Note, and as such being joined as a "Pledgor" under the Pledge Agreement is in the best business interest of such Pledgor and will further the corporate purpose of such Pledgor.

In order to induce the Lender to, from time to time, make and maintain extensions of credit under the Note and the other Loan Documents, the Joining Pledgor hereby agrees as follows:

1. Joinder.

The Joining Pledgor hereby irrevocably, absolutely and unconditionally becomes a party to the Pledge Agreement as a Pledgor and bound by all the terms, conditions, obligations, liabilities and undertakings of each Pledgor or to which each Pledgor is subject thereunder, including without limitation the grant pursuant to Section 2 of the Pledge Agreement of a security interest to the Lender in, and collateral assignment and pledge to the Lender of, the Pledged Interests and other property constituting Collateral (as defined in Section 2 of the Pledge Agreement) of such Pledgor or in which such Pledgor has or may have or acquire an interest or the power to transfer rights therein, whether now owned or existing or hereafter created, acquired or arising and wheresoever located, as security for the payment and performance of the Secured Obligations (as defined in the

Pledge Agreement), all with the same force and effect as if the Joining Pledgor were a signatory to the Pledge Agreement.

2. Affirmations.

The Joining Pledgor hereby acknowledges and reaffirms as of the date hereof with respect to itself, its properties and its affairs each of the waivers, representations, warranties, acknowledgements and certifications applicable to any Pledgor contained in the Pledge Agreement.

3. Supplemental Schedules.

Attached to this Pledge Joinder Agreement are duly completed schedules (the "Supplemental Schedules") supplementing as thereon indicated the respective Schedules to the Pledge Agreement. The Joining Grantor represents and warrants that the information contained on the Supplemental Schedules with respect to such Joining Grantor and its properties and affairs is true, complete and accurate as of the date hereof.

4. Severability.

The provisions of this Pledge Joinder Agreement are independent of and separable from each other. If any provision hereof shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof, but this Pledge Joinder Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein

5. Counterparts.

This Pledge Joinder Agreement may be executed in as many counterparts as necessary or convenient, and by the different parties on separate counterparts each of which, when so executed, shall be deemed an original but all such counterparts shall constitute one and the same agreement.

6. Governing Law.

The provisions of Section 25 of the Pledge Agreement are hereby incorporated by reference as if fully set forth herein.

7. Dispute Resolution Provision.

The provisions of Section 26 of the Pledge Agreement are hereby incorporated by reference as if fully set forth herein.

IN WITNESS WHEREOF, the Joining Pledgor has duly executed and delivered this Pledge Joinder Agreement as of the day and year first written above.

JOINING PLEDGOR:

[JOINING PLEDGOR]

By: _____
Name: _____
Title: _____

**SUPPLEMENTAL
SCHEDULE I**

Pledged Interests

Name of Pledgor	Name, Jurisdiction of Formation and Type of Entity of Pledged Subsidiary	Class or Type of Pledged Interest	Total Amount of Pledged Interests Authorized	Total Amount of Class or Type Outstanding	Total Amount Pledged	Certificate Number (if applicable)	Par Value (if applicable)	Name of Transfer Lender (if any)

Delivered Pursuant to Pledge Joinder Agreement of: _____

Applicable Date: _____, 20__

**SUPPLEMENTAL
SCHEDULE II**

Pledgor Information

Name and Address of Pledgor	Type of Person	Jurisdiction of Formation of Pledgor	Jurisdiction of Formation Identification Number	Address of Chief Executive Office

Delivered Pursuant to Pledge Joinder Agreement of: _____

Applicable Date: _____, 20__

EXHIBIT B

Form of Pledge Agreement Supplement

PLEDGE AGREEMENT SUPPLEMENT

THIS PLEDGE AGREEMENT SUPPLEMENT (this "Pledge Agreement Supplement"), dated as of _____, 20__, is made by _____, a _____ (the "Pledgor"), in favor of SHOTGUN FUND LIMITED PARTNERSHIP III, ("Shotgun"), as lender (the "Lender").

RECITALS

A. Pursuant to that certain Secured Convertible Promissory Note, dated as of ● __, 2012 (as the same may be amended, restated, supplemented, subdivided, reissued, refinanced or replaced, the "Note") made by the iMarketing Solutions Group Inc. (the "Borrower"), the Lender has agreed to make certain loans and advances to the Borrower to be evidenced by such Note.

B. In connection with the Note, the Borrower, certain other pledgors party thereto, and the Lender have entered into that certain Pledge Agreement, dated as of ● __, 2012 (as amended, restated, extended, amended and restated, supplemented or otherwise modified from time to time, the "Pledge Agreement"). All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Pledge Agreement.

C. The Pledgor has acquired rights in the Pledged Interests (as defined in the Pledge Agreement) listed on Annex A to this Pledge Agreement Supplement (the "Additional Interests") and desires to pledge, and evidence its prior pledge, to the Lender all of the Additional Interests in accordance with the terms of the Note and the Pledge Agreement.

In order to induce the Lender to, from time to time, make and maintain extensions of credit under the Note and the other Loan Documents, the Pledgor hereby agrees as follows:

1. Affirmations.

The Pledgor hereby reaffirms and acknowledges the pledge and collateral assignment to, and the grant of security interest in, the Additional Interests contained in the Pledge Agreement and pledges and collaterally assigns to the Lender, and grants to the Lender a first priority lien and security interest in, the Additional Interests and all of the following:

- (a) all money, securities, security entitlements and other investment property, dividends, rights, general intangibles and other property at any time and from time to time (x) declared or distributed in respect of or in exchange for or on conversion of any or all of the Additional Interests or (y) by its or their terms exchangeable or exercisable for or convertible into any Additional Interest or other Pledged Interest;

- (b) all other property of whatever character or description, including money, securities, security entitlements and other investment property, and general intangibles hereafter delivered to the Lender in substitution for or as an addition to any of the foregoing;
- (c) all securities accounts to which may at any time be credited any or all of the foregoing or any proceeds thereof and all certificates and instruments representing or evidencing any of the foregoing or any proceeds thereof; and
- (d) all proceeds of any of the foregoing.

The Pledgor hereby acknowledges, agrees and confirms by its execution of this Pledge Agreement Supplement that the Additional Interests constitute “Pledged Interests” under and are subject to the Pledge Agreement, and the items of property referred to in clauses (a) through (d) above (the “Additional Collateral”) shall collectively constitute “Collateral” under and are subject to the Pledge Agreement. Each of the representations and warranties with respect to Pledged Interests and Collateral contained in the Pledge Agreement is hereby made by the Pledgor with respect to the Additional Interests and the Additional Collateral, respectively. The Pledgor further represents and warrants that Annex A attached to this Pledge Agreement Supplement contains a true, correct and complete description of the Additional Interests, and that all other documents required to be furnished to the Lender pursuant to Section 3(c) of the Pledge Agreement in connection with the Additional Collateral have been delivered or are being delivered simultaneously herewith to the Lender. The Pledgor further acknowledges that Schedule I to the Pledge Agreement shall be deemed, as to it, to be supplemented as of the date hereof to include the Additional Interests as described on Annex A to this Pledge Agreement Supplement.

2. Counterparts.

This Pledge Agreement Supplement may be executed in as many counterparts as necessary or convenient, and by the different parties on separate counterparts each of which, when so executed, shall be deemed an original but all such counterparts shall constitute one and the same agreement.

3. Governing Law.

The provisions of Section 25 of the Pledge Agreement are hereby incorporated by reference as if fully set forth herein.

4. Dispute Resolution Provision.

The provisions of Section 26 of the Pledge Agreement are hereby incorporated by reference as if fully set forth herein.

IN WITNESS WHEREOF, the Pledgor has caused this Pledge Agreement Supplement to be duly executed by its authorized officer as of the day and year first above written, intending to create an instrument under seal.

PLEDGOR:

[PLEDGOR]

By: _____
Name: _____
Title: _____

Exhibit “Q”

AGREEMENT

XENTEL INC. ("XI") and [REDACTED] ("Sponsor") hereby enter into this agreement "(AGREEMENT)" on this 1st day of January, 2013, and covenant and agree as follows:

1. REPRESENTATIONS BY XI

XI is a corporation duly organized and validly existing in good standing pursuant of the laws of the State of Delaware. XI is registered as a professional solicitor pursuant to individual state laws across the United States, and has all necessary licenses and permits and full power and authority to carry on its business as contemplated by this agreement. XI has full legal right, power and authority to enter into this Agreement and to undertake the actions to be performed under this Agreement. XI may, in its sole discretion, with prior approval from the Sponsor, assign this Agreement or any portion thereof to a bona fide third party contractor provided, however, that such third party provides such undertakings and assurances as required by the Agreement.

2. REPRESENTATIONS BY SPONSOR

Sponsor is a not for profit Georgia corporation duly organized, validly existing and in good standing pursuant of the laws of the State of Georgia. Sponsor has full legal right, power and authority to enter into this Agreement. Sponsor is an organization that is exempt from federal income tax under Section 501 (C) (3) of the Internal Revenue Code of 1986, as amended (the "Code").

3. GRANT OF LICENSE

Subject to the conditions specified in the Agreement. Sponsor grants to XI a non-exclusive limited license, during the term of this Agreement, to use the name [REDACTED] and the Sponsor's logo, for use in conducting public awareness programs and/or promotion of the campaign (as defined in Paragraph 6 below), and for no other purpose. XI may withhold same in its sole and exclusive discretion.

4. WARRANTY

Sponsor warrants that it has the right to license the use of its name and that XI's use of the Sponsor's name as described in Paragraph 3 above will not violate the proprietary rights of any third party. Sponsor warrants that they will provide full cooperation and its goodwill in the performance of this agreement.

5. PROPRIETARY RIGHTS

Sponsor's name and logo, as described in Paragraph 3 above, shall remain the sole and exclusive property of Sponsor at all times. Without the prior written consent of Sponsor, XI shall not sublicense the use of Sponsor's name or logo to any individual or entity, or make any use of Sponsor's name or logo except as expressly authorized in this Agreement. In the course of performing its obligations under the

Contract #: 5274

9/11/12 DMW

Agreement, XI may generate or create tangible and intangible data, documents, and other materials (collectively, "Work Product"). XI shall be the sole and exclusive owner of all of its Work Product and all proprietary rights (including copyrights) therein. The ownership and right to these Work Products is a material inducement to XI to enter into this agreement.

6. EVENTS AND TERM OF AGREEMENT

XI agrees to supply public awareness services as follows: XI agrees to conduct a telemarketing campaign on behalf of Sponsors throughout the United States.

XI shall bear all costs and expenses of the campaign (with the exception of bank and credit card processing charges). XI maintains the right to conduct tele-sales to businesses and residences. XI will secure all necessary permits, specifically including, but not limited to, sales tax permits, registrations, and licenses within the jurisdiction where such productions and solicitation are held. In the event legal expenses are incurred as a result of the solicitation campaign of the promotion of conduct of the campaign covered by this Agreement as a result of the actions of XI, XI agrees to indemnify and hold harmless the Sponsor. XI has all responsibility for all costs of the promotion, conduct, and arrangement of the campaign. XI also assumes all responsibility for complying with all registration and reporting requirements pursuant to the rules promulgated by the appropriate state agencies. **SPONSOR MAY BE REQUIRED TO REGISTER WITH THE STATE (S) IN WHICH IT OPERATES. THIS SHALL BE THE SOLE RESPONSIBILITY OF THE SPONSOR.**

7. QUALITY CONTROL

XI agrees to refrain from engaging in any activities that would adversely affect the reputation of Sponsor or its members or violate any County, State or Federal Laws or regulations relating to the fulfillment of this Agreement. XI further agrees that its employees and agents shall not at any time represent, directly or indirectly, that they are Sponsor personnel, and such employees and agents and any printed materials shall clearly state that XI represents Sponsor. XI and any employees, agents, solicitors or subcontractors of XI are not agents of Sponsor.

8. ROYALTY AND PAYMENTS

During the term of this Agreement, monies collected from any source whatsoever from the terms of this Agreement shall be made payable to the Sponsor and shall be mailed and/or delivered and deposited no later than two (2) days after receipts, to the bank account solely maintained and controlled by the Sponsor. After payment of any applicable admissions amusement or sales taxes, as well as holdback for bank charges (Sponsor and XI shall share in bank charges, including all ongoing monthly charges and transactions fees including chargeback fees, ACH Reject Fees, account maintenance fees, internet gateway fees, and any other credit card account related charges relating to the Sponsor's credit card account, as well as any residuals from the holdback proportionate to the contracted percentages), XI shall receive 88% of the gross monies collected, and Sponsor shall receive 12% of the gross amount of monies collected. Sponsor shall, on a weekly basis, starting on the first Friday following the execution of the Agreement and each Friday, thereafter, pay XI its percentage as billed. Sponsor acknowledges that billing is due and payable on receipt.

The Sponsor agrees to open a merchant credit card account with the designated credit card processor so XI may accept credit card payments on the Sponsor's behalf. Credit card payments accepted on the Sponsor's behalf will be deposited into the Sponsor's bank account by the credit card processor in accordance with their usual business practices. All ongoing monthly charges and transaction fees

including chargeback fees, ACH Reject Fees, account maintenance fees, internet gateway fees, rejection fees, and any other credit card account related charges relating to the Sponsor's credit card accounts will be shared by both Sponsor and XI proportionate to the contracted percentages (88% by XI and 12% by Sponsor)

9. LIMITATION OF LIABILITY

The guaranteed percentage as set out in paragraph 8 herein, is contingent upon the continued cooperation of the Sponsor and shall be subject to re-negotiation in the event of the following:

- (a) Either party shall become the subject of adverse media publicity that results in a significant demonstrable reduction in sales;
- (b) A regulatory body publicly releases a decision in an adjudicated case that a violation has occurred in the conduct of the campaign that results in a significant demonstrable reduction in sales;
- (c) The occurrence of an unforeseen event such as but not limited to a labor strike, natural disaster, act of war or terrorism, or any other cause beyond XI's control that results in a significant demonstrable reduction in sales;
- (d) Any law or licensing provision shall be modified as to materially affect the conduct of business as contemplated herein.

10. CHARACTER OF PAYMENT

The parties hereto intend that the payment under Paragraph 8 shall be treated as a royalty under Section 512 (b)(2) of the Code. To maintain compliance *with* the Code, Sponsor reserves the right to amend or revoke this Agreement in the event of administrative or judicial findings inconsistent with the reporting of Sponsor as a result of the Agreement.

- (a) Sponsor shall provide XI written notice of its intent sixty (60) days before the effective date of such amendment or revocation, which period shall begin on the date of mailing. If Sponsor chooses to amend the Agreement, said amendment must be agreed upon by XI.
- (b) Should any Event arrangement be commenced before the sixty (60) day notice, this Agreement, as written, shall remain in effect until there has been full contract performances necessary for completion of such Event, including payment of all expenses.

11. ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties and may not be amended or supplemented except by written agreement executed by XI and Sponsor. There is no verbal understanding that would alter or amend this Agreement.

12. ATTORNEY FEES AND BINDING ARBITRATION

In the event that there is any dispute concerning the terms and conditions of this Agreement, the parties agree to submit to binding arbitration pursuant to the rules of the American Arbitration Association and the prevailing party in any arbitration shall be entitled to an award of reasonable attorney's fees and costs.

13. TERM

This agreement shall be in force for a period of 12 months commencing January 1, 2013 and expiring December 31, 2013. Thereafter, this Agreement shall be automatically renewed and extended for additional terms of one (1) year each, unless either party shall give the other sixty (60) days written notice prior to expiration of the then current term of its intention not to renew and extend the Agreement. Any renewal and extension hereof shall be subject to the undertakings and agreements herein provided.

14. CHARITABLE PURPOSE



15. CANCELLATION

This Agreement shall be canceled and terminated upon the happening of any of the following events:

- a) Expiration of the term hereof or any renewal term.
- b) In the event that XI determines that available revenue is not sufficient to make campaign economically viable, XI shall have the right to cancel and terminate this AGREEMENT effective ninety (90) days following delivery to Sponsor, personally or by certified mail, of written notice of such cancellation.
- c) In the event that XI shall be in breach of any of the terms and provisions of this AGREEMENT and shall not take affirmative action to correct the same within thirty (30) days following receipt of written notice of such breach, Sponsor shall thereupon have the right to cancel and terminate this Agreement, by majority vote of its Board of Directors, upon delivery, personally or by certified mail, of 60 days written notice of such cancellation.
- d) Following notice of cancellation or termination, XI may continue to solicit support until the effective date of such cancellation or termination, or until such earlier date as XI shall determine. Following cancellation or termination, XI shall continue to account for and pay any and all royalties in the manner set forth in numbered section 8 of this Agreement attributable to support sold prior to the effective date of cancellation or termination to the extent that such revenues are ultimately collected and duly paid by respective supporters.
- e) Upon termination of this Agreement for any reason whatsoever, XI shall continue to bill contributors for 90 days on sales made prior to the termination. Collections resulting from sales made prior to termination shall be processed in the usual manner as prior to termination for a period of 180 days after the termination date.

16. NOTICES

Notices pursuant to this Agreement shall be sent certified U.S. Mail, return receipt requested, to the following addresses:

(a) For notices to:

[REDACTED]

Attention: [REDACTED]
Email: [REDACTED]
Phone: [REDACTED]
Fax: [REDACTED]

(b) For notices to:

Xentel Inc.
700 West Virginia Street
Suite #700
Milwaukee, WI 53204

Attention: David Winograd, President
David.Winograd@imkcp.com

IN WITNESS WHEREOF, the parties hereunto affixed their hands on this 4th day of October 2012.

XENTEL INC.

Kelly Muller
Witness

By: [Signature]
David Winograd, President


[REDACTED]

[REDACTED]
Witness

By: [REDACTED]

[REDACTED]
Witness

By: [REDACTED]

SCHEDULE "A" attached to and forming part of an Agreement dated
January 1, 2013, between
Xentel, Inc. ("XI") and
 ("Sponsor")

WHEREAS, XI and Client are parties to a certain agreement dated January 1, 2013, and
WHEREAS, in order to effect registration in compliance with the laws of the states listed below
and for that portion of the contract where activities will be conducted in the states listed below an
addendum is required.

WITNESSETH

FOR AND IN CONSIDERATION of the mutual covenants herein contained, the sufficiency of
which is acknowledged as evidenced by the signatures of the parties hereto, it is mutually
agreed as follows:

1. In order to comply with various state statutes, the following shall be included as terms of the agreement for the various states.
 - a. For purposes of the State of Indiana only, the following shall apply:
Sponsor shall receive as a result of this solicitation campaign twelve (12%) of gross revenue,
The average percentage of gross contributions received by sponsoring organizations as a
result of campaigns conducted by XI in the three years preceding this agreement is ten
percent (10%).
 - b. For the purposes of the State of Pennsylvania, the following shall apply:
Guarantee to Sponsor: Sponsor shall receive as a result of this solicitation campaign, a
guarantee of twelve (12%) of gross revenue.
Percentage to Professional Solicitor: Sponsor agrees that XI shall be compensated pursuant
to the terms of the agreement which is estimated to be 88% of gross revenue.
Solicitation activity is to commence on January 1, 2013 within the Commonwealth of
Pennsylvania or ten working days after the Solicitation Notice is received by the Department
of State, Bureau of Charitable Organizations and/or is approved by the Department of State
Bureau of Charitable Solicitations.
Solicitation activity and the contract will terminate on December 31, 2013 within the
Commonwealth of Pennsylvania.
 - c. For the purposes of the State of Oregon, the following shall apply:
Sponsor shall receive as a result of this solicitation campaign twelve (12%) of gross revenue.
The name and address of each person pledging to contribute, together with the date and
amount of the pledge, shall be the sole exclusive property of the Sponsor with no rights to
transfer, sell, rent, or otherwise cause same to be used except by Sponsor.
 - d. For the purposes of the State of New Hampshire, the following shall apply:
All customer lists acquired in the State of New Hampshire along with the names, addresses,
date and pledge amount of all sales shall be the sole exclusive property of the Sponsor with
no rights to transfer, sell, rent, or otherwise cause same to be used except by the Sponsor.
Sponsor shall receive as a result of this solicitation campaign twelve (12%) of gross revenue.

e. For the purposes of the State of Illinois, the following shall apply:
XI shall bear all costs and expenses the telephone solicitation campaign (with the exception of Bank Charges and Merchant Credit Card Charges). Expenses shall include but are not limited to (stated as estimated percentage of gross receipts): Payroll ~ 40%; Branch office expenses ~9%; Corporate office expenses~11%; Printing ~3%; Postage~3%; Telephone~10%; Xentel, Inc.~10%.

f. For the purposes of the State of Ohio, the following shall apply:
Sponsor shall receive as a result of this solicitation campaign twelve (12%) of gross revenue. While every project varies in results and yield, this assumption is based on industry standards. This shall not affect or alter compensation provisions listed in the main Agreement dated January 1, 2013. This shall not affect compensation provisions as listed in the main Agreement. The actual percentage going to the Sponsor shall not be less than the ninety (90%) percent of the reasonable estimated percentage.

g. For the purpose of the State of New Jersey, the following shall apply:
All revenues resulting from this Agreement shall be collected by XI on behalf of the Client.

All of said revenues shall be delivered timely by XI to the Sponsor for immediate deposit, within two (2) days of receipt, into an account under the Sponsor's sole ownership and control. Chase Bank, 111 East Wisconsin Avenue, Milwaukee, WI 53202 Account

h. For the purposes of the State of New Mexico, the following shall apply:
Guarantee to Sponsor: The minimum percentage of gross receipts from the charitable solicitations that will be used by the Sponsor exclusively to advance its charitable purpose is twelve (12%).

All of said revenues shall be delivered timely by XI to the Sponsor for immediate deposit, within two (2) days of receipt, into an account under the Sponsor's sole ownership and control.

Oral solicitations will be conducted from 875 Greentree Road #104, Pittsburgh, PA 15220
Regional Supervisor – Matt McFall, Branch Manager – Joe Geffert.

i. For the purposes of the State of California only, the contract shall be modified to add the following sections:

Solicitation activity is to commence on January 1, 2013 within the State of California or ten (10) working days after receipt of the Agreement by the Attorney General. Each contribution in the control or custody of XI shall, within two (2) working days of receipt, be deposited in an account at a bank or other federally insured financial institution that is solely in the name of Sponsor and over which Sponsor has sole control of withdrawals.

Sponsor has the right to cancel this Agreement without cost, penalty, or liability for a period of ten (10) days following the date on which the contract is executed. Sponsor may exercise this right by serving a written notice of cancellation on XI. Said notice must be provided by certified mail, return receipt requested, and cancellation shall be deemed effective upon expiration of five (5) calendar days from the date of mailing. Any funds collected after effective notice of cancellation shall be deemed to be held in trust for the benefit of Sponsor without deduction for costs or expenses of any nature, and Sponsor shall be entitled to recover all funds collected after the date of cancellation.

Following the foregoing initial ten (10) day cancellation period, Sponsor may terminate this Agreement by giving thirty (30) days' written notice. Said notice must be provided by certified mail, return receipt requested, and shall be deemed effective upon the expiration of five (5) calendar days from the date of mailing. In the event of termination under this subsection, Sponsor shall be liable for services provided by XI up to thirty (30) days after the effective service of the notice. In addition, following the initial ten (10) day cancellation period, Sponsor may terminate this Agreement at any time upon written notice, without payment or compensation of any kind to XI, if XI or its agents, employees, or representatives make(s) any material misrepresentations in the course of solicitations or with respect to Sponsor; are found by Sponsor to have been convicted of a crime arising from the conduct of a solicitation for a charitable organization or purpose punishable as a misdemeanor or a felony; or otherwise conduct fundraising activities in a manner that causes or could cause public disparagement of Sponsor's good name or good will.

j. For the purposes of the State of North Carolina, the following shall apply:
Guarantee to Sponsor: Sponsor shall receive as a result of this solicitation campaign, a minimum guarantee of twelve percent (12%) of gross revenue. This shall not effect or alter compensation provisions as listed in the main Agreement.
Percentage to XI. XI agrees that Sponsor shall be compensated pursuant to the terms of the Agreement which is to be 88% of gross revenue. This shall not affect or alter compensation provisions as listed in the main Agreement.

k. For the purposes of the State of Vermont, the following shall apply:
Chapter 63 of Title 9 of the Vermont Statutes Annotated requires a paid fundraiser to provide the fundraiser's charitable Sponsor, within 60 days after the end of a solicitation campaign, with a statement setting out the name and address of each contributor and the amount of the contribution; the amount of the gross receipts; and an itemized list of all expenses, commissions, and other costs incurred in the campaign. The law also gives charities other rights, including the right to cancel this contract or to recover damages, or both, in certain circumstances. Contact the Vermont Attorney General for further information.

Consultant shall bear all costs and expenses (with the exception of bank charges and Merchant Credit Card fees) of the telephone solicitation campaign. Expenses shall include but are not limited to (stated as estimated percentage of gross receipts): Payroll ~ 40%; Branch office expenses ~9%; Corporate office expenses~11%; Printing ~3%; Postage~3%; Telephone~10%; Xentel, Inc.~10%. The estimated figures are based upon experience of similar campaigns conducted by XI.

As required by Vermont law Section 2. 9 V.S.A. § 2472 (5) XI shall in no way restrict the use by the Sponsor of the list of donors to the campaign.

Sponsor shall receive as a result of this solicitation campaign, a minimum guarantee of Twelve (12%) of gross revenue. This shall not affect or alter compensation provisions as listed in the main Agreement dated January 1, 2013.

l. For the purposes of the State of Tennessee only, the contract shall be modified to add the following section:

XI does not receive donations on behalf of the Sponsor, does not have access to the funds raised and does not make any deposits to and does not have signature authority with, or any other authority over, the Sponsor's bank accounts.

m. For the purposes of the State of Michigan, the following shall apply:

Contract type: A2-XI solicits on behalf of the Sponsor but does not receive the contributions. XI does not receive donations on behalf of the Sponsor, does not have access to the funds raised and does not make deposits to and does not have signature authority with, or any other authority over, the Sponsor's bank accounts.

n. For the purposes of the State of Florida only, the contract shall be modified to add the following section:

XI does not receive donations on behalf of the Sponsor, does not have access to the funds raised and does not make any deposits to and does not have signature authority with, or any other authority over, the Sponsor's bank accounts.

o. For the purposes of the State of Mississippi, the following shall apply:

Solicitation activity is to commence on January 1, 2013 within the State of Mississippi or ten working days after the contract is received by the Office of the Secretary of State .

All oral and written presentations to be used by XI (and material changes thereto), shall have been reduced to a writing and shall have been reviewed and approved by Sponsor.

Solicitation activity and the contract will terminate on December 31, 2013, within the State of Mississippi.

p. For the purposes of the State of South Carolina, the following shall apply:

Solicitation activity is to commence on January 1, 2013 within the State of South Carolina or ten working days after the contract is received by the Office of the Secretary of State.

All oral and written presentations to be used by XI (and material changes thereto), shall have been reduced to a writing and shall have been reviewed and approved by Sponsor.

Solicitation activity and the contract will terminate on December 31, 2013, within the State of South Carolina.

Oral solicitations will be conducted from 875 Greentree Road #104, Pittsburgh, PA 15220
Regional Supervisor – Matt McFall, Branch Manager – Joe Geffert.

q. For purposes of the state of New York only, the contract shall be modified to add the following section:

Contract will commence on January 1st, 2013 within the state of New York.

Contract will terminate on December 13, 2013 within the state of New York.

Client's right to cancel this contract. It is understood by both parties that the charitable organization has the right under New York State law to cancel this contract and that the charitable organization does not have to give any reason for the cancellation. By law, the parties to this contract cannot waive or modify this right by any pre-existing agreement or by any subsequent agreement between the parties. Therefore, the charitable organization may cancel this contract without cost, penalty or liability if the charitable organization notifies XI in writing as provided below.

Period under which contract may be canceled. If XI is registered with the New York State Office of the Attorney General Charities Bureau the charitable organization may cancel this contract at any time up to and including the fifteenth day after this contract was filed by XI with the New York State Office of the Attorney General, Charities Bureau. If, however, the XI is not registered with the New York State Office of the Attorney General, Charities Bureau at the time this contract is signed, the charitable organization may cancel at any time after it is signed.

Procedure for canceling this contract The charitable organization may cancel this contract by giving XI written notice of cancellation. This notice can be in the form of a letter indicating that the charitable organization does not intend to be bound by the contract. The notice of cancellation may be hand-delivered or mailed to PFR. If mailed, it

must be sent to the following address: 700 West Virginia Street, Suite #700, Milwaukee, WI 53204.

The charitable organization must mail a duplicate copy of the written notice of cancellation to the Office of the Attorney General at the address listed below:

Charities Bureau
Office of the Attorney General
The Capitol
Albany, NY 12224

When Cancellation is effective If the notice of cancellation is hand-delivered, the cancellation is effective as soon as it is delivered to XI. If the notice of cancellation is mailed, the cancellation is effective as soon as the notice is deposited, properly addressed and postage pre-paid, in a mailbox.

IN WITNESS WHEREOF, the parties hereunto affixed their hands on this 4th day of October, 2012.

Kelly Muller
Witness

XENTEL INC.

By: [Signature]
David Winograd, President

[Redacted Signature]

[Redacted Signature]
Witness

By: [Redacted Signature]

[Redacted Signature]
Witness

By: [Redacted Signature]



REGISTRATION NUMBER

- ALABAMA
- ALASKA
- ARIZONA
- ARKANSAS
- CALIFORNIA
- LOS ANGELES, CALIFORNIA
- COLORADO
- CONNECTICUT
- FLORIDA
- PINELLAS COUNTY, FLORIDA
- GEORGIA
- ILLINOIS
- KANSAS
- KENTUCKY
- JEFFERSON COUNTY, KENTUCKY
- LOUISIANA
- MAINE
- MARYLAND
- MASSACHUCETTS
- MICHIGAN
- MINNESOTA
- MISSISSIPPI
- MISSOURI
- NEW HAMPSHIRE
- NEW JERSEY
- NEW MEXICO
- NEW YORK
- NORTH CAROLINA
- NORTH DAKOTA
- OHIO
- CITY OF COLUMBUS, OHIO
- OKLAHOMA
- OREGON
- PENNSYLVANIA
- RHODE ISLAND
- SOUTH CAROLINA
- TENNESSEE
- UTAH
- VIRGINIA
- WASHINGTON
- WISCONSIN
- WEST VIRGINIA



Exhibit “R”

Debit Authorization Agreement

AUTHORIZATION AGREEMENT FOR PREAUTHORIZED PAYMENTS

COMPANY NAME [REDACTED]

COMPANY ID NUMBER [REDACTED]

I (we) hereby authorize Xentel, Inc. hereinafter called COMPANY, to initiate debit entries to my (our) Checking accounts indicated below at the depository named below, hereinafter called DEPOSITORY, to debit the same to such account.

DEPOSITORY NAME J P. Morgan Chase

BRANCH 111 E Wisconsin Ave

CITY: Milwaukee STATE: WI ZIP: 53202

ROUTING NUMBER [REDACTED] ACCOUNT NUMBER [REDACTED]

All dollar amounts to be withdrawn must be authorized as follows:

sweep at 100%. Xentel will pay client

This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

NAME(S) [REDACTED] ID NUMBER [REDACTED]
(Please Print)

DATE 4-23-10 SIGNED [REDACTED]

NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.

Exhibit “S”



iMarketing Solutions Group Inc.

Annual Report to Shareholders

**For the years ended
December 31, 2011 and 2010**

Contents

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Consolidated Statements of Cash Flows

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Corporate Information

**3710 Westwinds Drive, NE, Unit 24
Calgary, AB T3J 5B3
(403) 537-1001**

Report to Our Shareholders for the year Ended December 31, 2011

Hereinafter is our financial report to shareholders, together with the related Management Discussion and Analysis for the three and twelve months ended December 31, 2011.

The amounts in the MD&A and audited financial statements for the year ended December 31, 2011, have been restated to reflect the adoption of IFRS, with effect from January 1, 2010. Further disclosure on the transition to IFRS can be found in the Company's MD&A and notes to the Company's audited financial statements. This disclosure contains a description of the IFRS adjustments and reclassifications on transition and a reconciliation of the Company's financial statements previously prepared under Canadian GAAP to those prepared under IFRS for the three months and year ended December 31, 2011 and as at the Balance Sheet date January 1, 2010.

Selected financial data for the fourth quarter and twelve months ended December 31, 2011 are as follows:

(\$000's)	3 Months Ended December 31, 2011	3 Months Ended December 31, 2010	Year Ended December 31, 2011	Year Ended December 31, 2010
Revenue	18,742	21,803	83,767	85,232
Net Earnings/(Loss)	(6,109)	(782)	(5,253)	232
EBITDA	(2,856)	(666)	(87)	961
Earnings/(Loss) per share (Basic)	(0.19)	(0.02)	(0.16)	0.01
Earnings/(Loss) per share (Fully diluted)	(0.19)	(0.02)	(0.16)	0.01

Net loss for the three months ended December 31, 2011 amounted to 6,109 or \$0.19 per share on a fully diluted basis. This compares to the net loss for the three months ended December 31, 2010 of 782 or \$0.02 per share on a fully diluted basis. Net loss for the year ended December 31, 2011 amounted to 5,253 or \$0.16 per share on a fully diluted basis. This compares to the net earnings for the year ended December 31, 2010 of 232 or \$0.01 per share on a fully diluted basis. Net earnings for the year ended December 31, 2010, as restated and under IFRS, include a positive earnings adjustment of 891 thousand reflecting a business combination executed in March 2010. The net loss for the year-ended December 31, 2011 includes a deferred income tax expense of 2,504 which arose as part of the Company's valuation of its probable future tax assets in light of its current stage of business.

EBITDA for the three months and year ended December 31, 2011 amounted to (2,856) and (87) respectively. This compares to EBITDA for the three months and year ended December 31, 2010 of (666) and 961 respectively.

The Company is in the process of a complete restructuring, rationalization and technology upgrade during which time there will be significant transformation of the Company operations. Until that process is complete in 2012 it will be necessary to maintain parallel information technology platforms together with the associated duplication of costs. The company has recorded a one-time charge in the fourth quarter of 2011 totaling 895 consisting of employee severance related expenses largely arising from the closure of the Company's Calgary facility as well as information technology integration activities.

Management believes that its restructuring, rationalization and upgrade plans will yield significant cost reductions and much greater operating efficiencies into the future.

Michael Davis
Chief Executive Officer
Toronto, Ontario, Canada

April 30, 2012

iMarketing Solutions Group Inc.
For the years ended December 30, 2011 and 2010
Management Discussion and Analysis
(tabular amounts in \$ '000s CAD, except percentages and per share data)

The following Management Discussion and Analysis of the financial condition and results of the operations and cash flows for iMarketing Solutions Group Inc. (Company) for the years ended December 31, 2011 and 2010 should be read in conjunction with the accompanying audited consolidated financial statements and related notes thereon.

Basis of Presentation

The consolidated financial statements of iMarketing Solutions Group Inc. are prepared in accordance with IFRS which became effective on January 1, 2011 with retroactive application to January 1, 2010. The Company's significant accounting policies are summarized in detail in Note 2 of the audited consolidated financial statements for the years ended December 31, 2011 and 2010.

Except as otherwise noted, the accompanying financial statements are presented in Canadian dollars, the Company's functional currency. Neither Gross Margin nor Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) have standardized IFRS meanings and, therefore, the comparison of these amounts to other enterprises may not be possible if the basis of calculation differs.

Gross margin and gross margin percentage of revenues may vary between enterprises depending on the expense categories included in Cost of revenue versus Branch overhead and corporate administration but as applied consistently between the periods under consideration provides a comparison between those periods of the Company's operations.

EBITDA is a financial metric used by many investors and lenders to compare companies and to evaluate the Company's ability to repay debt since this measure excludes from operating results interest, taxes and amortization.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements in this report may constitute "forward looking statements" and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any performance or achievement expressed or implied by such "forward looking statements." These "forward looking statements" reflect management's current beliefs and are based on information available to management as of the date of this report. Outlined below under the heading Business Risks are some of the key factors that could cause results to differ materially from the results outlined in the "forward looking statements."

Overview

The Company is engaged in the business of profile enhancement for community based organizations, charities, political parties and other not for profit enterprises through the marketing and production of sports and entertainment events, newsletters and marketing materials, direct mail and fundraising activities.

Overview (Cont'd)

The Company provides the following services to its clients:

- Fee for service fundraising and data development
- Revenue sharing
- Direct voter contact
- Benefit events
- Subcontract work
- Marketing list rentals

Fee For Service Fundraising and Data Development

Donor and voter prospecting and renewal services are contracted by not-for-profit, charitable and political organizations. The company provides an integrated service offering including database development, telefundraising, direct mail, publications and online contact services through to the collection and processing of donor contributions. The Company charges on a fee-for-service basis for these services in the context of multi-year contracts.

Revenue Sharing

The company contracts with sponsoring organizations to provide fundraising services for which it receives its compensation as a percentage of the funds generated. The company typically provides this service model to community based organizations such as first responder and veterans associations.

Direct Voter Contact

On behalf of political party clients, the Company provides direct contact services to potential voters and identified party supporters to assist in the assessment of political attitudes and to mobilize voter participation. Revenue for these services is derived through hourly service fees.

Benefit Events

The Company produces and markets several benefit events tours including the Oldtimers Hockey Challenge™, and Shrine Circuses.

Event tours visit multiple communities across selected geographies and work with local sponsoring organization to promote the event and raise funds for the sponsor. The company's database and online marketing capabilities are utilized to generate event revenues through ticket sales, program advertisements, corporate sponsorship and other direct donor contributions. The Company typically funds the costs of the events either alone or in partnership with contracted event producers. Local event sponsors share in event revenues on a percentage basis or through a flat royalty fee.

Marketing List Rentals

The Company generates a small percentage of its overall revenue through the rental of selected proprietary databases developed through normal course business to not-for-profit organizations where they do not compete with our normal business activities.

Gross revenues

An analysis of gross revenues for the three months ended December 31 follows:

(\$000's)	2011	2010	+/-	% Change	2011 % of Total	2010 % of Total
Canada	10,656	13,098	(2,442)	(19%)	54%	58%
United States	8,913	9,471	(558)	(6%)	46%	42%
Total	19,569	22,569	(3,000)	(13%)	100.0%	100.0%

An analysis of gross revenues for the years ended December 31 follows:

(\$000's)	2011	2010	+/-	% Change	2011 % of Total	2010 % of Total
Canada	51,496	48,947	2,549	5%	59%	56%
United States	35,456	37,706	(2,250)	(6%)	41%	44%
Total	86,952	86,654	299	0.3%	100.0%	100.0%

The above analysis includes intercompany revenues which have been eliminated on consolidation. Please refer to note 12 of the consolidated financial statements for details.

Included in the above analysis is a change in the company's method of revenue and cost measurement in relation to certain customer contracts. The Company recorded revenue in relation to certain customer contracts as if it was the principal under the terms of the contract when in fact the company was acting as an agent for the customer. As a result the revenue and cost of revenue for the three months and year ended December 31, 2010 were previously overstated by \$1,745 and \$5,462 respectively.

Canadian revenues

In the fourth quarter of 2011 the company experienced a year over year decrease of \$2,442 or 19 per cent largely as a result of client losses, increasing consumer resistance to telemarketing activities and poor performance of seasonal benefit events.

For the year ended December 31 the company's 2011 revenues increased by approximately \$2,549 or 5% versus the previous year. This increase is partially the result of inclusion of a full year of revenue from The Responsive Marketing Group subsidiary versus the inclusion of only ten months in 2010. Year over year revenues were also boosted by an increase in political fundraising and direct voter contact activities. This revenue increase was partially offset by continued declines in the balance of the company's Canadian activities as a result of client losses and increasing consumer resistance to telemarketing activities.

US Revenues

The analysis of the decrease in US revenues for the three months ended December 31, 2011 versus the comparative period for 2010 is as follows:

- a decrease in actual US revenues of \$651 US or 7%, and,
- the beneficial impact from the foreign currency exchange rate fluctuations on converting the US dollar revenues into Canadian dollars of \$93.

The analysis of the decrease in US revenues for the year ended December 31, 2011 versus the comparative period for 2010 is as follows:

- a decrease in actual US revenues of \$775 US or 2%, and,
- the adverse impact from the foreign currency exchange rate fluctuations on converting the US dollar revenues into Canadian dollars of \$1,475.

Cost of revenue and gross margin

Since gross margin has no standardized IFRS meaning, the comparability of gross margin to other enterprises may not be possible if the basis of calculation of gross margin differs.

Gross margin and gross margin percentage of revenues may vary between enterprises depending on the expense categories included in cost of revenue versus branch overhead and corporate administration but applied consistently between the periods under consideration, these amounts provide a comparison between those periods of the Company's operations.

An analysis of cost of revenue for the three months ended December 31 follows:

	Amount (\$000's)		% of Revenues	
	2011	2010	2011	2010
Canada	8,915	9,355	84%	71%
United States	7,587	7,507	85%	79%
Total	16,502	16,862	84%	75%

An analysis of cost of revenue for the year ended December 31 follows:

	Amount (\$000's)		% of Revenues	
	2011	2010	2011	2010
Canada	37,170	34,696	72%	71%
United States	27,614	28,970	78%	77%
Total	64,784	63,666	75%	74%

The above analysis includes intercompany charges which have been eliminated on consolidation.

Cost of revenue and gross margin (Cont'd)

An analysis of the gross margin for the three months ended December 31 follows:

(S000's)	2011	2010	+/-	% Change
Canada				
\$	1,741	3,743	(2,002)	(53%)
% of Revenue	16%	29%	(13%)	
United States				
\$	1,326	1,964	(638)	(32%)
% of Revenue	15%	21%	(6%)	
Total				
\$	3,067	5,708	(2,641)	(46%)
% of Revenue	16%	25%	(9%)	

An analysis of the gross margin for the year ended December 31 follows:

(S000's)	2011	2010	+/-	% Change
Canada				
\$	14,326	14,251	74	1%
% of Revenue	28%	29%	(1%)	
United States				
\$	7,842	8,736	(894)	(10%)
% of Revenue	22%	21%	1%	
Total				
\$	22,168	22,988	(\$20)	(4%)
% of Revenue	27%	27%	-	

Canadian Gross Margin

In the fourth quarter of 2011 the company experienced a year over year decrease in gross margin of approximately \$2,002 or 53%. The cause of the decline is a result of a combination of factors including poor performance of seasonal benefit events, increased consumer resistance to telemarketing activities and client losses.

For the year ended December 31, gross margin increased marginally by \$74 or 1% versus the prior year. Gross margin increased as a result of inclusion of a full twelve months of activity from the The Responsive Marketing Group subsidiary versus the inclusion of only ten months in the 2010. Year over year gross margin was also enhanced by a significant increase in election activities. This increase was largely offset by continued declines in the balance of the company's Canadian activities as a result of client losses and increasing consumer resistance to telemarketing activities.

Cost of revenue and gross margin (Cont'd)

US Gross Margin

In the US there was a decrease in gross margin of \$638 or 32% in the fourth quarter versus the previous year.

The analysis of the increase in US gross margin for the three months ended December 31, 2011 versus the comparative period for 2010 is as follows:

- a decrease in actual US gross margin of \$408 US
- the adverse impact from the foreign currency exchange rate fluctuations on converting the US dollar revenues into Canadian dollars of \$230.

For the year ended December 31 gross margins in the US decreased by \$894 or 10% versus 2010.

The analysis of the decrease in US gross margin for 2011 versus the prior year is as follows:

- a decrease in actual US gross margin of \$519 US
- the adverse impact from the foreign currency exchange rate fluctuations on converting the US dollar revenues into Canadian dollars of \$375.

The decrease in gross margin in the US for both the fourth quarter and the full year is largely the result of increased consumer resistance to the company's telemarketing activities.

Operating expenses

A comparative analysis of the operating expenses for the three months ended December 31 follows:

<u>(\$000's)</u>	<u>2011</u>	<u>2010</u>	<u>+/-</u>	<u>% Change</u>
Branch overhead and corporate administration	5,923	6,373	(450)	(7%)
Depreciation of equipment	363	314	49	16%
Amortization of intangible assets	66	65	(1)	(2%)
Total	6,351	6,752	(400)	(6%)

A comparative analysis of the operating expenses for the year ended December 31 follows:

<u>(\$000's)</u>	<u>2011</u>	<u>2010</u>	<u>+/-</u>	<u>% Change</u>
Branch overhead and corporate administration	22,255	22,027	228	1%
Depreciation of equipment	1,448	1,330	118	9%
Amortization of intangible assets	265	222	43	19%
Total	23,968	23,579	389	2%

Operating expenses (Cont'd)

Branch overhead and corporate administration expenses in the fourth quarter are down by \$450 or 7% versus the prior year as a result of a workforce reduction as well as a reduction of overhead expenses resulting from a year to date adjustment in expense amounts denominated in a foreign currency.

Branch overhead and corporate administration expenses for the year ended December 31 have increased by \$228 thousand or 1% versus the previous year as a result of the inclusion of The Responsive Marketing Group operation for a full twelve months versus in 2011 versus only ten months in 2010. The increase in depreciation cost is a result of capital expenditures on dialing equipment and software and the increase in amortization is a result of a full year of amortization of intangibles associated with The Responsive Marketing Group transaction versus only ten months in 2010.

Non-operating income (expense)

A comparative analysis of the non-operating income and expense for the three months ended December 31 follows:

(S000's)	2011	2010	+/-	% Change
Interest Expense	(16)	(25)	9	36%
Restructuring charges	(895)	-	(895)	-
Total	(911)	(25)	(886)	(3.543%)

A comparative analysis of the non-operating income and expense for the year ended December 31 follows:

(S000's)	2011	2010	+/-	% Change
Interest expense	(79)	(98)	19	19%
Restructuring charges	(895)	-	(895)	-
Transaction costs for business combination	-	(291)	291	-
Bargain purchase gain	-	1,182	(1,182)	-
Total	(974)	793	(1,767)	(223%)

Restructuring charges incurred in 2011 are a result of the Company's continuing transformation process and are comprised of employee severance related expenses largely arising from the closure of the Company's Calgary facility as well as information technology integration activities. As the Company continues to integrate facilities and rationalize its operations it is expected that further cost saving opportunities will be identified and realized.

A bargain purchase gain of \$1,182 thousand offset by the costs of the transaction amounting to \$291 thousand was recognized in the consolidated statements of operations for the year ended December 31, 2010 within non-operating income, in connection with The Responsive Marketing Group ("RMG") transaction that occurred on March 3, 2010.

Income taxes

There are temporary differences relating to revenue and expenses deferred for income tax purposes, amortization where the cumulative amounts claimed for income tax purposes differs from the amounts recorded in the accounts and non-capital income tax losses which are available to be applied against future years' income to reduce income taxes otherwise payable. The income tax effect of these differences is shown in the financial statements as deferred income taxes in long term assets and long term liabilities, as applicable.

The following is a reconciliation of income taxes calculated at statutory rates to the actual income taxes expensed in the accounts:

	2011	2010
Income taxes at a combined rate of 27.6% (2010 – 30.1%)	\$ (766)	\$ 70
Effect on income taxes resulting from:		
• permanent differences, net	(11)	(116)
• capitalized costs deductible for tax purposes	-	(44)
• tax rate change due to acquired subsidiary status change	-	(42)
• difference between Canada and US income tax rates	(88)	89
• change in tax rates	(24)	-
• change in estimates	330	-
• change in unrecognized deferred tax assets	3,049	-
• other	(11)	(13)
	<u>\$ 2,479</u>	<u>\$ (30)</u>
Income tax expense(recovery)	<u>\$ 2,479</u>	<u>\$ (30)</u>

At December 31, 2011, December 31, 2010 and January 1, 2010 deferred taxes were comprised of the following:

Temporary differences	December 31, 2011	December 31, 2010	January 1, 2010
Equipment and intangible assets (net of assets)	\$ (45)	\$ (454)	\$ -
Non-capital losses, net operating losses and capital losses	1,348	1,129	2,059
Tax credits	530	506	332
Reserves	(1,116)	(1,037)	(838)
Other assets	1,057	1,072	-
	<u>1,774</u>	<u>1,216</u>	<u>1,553</u>
Unrecognized deferred tax assets	<u>(3,049)</u>	<u>-</u>	<u>-</u>
Net deferred tax asset (liability)	\$ (1,275)	\$ 1,216	\$ 1,553
	December 31, 2011	December 31, 2010	January 1, 2010
Classified as:			
Deferred tax assets	\$ -	\$ 2,626	\$ 2,391
Deferred tax liabilities	<u>(1,275)</u>	<u>(1,410)</u>	<u>(838)</u>
	<u>\$ (1,275)</u>	<u>\$ 1,216</u>	<u>\$ 1,553</u>

Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”)

EBITDA is a financial metric used by many investors and lenders to compare companies and used by management to evaluate the Company’s ability to repay debt since this measure excludes from operating results interest, taxes and amortization.

Since EBITDA has no standardized IFRS meaning, the comparability of EBITDA to other enterprises may not be possible if the basis of calculation of EBITDA differs.

An analysis of EBITDA for the three months ended December 31 follows:

(\$000’s)	2011	2010	+/-	% Change
Net earnings (loss) for the period	(6,109)	(782)	(5,327)	(682%)
Income tax expense/(recovery)	1,914	(288)	2,202	765%
Depreciation and amortization	428	379	49	13%
Restructuring charges	895	-	895	-
Interest expense	16	25	(9)	(36%)
EBITDA	(2,856)	(666)	(2,190)	(328%)

An analysis of EBITDA for the year ended December 31 follows:

(\$000’s)	2011	2010	+/-	% Change
Net earnings (loss) for the period	(5,253)	232	(5,485)	(2,364%)
Income tax expense/(recovery)	2,479	(30)	2,509	(8,363%)
Depreciation and amortization	1,713	1,552	161	10%
Interest expense	79	98	(19)	(19%)
Restructuring charges	895	-	895	-
Transaction costs for business combination	-	291	(291)	-
Bargain purchase gain	-	(1,182)	1,182	-
EBITDA	(87)	961	(1,048)	(109%)

Net earnings

An analysis of net earnings for the three months ended December 31 follows:

(\$000’s)	2011	2010	+/-	% Change
Earnings (loss) before income taxes	(4,195)	(1,070)	(3,125)	(292%)
Income tax expense (recovery)	1,914	(288)	(2,202)	(765%)
Net earnings (loss) for the period	(6,109)	(782)	(5,327)	(682%)
Basic net earnings (loss) per share	(0.19)	(0.02)	(0.17)	(850%)
Diluted net earnings (loss) per share	(0.19)	(0.02)	(0.17)	(850%)

Net earnings (Cont'd)

The major components of the decrease in earnings before income taxes of \$3.125 for the three months ended December 31, 2011 versus the three months ended December 31, 2010 are as follows:

Decrease in gross margin	\$ (2,640)
Decrease in branch overhead and corporate administration	450
Increase in depreciation and amortization	(49)
Decrease in interest expense	9
Increase in restructuring charges	(895)
Decrease in transaction costs for business combination	-
Decrease in income from bargain purchase gain	-
	<hr/>
Increase in loss before taxes	\$ (3,125)

An analysis of net earnings for the year ended December 31 follows:

(\$000's)	2011	2010	+/-	% Change
Earnings before income taxes	(2,774)	202	(2,976)	(1,473%)
Income tax expense	2,479	(30)	2,509	8,363%
Net earnings for the period	(5,253)	232	(5,485)	(2,364%)
Basic net earnings per share	(0.16)	0.01	(0.17)	(2,319%)
Diluted net earnings per share	(0.16)	0.01	(0.17)	(2,332%)

The major components of the decrease in earnings before income taxes of \$2,976 for the year ended December 31, 2011 versus the year ended December 31, 2010 are as follows:

Decrease in gross margin	\$ (820)
Increase in branch overhead and corporate administration	(228)
Increase in depreciation and amortization	(161)
Decrease in interest expense	19
Increase in restructuring charges	(895)
Decrease in transaction costs for business combination	291
Decrease in income from bargain purchase gain	(1,182)
	<hr/>
Increase in loss before taxes	\$ (2,976)

Capital resources and liquidity

Since December 31, 2010, the Company's working capital has decreased by \$1.856 from \$3.719 at December 31, 2010 to \$1.863 at December 31, 2011.

Equipment purchases for the year ended December 31, 2011 were \$1.839 compared with \$1.453 for the year ended December 31, 2010. The current year's expenditures related mostly to the ongoing update of the Company's dialing platform and information technologies.

The Company's working capital is adequate for it to meet its ongoing obligations. Total obligations at December 31, 2011 including bank indebtedness are \$673. Total indebtedness has decreased by \$767 since December 31, 2010.

Intangible assets

The Company had fully depreciated the intangible assets created as a result of the 2003 acquisition and the only carrying value for intangible assets relates to trademarks with a net book value of \$42 at December 31, 2011.

The RMG transaction gave rise to intangible assets in the form of customer contracts and non-compete employment clauses. The carrying value for these assets at December 31, 2011 was \$2,069. In addition the company also carries intangible assets for certain trademarks with a total carrying value of \$42.

Credit facilities

- i. At December 31, 2011 the Company had in place credit facilities providing for a revolving credit facility of \$1,250 USD on the US operations with interest on any outstanding balances at US bank prime plus 1%. As at December 31, 2011 the Company had drawn down on this loan in the amount of \$nil (December 31, 2010 - \$nil, January 1, 2010 - \$nil). Additionally the Company has an overdraft facility for the Canadian operations of \$1,000 USD with interest on any outstanding balances at Canadian bank prime rate plus 2.25%. As at December 31, 2011 the Company had drawn down on this loan in the amount of \$nil (December 31, 2010 - \$nil, January 1, 2010 - \$nil). Both loans are subject to meeting certain financial covenants and to eligible accounts receivable. This facility is secured by a general security interest in the Company assets, except for the assets of The Responsive Marketing Group. The bank renewed this credit facility on similar terms and conditions effective September 1, 2010, expiring July 1, 2011. The credit facilities were again renewed on July 25, 2010, expiring January 31, 2012.

At December 31, 2011, the Company failed to meet certain financial covenants under the terms of the credit facilities with the result that the lenders have the right to call their loans. However, the lender renewed the credit facilities agreement on January 31, 2012, expiring March 31, 2012. The terms of this renewal included a reduction in the credit limit for the US operations from \$1,250 USD to \$500 USD and a reduction in the credit limit for Canadian operations from \$1,000 USD to \$500 USD. The lender has provided a term sheet for a further renewal to the Company which is currently being evaluated.

- ii. The Company has a demand operating line of credit with a Canadian Chartered Bank in the amount of \$2,000 bearing interest at the bank's prime lending rate plus 1.25%, with interest payable monthly and secured by a general security interest in the overall assets of RMG, subject to the first charge security on the assets noted below. The operating line of credit is limited to eligible accounts receivable. This is a standalone arrangement and is not guaranteed by the Company nor secured by any assets other than RMG's. As at December 31, 2011 the Company had drawn down on this loan in the amount of \$498 (December 31, 2010 \$962).

Any failure of the Company to maintain adequate credit facilities may have a material adverse impact on the financial position, results of operations and cash flows of the Company.

Bank loans

- i. The Company had secured note payable, secured by certain call centre dialer equipment which was paid off during the year.
- ii. In addition, the Company has a demand term loan in the amount of \$144 at December 31, 2011, bearing interest at the bank's prime lending rate plus 1.75%. Principal payments are \$11 per month together with interest thereon. The security is the same as the RMG operating line of credit (note 10). The balance is due in February 2013. The Company is in compliance with the loan covenants as of December 31, 2011.

In 2010 the financial covenants for the Company secured note and demand term loan were not in compliance with the result that the lenders have the right to call their loans. Accordingly, amounts outstanding under the secured note payable at December 31, 2010 were classified as current liabilities in the consolidated statements of financial position. There were no amounts under these bank loans outstanding as of January 1, 2010.

As at December 31 (\$000's)	2011	2010
Secured note payable	-	200
Demand term loan	144	278
Total	144	478

Share capital

Authorized

Unlimited number of:

Class A common voting shares, without par value

Class B non-voting convertible preferred shares – none issued or outstanding

<u>Issued</u>	Twelve months ended December 31, 2011		Year ended December 31, 2010	
	Shares (000's)	(\$ 000's)	Shares (000's)	(\$ 000's)
Class A Common Shares				
Balance, beginning of period	32,718	11,436	24,809	8,765
Issuance of shares for The Responsive Marketing Group transaction	-	-	7,918	2,322
Issuance of shares for The Responsive Marketing Group transaction under collateralized promissory note	-	-	351	534
Exercise of options	-	-	300	33
Repurchase and cancellation of shares	(333)	(111)	(660)	(218)
	32,385	11,325	32,718	11,436
Share purchase financed by collateralized promissory note	(351)	(534)	(351)	(534)
Balance, end of period	32,034	10,791	32,367	10,902

Normal Course Issuer Bid (“NCIB”)

In December 2010, the Company received approval for a NCIB, expiring December 2011, permitting the purchase and cancellation of Company shares of up to 5% of its then issued and outstanding shares or 1,669 shares. During the year ended December 31, 2011, the Company purchased and cancelled 333 shares at a cost of \$97. Stated share capital has been reduced by \$111 and \$14 allocated to increase contributed surplus. Additionally, under this NCIB, the Company purchased and cancelled 660 shares in December 2010 at a cost of \$200. Stated share capital was reduced by \$218 and \$18 allocated to increase contributed surplus.

In November 2009, the Company received approval for a NCIB, expiring November 2010, permitting the repurchase and cancellation of Company shares of up to 5% of its then issued and outstanding shares or 1,246 shares. During the period January 1, 2010 to November 30, 2010 the Company did not repurchase any additional shares under this NCIB.

Critical Accounting Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting year. Estimates and judgments are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant estimates made in the preparation of these consolidated financial statements include estimates made for the useful life of equipment, valuation of trade and other receivables, provision of regulatory settlements, the measurement of deferred tax assets and liabilities, current tax provisions, contingencies, valuation of intangible assets, the recognition of revenue under the percentage of completion method, and the identification and valuation of identified tangible and intangible assets as part of the purchase price allocation of RMG.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements are:

(a) Current and deferred taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting year. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the year in which such determination is made. The estimate involves the probable use of losses against future taxable income that have been set up as a deferred asset.

Critical Accounting Estimates and Assumptions (Cont'd)

(b) Useful life of equipment

The Company estimates the useful life of equipment based on the period over which the assets is expected to be available for use. The estimated useful life of equipment is reviewed periodically and is updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful life of equipment is based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any year would be affected by changes in these factors and circumstances. A reduction in the estimated useful life of equipment would increase the recorded expenses and decrease the non-current assets.

(c) Allowance for doubtful accounts

The Company makes allowance for doubtful accounts based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyzed historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of the allowance for doubtful accounts. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade and other receivables.

(d) Accrual for contingencies

The Company is subject to third party claims from time to time. Management must evaluate the legitimacy of such claims to determine if a present obligation exists and it is likely that there will be an outflow of resources related to a claim. If the Company is exposed to a present obligation for such claims, management must estimate the amount of accrual. The amount of these accruals must be continuously evaluated to determine any changes required in the estimates due to changing facts and circumstances.

(e) Revenue recognition

The Company recognizes revenue associated with its live entertainment events using the percentage of completion basis, which involves the use of estimates.

Under this policy, the Company defers revenue associated with the staging phase of future events until the event has taken place. The percentage of completion for the future events is calculated by dividing the Company's estimate of costs attributable to the staging phase of the future events by the total cost the Company expects to incur for the events.

Revenue, estimated costs to complete, and estimated costs attributable to the staging phase of the future events are updated and reviewed by management at least once each financial reporting period. In making such estimates, judgments are required to evaluate issues related to scheduling, marketing and staging costs, labour costs, and changes in scope. Due to the nature of staging the future events, estimates may change significantly from one accounting period to the next.

Critical Accounting Estimates and Assumptions (Cont'd)

(f) Valuation of intangible assets

On a cash generating unit basis the Company reviews intangible assets subject to amortization for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The recoverable amount is the greater of its value in use and its fair value less disposal costs.

The impairment test on cash generating units ("CGU") is carried out by comparing the carrying amount of the CGU and its recoverable amount. The recoverable amount of a CGU is the higher of its fair value, less cost to sell and its value in use. This valuation approach uses the discounted cash flow method which including assumptions to estimate cash flows. The recoverable amount depends significantly on the discount rate used in the discounted cash flow model as well as the expected future cash flows and the growth rate used for the extrapolation.

IFRS Standards issued but not yet applied

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2011 or later periods. The standards impacted that are applicable to the Company are as follows:

Derecognition – Disclosures. Amendments to IFRS 7 Financial Instruments: Disclosures were issued in October 2010. Those amendments improve the disclosure requirements in relation to transferred financial assets. The amendments are effective for annual periods beginning on or after July 1, 2011, with earlier application permitted.

IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories:

- amortized cost and
- fair value through profit and loss

IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through earnings or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends, to the extent not clearly representing a return of investment, are recognized in earnings; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through earnings would generally be recorded in other comprehensive income.

This standard is required to be applied for accounting periods beginning on or after January 1, 2015, with earlier adoption permitted.

Standards issued but not yet applied (Cont'd)

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain live entertainment s from its activities. IFRS 10 replaces SIC-12, Consolidation – Special Purpose Entities and parts of IAS 27, Consolidated and Separate Financial Statements.

This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted.

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted.

In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements, and IAS 28, Investments in Associates and Joint Ventures. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13.

This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted.

The Company is currently assessing the impacts of the above standards, and has not yet made a determination if it will early adopt any of the new requirements.

Transitions to IFRS

The consolidated financial statements for the year ended December 31, 2011 are the Company's first annual consolidated financial statements prepared under IFRS as issued by the governing body the IASB. For all accounting periods prior to this, the Company prepared its consolidated financial statements under CGAAP. In accordance with IFRS 1 - 'First time adoption of IFRS', certain disclosures relating to the transition to IFRS are given in this note. These disclosures are prepared under IFRS as set out in the basis of presentation in Note 2.

The objective of IFRS 1 is to ensure that an entity's first IFRS compliant financial statements, and its interim financial reports, contain high quality information that: 1. is transparent for users and comparable over all periods presented; 2. provides a suitable starting point for accounting in accordance with IFRS; and 3. can be generated at a cost that does not exceed the benefit. The general principal under IFRS 1 is that an entity must prepare its IFRS compliant financial statements as if the entity had always been applying IFRS (i.e. retrospective application). IFRS 1 does however provide mandatory exceptions and certain optional exemptions that requires or allows first-time adopters to deviate from the retrospective application of IFRS.

IFRS 1 exemptions and exceptions applied

IFRS 1 allows first time adopters of IFRS certain exemptions from full retrospective application of IFRS. The Company has elected to apply the following optional exemptions from full retrospective application.

(a) Business combinations IFRS 3

The Company has elected not to apply IFRS 3 retrospectively to business combinations that occurred before January 1, 2010, the date of transition to IFRS.

(b) IFRIC 4

Determining Whether an Arrangement Contains a Lease - this IFRIC has not been applied retrospectively. The Company made an assessment as to whether an arrangement, existing at the transition date, contains a lease on the basis of the facts and circumstances existing at that date based on the exemption available under IFRS 1. The assessment was made in accordance with the requirements of IFRIC 4. The Company did not identify any arrangements containing a lease on the transition date.

(c) Stock-based compensation transactions

A first-time adopter is encouraged, but not required, to apply IFRS 2 Share-based Payment ("IFRS 2") to equity instruments that were granted on or before November 7, 2002, or were granted after November 7, 2002 and vested before the entity's IFRS transition date. The Company elected the share-based payment exemption and as a result, has applied IFRS 2 retrospectively only for share-based payments that were granted after November 7, 2002, that had not vested at the date of transition. There were no unvested options outstanding at the date of transition.

(d) Extinguishing financial liabilities with equity instruments

IFRS 1 provides that a first-time adopter may elect to apply transitional provisions in IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments, prospectively from the transition date. The Company has taken advantage of this election.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date are consistent with those that were made under CGAAP.

INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

In accordance with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Corporation's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") file a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements and accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification includes a "Note to Reader" stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES (Cont'd)

As part of our corporate governance practices, internal controls over financial reporting ("ICFR") and disclosure controls and procedures ("DC&P") have been designed. There has been no formal evaluation of the operation of these controls. The Corporation has designed its ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. Management works to mitigate the risk of a material misstatement in financial reporting; however, a control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. The Corporation's DC&P have been designed to ensure that information required to be disclosed by the Company is accumulated and communicated to the Corporation's management as appropriate to allow timely decisions regarding required disclosure. It should be noted that while the Corporation's CEO and CFO believe that the Corporation's DC&P provide a reasonable level of assurance that they are effective, they do not expect that the DC&P or ICFR will prevent all errors or fraud. There have been no material changes to the internal controls of the Corporation for the year ended December 31, 2011.

Contingent Off-balance Sheet Arrangements

There are no off-balance sheet arrangements other than what is disclosed in our audited financial statements for the years ended December 31, 2011 and 2010.

Business risks

Reliance on Key Clients

The Company has strong relationships with several hundred clients. There is one large customer whose annual revenues are variable, but in a given year, could make up approximately 10% of revenues. Otherwise, no one customer or event makes up more than 10% of annual revenues so that the departure of any one client is not sufficient to materially impact revenues. If several well-established clients did not renew their involvement with the Company, revenues and net earnings could be materially affected.

Database and Attrition

On an annual basis there is considerable attrition to the database due to consumer apathy, changing financial circumstances and spending patterns or relocation. There is a risk that the identification of new donors will fail to keep pace with the attrition which could affect that portion of the Company's revenues that depend on the accuracy and completeness of the Company's database. To reduce the risk of this happening, the Company maintains a strategy to refresh and replenish the database on an ongoing basis. The Company is committed to replenishing its transactional database by continuing to prospect for new names.

Product Exhaustion

The Company's event related business relies on sustained public interest in its current events, combined with the development of new marketable entertainment and other cause related products and services. Failure to identify new opportunities in this field and changing patterns of consumer tastes could result in lower revenues.

Business risks (Cont'd)

Collective Bargaining

The Company's operations are currently not unionized. It is possible that some or all of the Company's operations could be organized into collective bargaining units. This could have the effect of creating work stoppages or increasing operating costs. None of the Company's locations are unionized.

Government Regulation

Aspects of the Company's business are regulated by state, provincial and federal governments. Directly, and through its clients and membership in Canadian Marketing Association (CMA), the Direct Marketing Association (DMA), and Imagine Canada, the Company continues to actively promote responsible, consumer- friendly practices, industry codes of conduct and self-regulation. As a result, management is often consulted by regulators before new regulations are contemplated.

Canada

On September 30, 2008 the Canadian Radio-television and Telecommunications Commission (CRTC) launched its national Do Not Call List (DNCL) operated by Bell Canada. Consumers are now able to register their telephone numbers with the DNCL. The DNCL list and updates are available for a fee to all organizations that use the telephone to contact consumers. All such organizations are obliged to remove those DNCL telephone numbers from their telemarketing lists or face fines and possible loss of telephone service. iMarketing Solutions Group Inc. supports this regulatory initiative.

A number of exemptions were made in the DNCL due to efforts of the Company and a group of diverse stakeholders. The following types of calls are exempt from using the DNCL:

- calls made by or for registered political campaigns, associations, candidates or persons seeking a political nomination.
- calls made to parties with whom the caller has an existing business relationship.
- calls made by or on behalf of a registered charity (within the meaning of subsection 40 248(1) of the Income Tax Act),
- calls made for market research purposes.
- calls made by or for newspapers selling subscriptions.

The first three above noted exemptions relate directly to the Company's business. The Company from time to time provides fundraising as well as election calling services during municipal, provincial and federal election campaigns. The first exemption listed above means the Company will be able to continue that part of its business without impact from the DNCL regulations.

The Company's assets include lists of purchasers of advertising, tickets and sponsorships to events it produces. The second exemption above means that those customers that have previously purchased from the company during the prescribed time period are exempt from the DNCL regulations.

A key business growth area for the Company is developing and maintaining donor relationships for charities by making calls on their behalf. The third exemption means the Company can continue to pursue these business opportunities without impact from the DNCL regulations.

Business risks (Cont'd)

Government Regulation (Cont'd)

Canada (Cont'd)

Although the Company is diligent in quality control processes to ensure compliance with all telemarketing regulations there are some violations that occur given the volume of activity. In this connection, the CRTC charged the Company with an administrative penalty of \$500 thousand for such violations which related to the event business. To further its diligence in the compliance process, the Company has created a position of Chief Compliance Officer.

Concerns about privacy of personal information have led to implementation of a number of pieces of privacy legislation in Canada from 1999 through 2004. Company operations in Canada are subject to the *Personal Information and Protection of Electronic Documents (PIPEDA) Act* (Canada), *Personal Information Protection (PIPA) Act* (Alberta), *Personal Information Protection (PIPA) Act* (British Columbia), and *An Act Respecting the Protection of Personal Information in the Private Sector* (Quebec). The Company has implemented a comprehensive privacy policy pursuant to these laws and regulations.

The Provinces of Alberta and Manitoba have regulated charitable fundraising for several decades. Through ongoing consultation and other means the Company and its clients have been able to work with those responsible to ensure a fair and functional business environment in Alberta and Manitoba. In 2003, Saskatchewan proclaimed new legislation to regulate companies that provide fundraising services to charities. The Company has worked effectively with Saskatchewan regulators and there has been no discernible negative impact of this legislation on the Company's business.

In October 2005, British Columbia began licensing telemarketers through the Business Practices and Consumer Protection Authority (BPCPA). Because the Company's business involves contacting consumers by telephone, it is now licensed to telemarket in B.C. The Company's Director of Regulatory and Public Affairs is a member of the BPCPA Telemarketing Advisory Group. Management has not detected any negative impact from this development.

United States

In 2003, the United States Federal Trade Commission implemented a Federal government mandated national "do not call" registry as a single point of contact for consumers to get their phone numbers deleted from marketing lists. In addition, a number of states have implemented do not call legislation. Having operated its own "do not call" service for consumers for many years, the Company is in agreement in principle with the "do not call" legislation. The federal legislation and most state legislation exempts calling for, by and on behalf of charitable organizations and other not-for-profits.

Federal legislation limits the number of calls organizations can make where a teleservice agent is not immediately available to speak with a consumer. Such calls are referred to as "abandoned" or "dropped" calls and result from call management technology common in call centres. Company call management technologies are in compliance with Federal regulations.

Many states have long regulated charitable fundraising at some level. The Company's regulatory compliance staff supported by legal specialists assist the Company and its clients to comply with state laws.

Business risks (Cont'd)

Postal Interruption

A significant portion of the Company's revenues are derived from marketing campaigns in which orders or donations are fulfilled through the mail. The Company is increasing the use of credit cards and third parties in the fulfillment process. However, a protracted interruption of postal services would have a detrimental impact on the Company's business.

Competition

The markets for the Company's services and events are competitive. The Company's ability to continue to develop and introduce new sporting and entertainment events and services may require significant expenditures and/or mergers. Some of the international competitors, particularly those involved in the live entertainment industry, have greater financial resources and other strengths. The Company has built significant market share in Canada and continues to expand its market share in the United States and to build on that base as opportunities arise.

In March, 2010, the Company entered into a business combination with The Responsive Marketing Group Inc. (RMG). RMG was the most significant competitor to the Company in the Canadian environment so the combining of operations has enhanced the Company's market position significantly.

Cost of Labour

The Company's business is labour intensive. Approximately forty per cent of all costs are expended on payroll costs of call centre personnel. Teleservices are characterized by high turnover and accordingly labour costs are directly affected by unemployment rates and personnel availability, which vary regionally and nationally.

Management of the Company

Success of the business and plans of the Company are dependent upon management and key personnel. Loss of such management could have an adverse effect on the business operations and prospects of the Company in the short term.

Foreign Exchange Risk

The Company has substantial operations in the United States of America and, as such, is subject to the risk of foreign exchange fluctuations. There are sufficient revenues generated in US currency to pay expenses incurred in US currency so it is not necessary to enter into any currency hedging programs in order to reduce risk exposure in this area. However, the Company consolidates its US results into Canadian dollars and any fluctuations in the currency exchange impacts on the converted amounts consolidated affecting the reported operating results and net earnings of the Company. Since this is an accounting issue and does not directly affect the net assets of the operations in their respective domestic currencies, the Company has chosen not to incur the potential costs and risks associated with a hedging program.

Business risks (Cont'd)

Fulfillment Rates

Fulfillment is the rate which donor pledges or ticket sales are actually realized. Management continues to work to raise the fulfillment rate through a "cradle to grave" program of quality control focused on agent scripting, solicitation delivery, design and distribution of fulfillment packages and donor reminder initiatives.

Contingencies

The Company is involved, from time to time, in litigious matters, primarily related to employment practice issues. These matters are typically not material in amount and the Company carries adequate insurance in the unlikely event such issues become material. In the opinion of management, there are no known matters that potentially would have a material adverse effect on the financial condition of the Company, except as noted below. In regard to the matters below the Company has accrued a total provision of \$153 related to the on-going defense.

Schroder

The Company is currently involved in litigation relating to an aborted privatization transaction with a group of US investment funds described as Schroder Ventures US.

On May 29, 2003 Schroder Ventures US unexpectedly delivered a notice of termination advising that Schroder Ventures US would not be closing on May 30, 2003, as scheduled and, demanded the Company pay them their expense fees amounting to approximately \$1.8 million plus a Termination Fee of \$800 thousand. The Company vigorously denies any liability in that connection. On June 16, 2003 the Company initiated a legal claim against Schroder Ventures US claiming that the agreement was improperly terminated and the Company is entitled to specific performance or, in the alternative, to damages for breach of the contract and breach of good faith in the amount of \$50 million.

It is not possible, given the litigation process, to make a reasonable determination as to the extent of recovery by the Company or the Company's liability, if any, in this connection. The Company denies any liability in relation to the privatization transaction. The Company has expensed charges relating to the privatization transaction and the associated litigation fees that it was obligated to pay.

Tennessee Charitable Solicitations and Gaming Action

On November 14, 2011 the Company was informed that, during the period of July 1, 2011 to August 15, 2011, it had violated certain provisions of the Tennessee Charitable Solicitations Act. As a result of these alleged violations the Company has been assessed a civil penalty of \$720USD.

The Company does not believe it has violated the cited regulations and intends to vigorously defend itself against the imposition of this penalty.

Related Party Transactions

During the year ended December 31, 2011, and 2010 the Company incurred expenses to related parties, who were related as a result of being officers, directors and/or significant shareholders of the Company, as follows:

(S000's)	2011	2010
Rent expense	-	22
Professional fees	-	313
Management fees	246	224
Interest expense	9	3
Director's fees	160	143
Consulting fees	196	-
Officer's salaries and short term benefits	1,727	1,800

Rent expense relates to office rent paid to an entity that is associated with an officer and director of the Company.

Professional fees for the year ended December 31, 2010 amounting to \$313 thousand are amounts paid to the firm of a former director while he was a director of the Company.

Subsequent to the closing of the The Responsive Marketing Group transaction, the former shareholders of The Responsive Marketing Group advanced \$400 to be repaid as profitability and cash flow permitted over the next twelve months. This was in addition to \$100 thousand that was already owed at the time of the transaction. The \$100 was repaid in September 2010. The \$400 was repaid, in March and April of 2011 through two installment payments of \$200.

At December 31, 2011 there are no amounts due to or due from related parties other than in the normal course of business.

Outlook

While it is difficult to assess, it is possible that the Company will continue to experience reductions in revenue in its primary telemarketing activities as a result of government regulations and consumer resistance. In response, the Company is actively working to develop alternative marketing channels to counter these challenges.

The Company is in the process of a complete restructuring, rationalization and technology upgrade during which time there will be significant transformation of the Company operations. Until that process is complete in 2012 it will be necessary to maintain parallel information technology platforms together with the associated duplication of costs. As noted earlier in the report, the company has accrued \$895 in restructuring charges consisting of employee severance related expenses largely arising from the closure of the Company's Calgary facility as well as information technology integration activities.

Management believes that its restructuring, rationalization and upgrade plans will yield significant cost reductions and much greater operating efficiencies into the future.

Quarterly review

The following is a tabular analysis of the financial results for the Company. All amounts are in \$ millions except per share data.

FYE	2011	2010	2009*
Revenue	83.8	85.2	92.5
Gross margin	22.2	22.9	21.1
Earnings (loss) before taxes	(2.8)	0.2	4.0
Net earnings (loss)	(5.3)	0.2	2.3
EBITDA	(0.1)	1.0	5.0
Basic EPS	(0.16)	0.01	0.09
Diluted EPS	(0.16)	0.01	0.09
Diluted EBITDA per share	-	0.05	0.20

	FYE 2011				FYE 2010				FYE 2009*			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Revenue	23.0	22.6	19.5	18.7	19.9	23.1	20.2	22.0	23.9	23.7	22.3	22.6
Gross margin	6.9	6.9	5.3	3.1	5.3	7.3	4.6	5.7	5.3	5.6	5.3	4.9
Earnings (loss) before taxes	1.1	1.2	(0.9)	(4.2)	1.3	1.0	(1.0)	(1.1)	0.9	1.2	1.1	0.8
Net earnings (loss)	0.5	0.8	(0.5)	(6.1)	1.0	0.7	(0.7)	(0.8)	0.6	0.7	0.7	0.3
EBITDA	1.4	1.8	(0.4)	(2.9)	0.8	1.4	(0.5)	(0.7)	1.2	1.5	1.4	0.9
Basic EPS	0.02	0.03	(0.02)	(0.19)	0.03	0.03	(0.02)	(0.03)	0.02	0.03	0.03	0.01
Diluted EPS	0.02	0.03	(0.02)	(0.19)	0.03	0.03	(0.02)	(0.03)	0.02	0.03	0.03	0.01
Diluted EBITDA per share	0.05	0.06	(0.01)	(0.10)	0.03	0.04	(0.01)	(0.03)	0.05	0.06	0.05	0.04

* Excludes impact of change in method of revenue measurement applied retroactively to 2010.

Supplemental financial disclosure

Consolidated Statements of Financial Position as at December 31 (\$000's)	2011	2010
Current assets	9,800	13,232
Long term assets	6,131	9,576
Total assets	15,931	22,808
Current liabilities	7,937	9,513
Long term liabilities	1,714	1,549
Total liabilities	9,651	11,062
Shareholders' equity	6,280	11,746
Total liabilities and shareholders' equity	15,931	22,808

Management's Responsibility for Financial Statements

To the Shareholders of iMarketing Solutions Group Inc. (formerly Xentel DM Inc.)

The accompanying consolidated financial statements of iMarketing Solutions Group Inc. and its subsidiary companies (Company) and all information in this report have been prepared by management and approved by the Board of Directors of the Company. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and reflect management's best estimates and judgments. Management is responsible for the accuracy, integrity and objectivity of the consolidated financial statements within reasonable limits of materiality. Financial and operating data elsewhere in this annual report are consistent with the information contained in the consolidated financial statements.

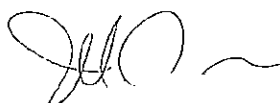
To assist management in the discharge of these responsibilities, the Company maintains a system of internal controls designed to provide reasonable assurance that its assets are safeguarded, that only valid and authorized transactions are executed, and that accurate, timely and comprehensive financial information is prepared.

The Board of Directors carries out its responsibility for the financial statements in this annual report principally through its Audit Committee. The majority of the Members of the Audit Committee are independent non-management directors and all members of the Audit Committee are appointed by the Board of Directors. The Audit Committee meets with management and the external auditors to discuss the results of the annual audit examinations with respect to the adequacy of internal accounting controls and to review and discuss the consolidated financial statements and financial reporting matters.

The consolidated financial statements have been audited by the independent external auditors appointed by the shareholders, Collins Barrow LLP. In that capacity they have examined and reported on the consolidated financial statements for the years ending December 31, 2011 and 2010.



Michael Davis
Chief Executive Officer



Jeffrey K. Irwin
Chief Financial Officer

Toronto, Ontario, Canada
April 30, 2012



Collins Barrow

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
iMarketing Solutions Group Inc.
(formerly Xentel DM Inc.)

We have audited the accompanying consolidated financial statements of iMarketing Solutions Group Inc. and its subsidiaries, which comprise the statements of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010 and the consolidated statements of operations, income (loss), changes in equity and cash flows for the years ended December 31, 2011 and December 31, 2010, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of iMarketing Solutions Group Inc. and its subsidiaries as at December 31, 2011, December 31, 2010 and January 1, 2010, and its financial performance and its cash flows for the years ended December 31, 2011 and 2010 in accordance with International Financial Reporting Standards.

Collins Barrow Toronto LLP

Collins Barrow Toronto LLP
Licensed Public Accountants
April 30, 2012
Toronto, Ontario

 an independent member of
BAKER TILLY
INTERNATIONAL

iMarketing Solutions Group Inc.
(formerly Xentel DM Inc.)
Consolidated Statements of Financial Position
(In thousands of Canadian dollars)

As at	Note	December 31, 2011	December 31, 2010	January 1, 2010
			(Notes 3 & 4)	(Notes 3 & 4)
Assets				
Current assets				
Cash		\$ 448	\$ 1,801	\$ 3,382
Trade and other receivables	6	8,242	9,686	6,555
Income taxes recoverable		-	16	-
Prepaid expenses and other current assets		1,110	1,729	959
Total current assets		9,800	13,232	10,896
Equipment	7	4,020	4,574	2,298
Intangible assets	8	2,111	2,376	57
Deferred income taxes	16	-	2,626	2,391
Total assets		\$ 15,931	\$ 22,808	\$ 15,642
Liabilities				
Current liabilities				
Bank indebtedness	10	\$ 498	\$ 962	\$ -
Trade and other payables	9	6,331	7,347	4,533
Other provisions	21	153	-	-
Income taxes payable		-	-	66
Due to related parties	15	-	400	-
Deferred revenue		268	326	436
Accrued restructuring charges	12	543	-	-
Bank loans	11	144	478	33
Total current liabilities		7,937	9,513	5,068
Deferred tenant inducement		56	139	195
Accrued restructuring charges -- non-current	12	352	-	-
Deferred income taxes	16	1,275	1,410	838
Finance lease obligation		31	-	-
Total liabilities		9,651	11,062	6,101

See accompanying notes to the consolidated financial statements.

iMarketing Solutions Group Inc.
(formerly Xentel DM Inc.)
Consolidated Statements of Financial Position (continued)
(In thousands of Canadian dollars)

As at	Note	December 31, 2011	December 31, 2010	January 1, 2010
			(Notes 3 & 4)	(Notes 3 & 4)
Shareholders' equity				
Share capital	13	10,791	10,902	8,765
Contributed surplus		678	664	646
Accumulated other comprehensive loss		(4,358)	(4,242)	(4,060)
Retained earnings (deficit)		(831)	4,422	4,190
Total shareholders' equity		6,280	11,746	9,541
Total liabilities and shareholders' equity		\$ 15,931	\$ 22,808	\$ 15,642

See accompanying notes to the consolidated financial statements.

Approved by the Board of Directors:



Director



Director

iMarketing Solutions Group Inc.
(formerly Xentel DM Inc.)
Consolidated Statements of Operations
(In thousands of Canadian dollars, except per share amounts)

For the years ended December 31,	note	2011	2010
			(Notes 3 and 4)
Revenue		\$ 83,767	\$ 85,232
Cost of revenue	17	61,599	62,244
Gross margin		22,168	22,988
Operating expenses			
Branch overhead and corporate administration	15 & 17	22,255	22,027
Depreciation of equipment		1,448	1,330
Amortization of intangible assets		265	222
Total operating expenses		23,968	23,579
Operating loss		(1,800)	(591)
Non-operating income (expense)			
Interest expense		(79)	(98)
Restructuring charges	12	(895)	-
Transaction costs for business combination	5	-	(291)
Bargain purchase gain on business combination	5	-	1,182
Total non-operating income (expense)		(974)	793
Earnings before income taxes		(2,774)	202
Income tax expense (recovery)	16		
Current income tax expense (recovery)		(25)	142
Deferred income tax expense (recovery)		2,504	(172)
Total income tax expense (recovery)		2,479	(30)
Net earnings (loss) for the year		\$ (5,253)	\$ 232
Basic earnings (loss) per share		\$ (0.16)	\$ 0.01
Diluted earnings (loss) per share		\$ (0.16)	\$ 0.01
Basic weighted average number of shares outstanding		32,206	31,568
Diluted weighted average number of shares outstanding		32,206	31,747

iMarketing Solutions Group Inc.
(formerly Xentel DM Inc.)
Consolidated Statements of Comprehensive Income (Loss)
(In thousands of Canadian dollars)

For the years ended December 31,	Note	2011	2010
			(Notes 3 and 4)
Net earnings (loss) for the year		\$ (5,253)	\$ 232
Foreign currency translation change		(116)	(182)
Comprehensive income (loss) for the year		\$ (5,369)	\$ 50

See accompanying notes to the consolidated financial statements.

iMarketing Solutions Group Inc.
(formerly Xentel DM Inc.)
Consolidated Statements of Changes in Equity
(In thousands of Canadian dollars)

For the years ended December 31,	Note	2011	2010
			(Notes 3 and 4)
Share capital			
	13		
Balance, beginning of year		\$ 10,902	\$ 8,765
Issued for business combination	5	-	2,322
Issued for business combination under collateralized note	5	-	534
Exercise of options		-	33
Repurchase and cancellation of shares		(111)	(218)
Share purchase financing		-	(534)
Balance, end of year		\$ 10,791	\$ 10,902
Contributed surplus			
	13		
Balance, beginning of year		\$ 664	\$ 646
Gain on share purchase from book value		14	18
Balance, end of year		\$ 678	\$ 664
Accumulated other comprehensive loss			
Balance, beginning of year		\$ (4,242)	\$ (4,060)
Foreign currency translation change		(116)	(182)
Balance, end of year		\$ (4,358)	\$ (4,242)
Retained earnings (deficit)			
Balance, beginning of year		\$ 4,422	\$ 4,190
Net earnings (loss) for the year		(5,253)	232
Balance, end of year		\$ (831)	\$ 4,422

See accompanying notes to the consolidated financial statements.

iMarketing Solutions Group Inc.
(formerly Xentel DM Inc.)
Consolidated Statements of Cash Flows
(In thousands of Canadian dollars)

For the years ended December 31,	note	2011	2010
Cash flow from (used in) operating activities			
Net earnings (loss) for the year		\$ (5,253)	\$ 232
Items not affecting cash:			
Depreciation of equipment		1,448	1,330
Amortization of intangible assets		265	222
Adjustment for non-cash tenant inducement rent credit		(83)	(83)
Deferred income tax expense (recovery)	16	2,504	(172)
Bargain purchase gain on business combination	5	-	(1,182)
Restructuring charges	12	895	-
		(224)	347
Non-cash working capital			
Trade and other receivables		1,444	(647)
Prepaid expenses and other current assets		619	328
Trade and other payables		(152) ^(a)	776 ^(a)
Other provisions	21	153	-
Deferred revenue		(58)	(110)
Income taxes recoverable		16	279
Change in non-cash working capital items		2,022	626
Cash flow from operating activities		1,798	973
Cash flow from (used in) financing activities			
Repayment of bank indebtedness		(464)	(858)
Repayment of bank loans		(334)	(284)
Repayment of finance lease obligation		(5)	-
Repayments to related parties		(400)	-
Advances from related parties		-	300
Repurchase of share capital	13	(97)	(200)
Issuance of shares on option exercise	13	-	33
Cash flow used in financing activities		(1,300)	(1,009)

See accompanying notes to the consolidated financial statements.

iMarketing Solutions Group Inc.
(formerly Xentel DM Inc.)
Consolidated Statements of Cash Flows (continued)
(In thousands of Canadian dollars)

For the years ended December 31,	note	2011	2010
Cash flow used in investing activity			
Investment in equipment		(1,839) ^(a)	(1,453) ^(a)
Cash flow used in investing activity		(1,839)	(1,453)
Effect of exchange rate fluctuations on cash balances		(12)	(92)
Net decrease in cash		(1,353)	(1,581)
Cash, beginning of year		1,801	3,382
Cash, end of year		\$ 448	\$ 1,801

Supplemental information

Cash payments (receipts)

• Income taxes paid	\$ 269	\$ 228
• Income taxes recovered	\$ (310)	\$ (339)
• Interest paid	\$ 79	\$ 98

- (a) During fiscal 2010 the Company acquired equipment in the amount of \$981 which was unpaid and included in trade and other payables as of December 31, 2010. Cash flows from (used in) investing and operating activities have been adjusted to reflect the payment of this amount in fiscal 2011.

Amounts paid for interest are included in cash flows from operating activities in the consolidated statements of cash flows.

See accompanying notes to the consolidated financial statements.

iMarketing Solutions Group Inc.
(formerly Xentel DM Inc.)
Notes to Consolidated Financial Statements
For the years ended December 31, 2011 and 2010
(Amounts in 000's, except per share amounts)

Note 1 Nature of Operations

iMarketing Solutions Group Inc. and its subsidiary companies (the "Company") are engaged in the business of profile enhancement for community based organizations, charities, political organizations and other not for profit enterprises through the marketing and production of sports and entertainment events, newsletters, marketing materials, direct mail and fundraising activities.

The Company is an Alberta company with shares listed on the TSX Venture Exchange (TSX V: XDM). The registered head office address is 3710 Westwinds Drive NE, Unit 24, Calgary, Alberta T3J 5B3.

The consolidated financial statements of the Company for the years ended December 31, 2011 and 2010 were authorized for issue in accordance with a resolution of the Board of Directors on April 30, 2012.

Note 2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise noted.

Statement of compliance and basis of presentation

(a) Statement of compliance:

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations as issued by the International Accounting Standards Board ("IASB").

(b) Basis of presentation

The consolidated financial statements have been prepared in accordance with IFRS. The disclosures required by IFRS 1- First-time Adoption of International Financial Reporting Standards concerning the transition from Canadian generally accepted accounting principles ("CGAAP") to IFRS are provided in Note 4.

The consolidated financial statements, which are presented in Canadian Dollars, rounded to the nearest thousand (unless otherwise stated), have been prepared under the historical cost convention, as modified by the measurement at fair value of certain financial assets and financial liabilities including cash. Share options and share awards granted to employees and third parties are recognized at fair value at the date of grant.

The accounting policies set out below have been applied consistently by all of the Company's subsidiaries, unless otherwise stated.

Note 2 Summary of Significant Accounting Policies (Cont'd)

Basis of consolidation

The consolidated financial statements of the Company include the accounts of the Company and its wholly owned subsidiaries. The Company undertakings are included in the consolidated financial statements from the date on which control over the operating and financial policies is obtained, and cease to be consolidated from the date on which control is transferred out of the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain economic benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in determining the existence of control. All inter-company transactions, balances and unrealized gains on transactions between the Company and its subsidiaries are eliminated on consolidation in accordance with IAS 27, Consolidated and Separate Financial Statements. Unrealized losses are also eliminated except where they provide evidence of impairment.

Revenue recognition

The Company's revenue is derived primarily from the marketing and production of live entertainment events, donor development programs and fundraising activities. In all cases, revenue is recognized when there is evidence of an arrangement between the Company and an organization, the services have been rendered, the amount of the fee is determinable, and collectability is reasonably assured.

The Company earns revenue from live entertainment events, which it organizes on behalf of sponsor and community service organizations. Since cash for ticket sales may not be received, no revenue is recognized until cash is collected with a portion of this cash collected deferred until the live event takes place. Management estimates the amount of revenue to defer and recognize once the final event has taken place using the percentage of completion basis.

Fees related to donor development and fundraising activities are based on contractual terms and recognized when the donor money is collected.

Foreign currency

(a) Functional and presentation currency

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates (the functional currency). The consolidated financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

The assets and liabilities of foreign operations that have a functional currency different from that of the Canadian dollar are translated to Canadian dollars at exchange rates prevailing at the reporting date. The net earnings of foreign operations are translated to Canadian dollars at the average exchange rate in force for the period. Foreign currency differences are recognized directly in the consolidated statements of other comprehensive income (loss).

Note 2 Summary of Significant Accounting Policies (Cont'd)

Foreign currency (Cont'd)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the consolidated statements of operations.

The parent company has monetary items that are receivable from foreign operations. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the parent company's net investment in that foreign operation. Such exchange differences are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment in foreign operations.

Equipment

Equipment is shown at cost less accumulated depreciation and any impairment. The cost of equipment comprises of its purchase price and any directly attributable costs. When equipment includes significant components with different useful lives, they are recorded and depreciated separately.

Depreciation is provided so as to write off the cost less residual value of each item of equipment during its expected useful life using the straight-line method as follows:

Office equipment	10 years
Computer equipment	5 years
Mobile equipment	3 to 5 years
Leasehold improvements	Over the term of the underlying leases

Useful lives and residual values are reassessed annually.

Subsequent costs incurred relating to specific assets are included in an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are charged to the consolidated statements of operations during the financial year in which they are incurred.

Intangible assets

Intangible assets are recorded at cost less accumulated amortization and impairment losses and are amortized on a straight-line basis over their estimated useful lives as follows:

Customer contracts	5 and 10 years
Trademarks	17 years
Non-compete employment clauses	4 years

The basis of amortization and estimated useful life, together with residual value are reviewed annually and adjustments made as appropriate.

Note 2 Summary of Significant Accounting Policies (Cont'd)

Impairment of equipment and intangible assets

The carrying amounts of equipment and intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. When the carrying amount exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

The recoverable amount of equipment and intangible assets is the greater of fair value less costs to sell and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in the consolidated statements of operations.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation/amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of operations. Following the recognition or reversal of an impairment loss, the depreciation/amortization charge applicable to the asset is adjusted prospectively in order to systematically allocate the revised carrying amount, net of any residual value, over the estimated life of the useful life.

Gains or losses on the disposal of equipment and intangible assets represent the difference between the net proceeds and the carrying value at the date of sale.

Deferred tenant inducement

Deferred tenant inducement represents a tenant improvement allowance received from a landlord, which is amortized on a straight-line basis over the term of the underlying lease as a reduction of rent expense.

Share-based payment

Share-based payment awards that are direct awards of stock to employees or directors, call for settlement in cash or other assets, or are stock appreciation rights that call for settlement by issuing equity instruments, are accounted for using the Black-Scholes option pricing model. The cost is recognized on a straight-line graded method basis adjusted for expected forfeitures as an employee or director expense with a corresponding increase to equity in contributed surplus. Consideration paid by employees or directors on the exercise of stock options is recorded as share capital.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle that obligation.

Note 2 Summary of Significant Accounting Policies (Cont'd)

Income taxes

Tax expense comprises current and deferred tax. Tax is recognized in the consolidated statements of operations except to the extent it relates to items recognized in other comprehensive income (loss) or directly in equity.

Current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Current tax provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheets. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of the reporting year, and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax liabilities are generally recognized for all taxable temporary differences; are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future; and are not recognized on temporary differences that arise from goodwill.

Deferred tax assets are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and are reviewed at the end of the reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination.

Financial instruments

The Company's financial instruments consist of cash, trade and other receivables, bank indebtedness, trade and other payables, due to related parties, bank loans, finance lease obligation and promissory notes.

The Company classifies its financial instruments as financial assets and liabilities at fair value through profit and loss, loans and receivables or other financial liabilities. The Company has not classified any financial instruments as held to maturity or available for sale nor does it have any effective cash flow hedging instruments.

Fair value through profit and loss ("FVPL")

Financial assets and liabilities that are classified as FVPL are measured at fair value with changes in fair value recognized in the consolidated statements of operations. The Company has classified cash and bank indebtedness as FVPL.

Note 2 Summary of Significant Accounting Policies (Cont'd)

Loans and receivables

Loans and receivables, which include trade and other receivables and promissory note receivable, are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, net of any impairment losses recognized.

Other financial liabilities

Other financial liabilities are measured at amortized cost using the effective interest rate method and include trade and other payables, bank loans and finance lease obligation.

Earnings (loss) per share

Basic earnings (loss) per share are computed using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated by dividing the applicable net income or loss by the sum of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding if potentially dilutive common shares had been issued during the period. The dilutive effect on earnings (loss) per share is recognized on the use of the proceeds that could be obtained upon exercise of options and similar instruments. It assumes that proceeds would be used to purchase common shares at the average market price during the period.

Business segments

The Company operates in one business segment producing and marketing benefit and sports entertainment events with host organizations and assisting not for profit political and fundraising organizations in conducting fundraising activities.

The Company operates in two geographic areas, Canada and the United States of America.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased item and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant interest charge on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in interest-bearing loans and borrowings, allocated between current and non-current as appropriate. The interest element of the finance cost is charged to the consolidated statement of comprehensive income (loss) over the lease period. Assets held under finance leases are depreciated over the shorter of their expected useful lives or the lease term, taking into account the time period over which benefits from the leased assets are expected to accrue to the Company.

Payments made under operating leases, net of incentives received from the lessor, are charged to the consolidated statement of comprehensive income (loss) on a straight-line basis over the period of the lease. Incentives received from the lessor are recognized as a reduction of the rental expense over the lease term.

Note 2 Summary of Significant Accounting Policies (Cont'd)

Business combinations

The acquisition method is used to account for business combinations. All identifiable assets and liabilities are recorded at fair value at the acquisition date. Obligations for contingent consideration and contingencies are also recorded at fair value on the acquisition date. Subsequent changes in the fair value of contingent liabilities from the date of acquisition to the settlement date are generally recorded in the consolidated statement of operations. Acquisition-related transaction costs are expensed as incurred in the consolidated statement of operations.

Restructuring

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Significant accounting estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting year. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant estimates made in the preparation of these consolidated financial statements include estimates made for the useful life of equipment, valuation of trade and other receivables, provision of regulatory settlements, the measurement of deferred tax assets and liabilities, current tax provisions, contingencies, valuation of intangible assets, the recognition of revenue under the percentage of completion method, and the identification and valuation of identified tangible and intangible assets as part of the purchase price allocation of RMG.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements are:

(g) Current and deferred taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting year. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the year in which such determination is made. The estimate involves the probable use of losses against future taxable income that have been set up as a deferred asset.

Note 2 Summary of Significant Accounting Policies (Cont'd)

Significant accounting estimates and assumptions (Cont'd)

(h) Useful life of equipment

The Company estimates the useful life of equipment based on the period over which the assets is expected to be available for use. The estimated useful life of equipment is reviewed periodically and is updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful life of equipment is based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any year would be affected by changes in these factors and circumstances. A reduction in the estimated useful life of equipment would increase the recorded expenses and decrease the non-current assets.

(i) Allowance for doubtful accounts

The Company makes allowance for doubtful accounts based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyzed historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of the allowance for doubtful accounts. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade and other receivables.

(j) Accrual for contingencies

The Company is subject to third party claims from time to time. Management must evaluate the legitimacy of such claims to determine if a present obligation exists and it is likely that there will be an outflow of resources related to a claim. If the Company is exposed to a present obligation for such claims, management must estimate the amount of accrual. The amount of these accruals must be continuously evaluated to determine any changes required in the estimates due to changing facts and circumstances.

(k) Revenue recognition

The Company recognizes revenue associated with its live entertainment events using the percentage of completion basis, which involves the use of estimates.

Under this policy, the Company defers revenue associated with the staging phase of future events until the event has taken place. The percentage of completion for the future events is calculated by dividing the Company's estimate of costs attributable to the staging phase of the future events by the total cost the Company expects to incur for the events.

Revenue, estimated costs to complete, and estimated costs attributable to the staging phase of the future events are updated and reviewed by management at least once each financial reporting period. In making such estimates, judgments are required to evaluate issues related to scheduling, marketing and staging costs, labour costs, and changes in scope. Due to the nature of staging the future events, estimates may change significantly from one accounting period to the next.

Note 2 Summary of Significant Accounting Policies (Cont'd)

Significant accounting estimates and assumptions (Cont'd)

(1) Valuation of intangible assets

On a cash generating unit basis the Company reviews intangible assets subject to amortization for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The recoverable amount is the greater of its value in use and its fair value less disposal costs.

The impairment test on cash generating units ("CGU") is carried out by comparing the carrying amount of the CGU and its recoverable amount. The recoverable amount of a CGU is the higher of its fair value, less cost to sell and its value in use. This valuation approach uses the discounted cash flow method which including assumptions to estimate cash flows. The recoverable amount depends significantly on the discount rate used in the discounted cash flow model as well as the expected future cash flows and the growth rate used for the extrapolation.

Standards issued but not yet applied

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2011 or later periods. The standards impacted that are applicable to the Company are as follows:

Derecognition – Disclosures. Amendments to IFRS 7 Financial Instruments: Disclosures were issued in October 2010. Those amendments improve the disclosure requirements in relation to transferred financial assets. The amendments are effective for annual periods beginning on or after July 1, 2011, with earlier application permitted.

IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories:

- amortized cost and
- fair value through profit and loss

IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through earnings or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends, to the extent not clearly representing a return of investment, are recognized in earnings; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through earnings would generally be recorded in other comprehensive income.

This standard is required to be applied for accounting periods beginning on or after January 1, 2015, with earlier adoption permitted.

Note 2 Summary of Significant Accounting Policies (Cont'd)

Standards issued but not yet applied (Cont'd)

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain live entertainment s from its activities. IFRS 10 replaces SIC-12, Consolidation – Special Purpose Entities and parts of IAS 27, Consolidated and Separate Financial Statements.

This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted.

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted.

In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements, and IAS 28, Investments in Associates and Joint Ventures. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13.

This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted.

The Company is currently assessing the impacts of the above standards, and has not yet made a determination if it will early adopt any of the new requirements.

Note 3 Corrections of Error and Restatement

- a) The December 31, 2010 comparative amounts, prepared under CGAAP, have been restated for the following:
- i. To correct an error in the measurement of the collectability of a trade receivable resulting in a decrease in trade and other receivables, an increase in branch corporate and overhead administration, an increase in net loss for the year and a decrease in retained earnings of \$237.
 - ii. To correct the under-accrual related to the purchase of equipment resulting in an increase in equipment and an increase in trade and other payables of \$981.
 - iii. To correct the under-accrual related to the purchase of a service and maintenance contract resulting in an increase in prepaid expenses and other current assets and an increase in trade and other payables of \$230.
 - iv. To correct an error in the measurement of revenue and costs of revenue in relation to certain customer contracts. The Company recorded revenue in relation to certain customer contracts as if it was the principal under the terms of the contract when in fact the company was acting as an agent for the customer. As a result the revenue and cost of revenue were overstated by \$5,462. The correction of the error had no impact on the 2010 net loss or retained earnings.
 - v. The cash balance and bank indebtedness were reduced by \$521 to reflect the actual cash and bank indebtedness balances as at December 31, 2010. This presentation conforms with the current year's financial statement presentation. The correction of this presentation error had no impact on the 2010 net loss or retained earnings.
 - vi. The bank loan amount was reduced by \$83 with a corresponding increase in the tenant inducement amount of \$83 as at December 31, 2010 to appropriately reflect the tenant inducement as a long term liability as at December 31, 2010. This presentation conforms with the current year's financial statement presentation. The correction of this presentation error had no impact on the 2010 net loss or retained earnings.
 - vii. Trade and other payables was reduced by \$326 with a corresponding increase in deferred revenue of \$326 to appropriately present deferred revenue as at December 31, 2010. This presentation conforms to the current year's financial statement presentation. The correction of this presentation error had no impact on the 2010 net loss or retained earnings.
 - viii. Accumulated other comprehensive loss and retained earnings were adjusted by \$405 as a result of an error in the consolidation of two of the Company's foreign subsidiaries.

Note 3 Corrections of Error and Restatement (Cont'd)

(\$ 000's)	December 31, 2010		
	CGAAP Balance (as previously reported)	Correction of Errors	CGAAP Balance (as restated)
Current assets			
Cash	2,322	(521) ^(vi)	1,801
Trade and other receivables	9,923	(237) ^(vi)	9,686
Income taxes recoverable	16		16
Prepaid expenses and other current assets	1,499	230 ^(viii)	1,729
Deferred income taxes	526		526
Total current assets	14,286	(528)	13,758
Equipment	3,202	981 ^(viii)	4,183
Intangible assets	1,751		1,751
Deferred income taxes	2,100		2,100
	21,339	453	21,792
Current liabilities			
Bank indebtedness	1,483	(521) ^(vi)	962
Trade and other payables	6,462	885 ^(vi, viii)	7,347
Bank loans	561	(83) ^(vi)	478
Due to related parties	400		400
Deferred revenue	-	326 ^(viii)	326
Deferred income taxes	1,010		1,010
Total current liabilities	9,916	607	10,523
Deferred income taxes	82		82
Deferred tenant inducement	56	83 ^(vi)	139
	10,054	690	10,744
Shareholders' equity			
Share capital	10,797		10,797
Contributed surplus	769		769
Accumulated other comprehensive loss	(3,858)	(405) ^(viii)	(4,263)
Retained earnings	3,577	168 ^(i, viii)	3,745
	11,285	(237)	11,048
	21,339	453	21,792

Note 3 Corrections of Error and Restatement (Cont'd)

(S 000's)	December 31, 2010		
	CGAAP Balance (as previously reported)	Correction of Errors	CGAAP Balance (as restated)
Revenue	90,694	(5,462) ^(iv)	85,232
Cost of revenue	67,706	(5,462) ^(iv)	62,244
Gross margin	22,988	-	22,988
Operating expenses			
Branch overhead and corporate administration	21,790	237 ⁽ⁱⁱ⁾	22,027
Depreciation of equipment	1,265		1,265
Amortization of intangible assets	72		72
Total operating expenses	23,127	237	23,364
Operating earnings (loss)	(139)	(237)	(376)
Non-operating expense			
Interest expense	(98)		(98)
Write-down of goodwill	(1,043)		(1,043)
Total non-operating expense	(1,141)		(1,141)
Loss before income taxes	(1,280)	(237)	(1,517)
Income tax expense (recovery)			
Current income tax expense	142		142
Deferred income tax recovery	(150)		(150)
Total income tax recovery	(8)		(8)
Net loss for the year	(1,272)	(237)	(1,509)
Foreign currency translation change	(203)		(203)
Comprehensive loss for the year	(1,475)	(237)	(1,712)
Basic net loss per share	\$(0.04)	\$(0.01)	\$(0.05)
Diluted net loss per share	\$(0.04)	\$(0.01)	\$(0.05)

Note 3 Corrections of Error and Restatement (Cont'd)

- b) The January 1, 2010 comparative amounts, prepared under CGAAP, have been restated for the following:
- i. The cash balance and bank indebtedness were reduced by \$63 to reflect the actual cash and bank indebtedness balances as at January 1, 2010 this presentation conforms with the current year's financial statement presentation. The correction of this presentation error had no impact on the 2010 net loss or retained earnings.
 - ii. The bank loan amount was reduced by \$56 with a corresponding increase in the tenant inducement amount of \$56 as at January 1, 2010 to appropriately reflect the tenant inducement as a long term liability as at January 1, 2010. This presentation conforms to the current year's financial statement presentation. The correction of this presentation error had no impact on the 2010 net loss or retained earnings.
 - iii. Trade and other payables was reduced by \$436 with a corresponding increase in deferred revenue of \$436 to appropriately present deferred revenue as at January 1, 2010. This presentation conforms to the current year's financial statement presentation. The correction of this presentation error had no impact on the 2010 net loss or retained earnings.
 - iv. Accumulated other comprehensive loss and retained earnings were adjusted by \$405 as a result of an error in the consolidation of two of the Company's foreign subsidiaries.

Note 4 Transitions to IFRS

The consolidated financial statements for the year ended December 31, 2011 are the Company's first annual consolidated financial statements prepared under IFRS as issued by the governing body the IASB. For all accounting periods prior to this, the Company prepared its consolidated financial statements under CGAAP. In accordance with IFRS 1 - 'First time adoption of IFRS', certain disclosures relating to the transition to IFRS are given in this note. These disclosures are prepared under IFRS as set out in the basis of presentation in Note 2.

The objective of IFRS 1 is to ensure that an entity's first IFRS compliant financial statements, and its interim financial reports, contain high quality information that: 1. is transparent for users and comparable over all periods presented; 2. provides a suitable starting point for accounting in accordance with IFRS; and 3. can be generated at a cost that does not exceed the benefit. The general principal under IFRS 1 is that an entity must prepare its IFRS compliant financial statements as if the entity had always been applying IFRS (i.e. retrospective application). IFRS 1 does however provide mandatory exceptions and certain optional exemptions that requires or allows first-time adopters to deviate from the retrospective application of IFRS.

IFRS 1 exemptions and exceptions applied

IFRS 1 allows first time adopters of IFRS certain exemptions from full retrospective application of IFRS. The Company has elected to apply the following optional exemptions from full retrospective application.

(e) Business combinations IFRS 3

The Company has elected not to apply IFRS 3 retrospectively to business combinations that occurred before January 1, 2010, the date of transition to IFRS.

Note 4 Transitions to IFRS (Cont'd)

IFRS 1 exemptions and exceptions applied (Cont'd)

(f) IFRIC 4

Determining Whether an Arrangement Contains a Lease - this IFRIC has not been applied retrospectively. The Company made an assessment as to whether an arrangement, existing at the transition date, contains a lease on the basis of the facts and circumstances existing at that date based on the exemption available under IFRS 1. The assessment was made in accordance with the requirements of IFRIC 4. The Company did not identify any arrangements containing a lease on the transition date.

(g) Stock-based compensation transactions

A first-time adopter is encouraged, but not required, to apply IFRS 2 Share-based Payment ("IFRS 2") to equity instruments that were granted on or before November 7, 2002, or were granted after November 7, 2002 and vested before the entity's IFRS transition date. The Company elected the share-based payment exemption and as a result, has applied IFRS 2 retrospectively only for share-based payments that were granted after November 7, 2002, that had not vested at the date of transition. There were no unvested options outstanding at the date of transition.

(h) Extinguishing financial liabilities with equity instruments

IFRS 1 provides that a first-time adopter may elect to apply transitional provisions in IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments, prospectively from the transition date. The Company has taken advantage of this election.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date are consistent with those that were made under CGAAP.

Note 4 Transitions to IFRS (Cont'd)

Financial statement reporting

The Company has adjusted amounts previously reported in its consolidated financial statements in accordance with CGAAP to amounts reported in accordance with IFRS. An explanation as to the effect of the transition from CGAAP to IFRS is set out below.

Description	January 1, 2010			December 31, 2010		
	CGAAP Balance (as restated - Note 3(b))	Adjust for IFRS	IFRS Balance	CGAAP Balance (as restated - Note 3(a))	Adjust for IFRS	IFRS Balance
Current assets						
Cash	3,382		3,382	1,801		1,801
Trade and other receivables	6,555		6,555	9,686		9,686
Income taxes recoverable	-		-	16		16
Prepaid expenses and other current assets	959		959	1,729		1,729
Deferred income taxes	332	(332) ^(a)	-	526	(526) ^(a)	-
Total current assets	11,228	(332)	10,896	13,758	(526)	13,232
Equipment	2,298		2,298	4,183	391 ^(c)	4,574
Intangible assets	57		57	1,751	625 ^(c)	2,376
Goodwill	1,064	(1,064) ^(b)	-	-	-	-
Deferred income taxes	2,059	332 ^(a)	2,391	2,100	526 ^(b)	2,626
	16,706	(1,064)	15,642	21,792	1,016	22,808
Current liabilities						
Bank indebtedness	-		-	962		962
Trade and other payables	4,533		4,533	7,347		7,347
Income taxes payable	66		66	-		-
Bank loans	33		33	478		478
Due to related parties	-		-	400		400
Deferred revenue	436		436	326		326
Deferred income taxes	838	(838) ^(a)	-	1,010	(1,010) ^(a)	-
Total current liabilities	5,906	(838)	5,068	10,523	(1,010)	9,513
Deferred tenant inducement	195		195	139		139
Deferred income taxes	-	838 ^(a)	838	82	1,328 ^{(a), (c)}	1,410
	6,101	-	6,101	10,744	318	11,062
Shareholders' equity						
Share capital	8,765		8,765	10,797	105 ^(c)	10,902
Contributed surplus	646		646	769	(105) ^(c)	664
Accumulated other comprehensive loss	(3,655)		(3,655)	(4,263)	21 ^(b)	(4,242)
Retained earnings	4,849	(1,064) ^(b)	3,785	3,745	677 ^{(b), (c)}	4,422
	10,605	(1,064)	9,541	11,048	698	11,746
	16,706	(1,064)	15,642	21,792	1,016	22,808

Note 4 Transitions to IFRS (Cont'd)

Financial statement reporting (Cont'd)

(\$ 000's)	December 31, 2010		
	CGAAP Balance (as restated – Note 3(a))	Adjust for IFRS	IFRS Balance
Description			
Revenue	85,232		85,232
Cost of revenue	62,244		62,244
Gross margin	22,988		22,988
Operating expenses			
Branch overhead and corporate administration	22,027		22,027
Amortization of equipment	1,265	65 ^(c)	1,330
Amortization of intangible assets	72	150 ^(c)	222
Total operating expenses	23,364	215	23,579
Operating earnings (loss)	(376)	(215)	(591)
Non-operating income (expense)			
Interest expense	(98)		(98)
Transaction charges for business combination	-	(291) ^(c)	(291)
Bargain purchase gain on business combination	-	1,182 ^(c)	1,182
Write-down of goodwill	(1,043)	1,043 ^(b)	-
Total non-operating income (expense)	(1,141)	1,934	793
Earnings (loss) before income taxes	(1,517)	1,719	202
Income tax expense (recovery)			
Income tax expense	142		142
Deferral income tax recovery	(150)	(22) ^(c)	(172)
Total income tax recovery	(8)	(22)	(30)
Net earnings for the year	(1,509)	1,741	232
Foreign currency translation charge	(203)	21 ^(b)	(182)
Comprehensive income (loss) for the year	(1,712)	1,762	50
Basic net earnings (loss) per share	\$ (0.05)	\$0.06	\$0.01
Diluted net earnings (loss) per share	\$ (0.05)	\$0.06	\$0.01

Note 4 Transitions to IFRS (Cont'd)

Financial statement reporting (Cont'd)

(a) Deferred income taxes

Under CGAAP certain of the future taxes were classified as either current assets or current liabilities; however, under IFRS, it is not appropriate to classify deferred income tax balances as current, irrespective of the classification of the assets or liabilities to which the deferred income tax relates or the expected timing of reversal all deferred taxes are considered long term. Accordingly, the following reclassification adjustments have been recorded to reflect this difference.

January 1, 2010

Current deferred tax assets amounting to \$332 have been reclassified to non-current deferred income tax assets.

Current deferred tax liabilities amounting to \$838 have been reclassified to non-current deferred income tax liabilities.

December 31, 2010

Current deferred tax assets amounting to \$526 have been reclassified to non-current deferred income tax assets.

Current deferred tax liabilities amounting to \$1,010 have been reclassified to non-current deferred income tax liabilities.

(b) Write-down of goodwill

In accordance with CGAAP, the Company conducted a goodwill impairment analysis on the underlying US reporting unit at the end of 2010 and the goodwill was found to be impaired and was fully written-off at that time. Under IFRS, goodwill impairment needs to be examined on a cash-generating unit basis.

The goodwill arose in relation to an acquisition of a business located in the United States in 1999 by the Company. This business is considered a cash-generating unit ("CGU"). This CGU had ceased to generating any cash a number of years ago and it was determined that the goodwill related to the specific cash-generating unit that had been impaired for a number of years prior to adoption of IFRS. On that basis, the Company has written off the subject goodwill at the date of transition and reversed \$1.043 write-down of goodwill and \$21 foreign currency translation charge that was previously reported in the year ended December 31, 2010.

Note 4 Transitions to IFRS (Cont'd)

Financial statement reporting (Cont'd)

(c) Business combinations

Under CGAAP, when the net of the amounts assigned to assets acquired and liabilities assumed exceeds the cost of the purchase, the excess is eliminated to the extent possible by allocating it as a pro rata reduction across all the acquired non-current and non-financial assets (with certain exceptions). Under IFRS, the Company is required to reassess the fair value of the combination's cost and the net assets acquired, with any excess after this reassessment recognized immediately in the consolidated statements of operations as a "bargain purchase gain on business combination". Accordingly, the consolidated statements of financial position have been adjusted on transition. In addition, under CGAAP, acquisition-related costs were included as part of the purchase equation, whereas under IFRS 3, such costs are recognized in the consolidated statements of operations in the period incurred.

Upon the adoption of IFRS the acquisition of RMG was required to be accounted for under IFRS -3 which resulted in a bargain purchase gain of \$1,182 offset by the costs of the transaction amounting to \$291 was recognized in the consolidated statements of operations for the year ended December 31, 2010 within non-operating income, in connection with The Responsive Marketing Group ("RMG") transaction that occurred on March 3, 2010.

The consolidated statements of financial position has been adjusted to increase the carrying value of equipment by \$456 and the carrying value of intangible assets by \$775 less amortization taken under IFRS to \$215. Furthermore, the carry values of equipment and intangible assets were adjusted for the reversal of depreciation/amortization taken under CGAAP in the amount of (\$65) and \$65 respectively. As a result of the reassessment of fair values under IFRS, the Company recognized an additional deferred tax liability of \$340, of which \$22 was recognized into the consolidated statements of operations during the year ended December 31, 2010.

Finally, share capital and contributed surplus have been increased and decreased respectively by \$105 in the consolidated statements of financial position to reflect the reversal of stock option treatment of the common shares issued and secured by the collateralized promissory note (note 13). Under IFRS2, shares issued for assets acquired under a business combination are specifically scoped out.

Note 5 Acquisition of The Responsive Marketing Group Inc.

On March 3, 2010 the Company issued 8,269 thousand Class A common shares in exchange for all the issued and outstanding shares of The Responsive Marketing Group Inc. ("RMG"). RMG is in the business of direct contact marketing for political entities and fee for service direct marketing for not for profit organizations. The RMG transaction was accounted for as a share purchase agreement and, from the date of closing March 3, 2010, the results of operations and cash flows of RMG are included in the Company's consolidated statements of operations and cash flows. RMG was acquired to provide the Company a new operational channel being direct contact marketing for political entities in which the Company did not operate. The acquisition resulted in a bargain purchase gain as a result of the Company being able to acquire RMG at opportunistic point in RMG's business cycle.

Summary of Purchase Price:

Issuance of 8,269 Class A common shares with a fair value based on the approximate quoted market price of the Company's shares of \$0.28 per share	<u>\$ 2,322</u>
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Allocation of purchase price:

• Current assets	\$ 3,800
• Deferred tax asset	318
• Equipment	1,495
• Customer contracts	2,514
• Non-compete employment clauses	28
• Other current liabilities	(1,428)
• Bank indebtedness	(1,822)
• Deferred tax liability	(745)
• Due to related party	(100)
• Bank loans	(556)
Net assets acquired	<u>\$ 3,504</u>

Bargain purchase gain on business combination	\$ 1,182
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Included in current assets are \$2,959 of trade and other receivables, representing both the fair value and gross contractual amounts. As of March 3, 2010, the Company estimated that the full balance of trade and other receivables will be collected.

Included in the consolidated statements of operations for the year ending December 31, 2010 is revenue of \$11,199 and net loss of \$744 attributed to the operations of RMG since the date of acquisition.

Total revenue and total net loss of the Company for the year ending December 31, 2010 would have been \$93,469 and \$4,981 respectively, had RMG been acquired as at January 1, 2010.

Note 6 Trade and Other Receivables

Trade and other receivables consist of the following:

(\$000's)	December 31, 2011	December 31, 2010	January 1, 2010
Trade receivables	7,862	9,499	5,846
Other	861	684	997
Less: allowance for doubtful accounts	(481)	(497)	(288)
	<u>8,242</u>	<u>9,686</u>	<u>6,555</u>

Trade receivables are non-interest bearing and are generally on 10 to 60 day terms. As at December 31, 2011 trade receivables of \$481 (2010 - \$497) were fully provided for. The following tables show the movement in the allowance for doubtful accounts of trade receivables:

(\$000's)	2011	2010
Balance, beginning of year	497	288
Provision for the year	329	359
Applied to trade receivables	(269)	-
Unused amounts reversed	(76)	(150)
Balance, end of year	<u>481</u>	<u>497</u>

As at December 31, 2011 and 2010 the aging analysis of trade receivables is as follows:

(\$000's)	2011	2010
Neither past due nor impaired	5,932	6,292
Past due:		
31-60 days	654	744
61-90 days	472	438
> 90 days	804	2,025
	<u>7,862</u>	<u>9,499</u>

Note 7 Equipment

Period from January 1, 2011 to December 31, 2011

Cost (\$000's)	Computer Equipment	Office Equipment	Mobile Equipment	Leasehold Improvements	Total
Opening	14,723	3,605	437	1,449	20,214
Additions	665	170	19	34	858
Disposals	(530)	(39)	-	(15)	(584)
Foreign currency translation	113	27	9	13	162
Closing	14,941	3,363	465	1,481	20,651

Accumulated Depreciation (\$000's)	Computer Equipment	Office Equipment	Mobile Equipment	Leasehold Improvements	Total
Opening	11,839	2,489	108	1,204	15,640
Additions	956	245	96	151	1,448
Disposals	(517)	(30)	-	(8)	(555)
Foreign currency translation	75	12	2	9	98
Closing	12,353	2,716	205	1,356	16,631

Carrying Amount (\$000's)	Computer Equipment	Office Equipment	Mobile Equipment	Leasehold Improvements	Total
Opening	2,884	1,116	329	245	4,574
Closing	2,588	1,048	259	125	4,020

Period from January 1, 2010 to December 31, 2010

Cost (\$000's)	Computer Equipment	Office Equipment	Mobile Equipment	Leasehold Improvements	Total
Opening	12,408	3,034	142	1,402	16,986
Additions	1,467	216	330	31	2,044
Additions upon business combination (note 5)	1,087	362	-	46	1,495
Foreign currency translation	(238)	(7)	(35)	(30)	(311)
Closing	14,723	3,605	437	1,449	20,214

Accumulated Depreciation (\$000's)	Computer Equipment	Office Equipment	Mobile Equipment	Leasehold Improvements	Total
Opening	11,200	2,316	72	1,100	14,688
Additions	946	176	73	135	1,330
Foreign currency translation	(307)	(3)	(37)	(31)	(378)
Closing	11,839	2,489	108	1,204	15,640

Carrying Amount (\$000's)	Computer Equipment	Office Equipment	Mobile Equipment	Leasehold Improvements	Total
Opening	1,208	718	70	302	2,298
Closing	2,884	1,116	329	245	4,574

Note 8 Intangible Assets

Period from January 1, 2011 to December 31, 2011

Cost (\$000's)	Customer Contracts	Trademarks	Non-Compete Employment Clause	Total
Opening	2,514	121	28	2,663
Additions	-	-	-	-
Closing	2,514	121	28	2,663

Accumulated Amortization (\$000's)	Customer Contracts	Trademarks	Non-Compete Employment Clause	Total
Opening	210	71	6	287
Amortization	251	8	6	265
Closing	461	79	12	552

Carrying Amount (\$000's)	Customer Contracts	Trademarks	Non-Compete Employment Clause	Total
Opening	2,304	50	22	2,376
Closing	2,053	42	16	2,111

Period from January 1, 2010 to December 31, 2010

Cost (\$000's)	Customer Contracts	Trademarks	Non-Compete Employment Clause	Total
Opening	-	121	-	-
Additions upon business combination (note 5)	2,514	-	28	2,542
Closing	2,514	121	28	2,663

Accumulated Amortization (\$000's)	Customer Contracts	Trademarks	Non-Compete Employment Clause	Total
Opening	-	64	-	64
Amortization	210	7	6	223
Closing	210	71	6	287

Carrying Amount (\$000's)	Customer Contracts	Trademarks	Non-Compete Employment Clause	Total
Opening	-	57	-	57
Closing	2,304	50	22	2,376

Note 9 Trade and Other Payables

Trade and other payables consist of the following:

(\$000's)	December 31, 2011	December 31, 2010	January 1, 2010
Trade payables	2,211	4,244	1,653
Accrued employee benefits	1,937	1,203	804
Other accruals	2,183	1,900	2,076
	<u>6,331</u>	<u>7,347</u>	<u>4,533</u>

Trade payables are non-interest bearing and are normally settled on 10 to 60 day terms.

Note 10 Credit Facilities

- iii. At December 31, 2011 the Company had in place credit facilities providing for a revolving credit facility of \$1,250 USD on the US operations with interest on any outstanding balances at US bank prime plus 1%. As at December 31, 2011 the Company had drawn down on this loan in the amount of \$nil (December 31, 2010 - \$nil, January 1, 2010 - \$nil). Additionally the Company has an overdraft facility for the Canadian operations of \$1,000 USD with interest on any outstanding balances at Canadian bank prime rate plus 2.25%. As at December 31, 2011 the Company had drawn down on this loan in the amount of \$nil (December 31, 2010 - \$nil, January 1, 2010 - \$nil). Both loans are subject to meeting certain financial covenants and to eligible accounts receivable. This facility is secured by a general security interest in the Company assets, except for the assets of The Responsive Marketing Group. The bank renewed this credit facility on similar terms and conditions effective September 1, 2010, expiring July 1, 2011. The credit facilities were again renewed on July 25, 2010, expiring January 31, 2012.

At December 31, 2011, the Company failed to meet certain financial covenants under the terms of the credit facilities with the result that the lenders have the right to call their loans. However, the lender renewed the credit facilities agreement on January 31, 2012, expiring March 31, 2012. The terms of this renewal included a reduction in the credit limit for the US operations from \$1,250 USD to \$500 USD and a reduction in the credit limit for Canadian operations from \$1,000 USD to \$500 USD. The lender has provided a term sheet for a further renewal to the Company which is currently being evaluated.

- iv. The Company has a demand operating line of credit with a Canadian Chartered Bank in the amount of \$2,000 bearing interest at the bank's prime lending rate plus 1.25%, with interest payable monthly and secured by a general security interest in the overall assets of RMG, subject to the first charge security on the assets noted below. The operating line of credit is limited to eligible accounts receivable. This is a standalone arrangement and is not guaranteed by the Company nor secured by any assets other than RMG's. As at December 31, 2011 the Company had drawn down on this loan in the amount of \$498 (December 31, 2010 \$962).

Any failure of the Company to maintain adequate credit facilities may have a material adverse impact on the financial position, results of operations and cash flows of the Company.

Note 11 Bank Loans

- iii. The Company had secured note payable, secured by certain call centre dialer equipment which was paid off during the year.
- iv. In addition, the Company has a demand term loan in the amount of \$144 at December 31, 2011, bearing interest at the bank's prime lending rate plus 1.75%. Principal payments are \$11 per month together with interest thereon. The security is the same as the RMG operating line of credit (note 10). The balance is due in February 2013. The Company is in compliance with the loan covenants as of December 31, 2011.

In 2010 the financial covenants for the Company secured note and demand term loan were not in compliance with the result that the lenders have the right to call their loans. Accordingly, amounts outstanding under the secured note payable at December 31, 2010 were classified as current liabilities in the consolidated statements of financial position. There were no amounts under these bank loans outstanding as of January 1, 2010.

<u>As at December 31 (\$000's)</u>	<u>2011</u>	<u>2010</u>
Secured note payable	-	200
Demand term loan	144	278
Total	<u>144</u>	<u>478</u>

Note 12 Restructuring Costs

The Company recorded restructuring costs in the fourth quarter of 2011 in the amount of \$895. These costs are comprised of employee severance related expenses largely arising out of the August 2012 closure of the Company's Calgary facility and information technology integration activities. The Company plans to incur \$543 of these costs over the next twelve months and the balance being \$352 in 2013.

Note 13 Share Capital

Authorized

Unlimited number of:

Class A common voting shares, without par value

Class B non-voting convertible preferred shares – none issued or outstanding

<u>Issued</u>	2011		2010	
	Shares (000's)	\$ (000's)	Shares (000's)	\$ (000's)
Class A Common Shares				
Balance, beginning of year	32,718	11,436	24,809	8,765
Issuance of shares on business combination	-	-	7,918	2,322
Issuance of shares on business combination under collateralized promissory note	-	-	351	534
Exercise of options	-	-	300	33
Repurchase and cancellation of shares	(333)	(111)	(660)	(218)
	32,385	11,325	32,718	11,436
Share purchase financed by collateralized promissory note	(351)	(534)	(351)	(534)
Balance, end of year	32,034	10,791	32,367	10,902

Note 13 Share Capital (Cont'd)

Collateralized promissory note

The Company is holding a collateralized promissory note from an officer of the Company in the amount of \$534 relating to a prior purchase of shares of RMG predating the RMG business combination in fiscal 2010. At the time of the business combination, the shares of RMG were exchanged for the shares of the Company and the debt was assigned from RMG to the Company.

The collateralized promissory note and any accrued interest thereon is secured by 351 shares of the Company (the "collateral shares"), but is non-recourse except to the extent of proceeds from the sale of the collateral shares and the issuance of cash dividends. Of the collateralized promissory note, \$133 bears interest at the rate of 5% per annum but such interest is only recoverable to the extent of cash dividends paid on the collateral shares. There is no due date on the collateralized promissory note. No accrued interest is reflected on the consolidated statements of financial position.

Under the conceptual framework of IFRS, the collateralized promissory note does not meet the definition of an asset and therefore the carrying value of the note receivable has been classified as a reduction in share capital.

Normal Course Issuer Bid ("NCIB")

In December 2010, the Company received approval for a NCIB, expiring December 2011, permitting the purchase and cancellation of Company shares of up to 5% of its then issued and outstanding shares or 1,669 shares. During the year ended December 31, 2011, the Company purchased and cancelled 333 shares at a cost of \$97. Stated share capital has been reduced by \$111 and \$14 allocated to increase contributed surplus. Additionally, under this NCIB, the Company purchased and cancelled 660 shares in December 2010 at a cost of \$200. Stated share capital was reduced by \$218 and \$18 allocated to increase contributed surplus.

In November 2009, the Company received approval for a NCIB, expiring November 2010, permitting the repurchase and cancellation of Company shares of up to 5% of its then issued and outstanding shares or 1,246 shares. During the period January 1, 2010 to November 30, 2010 the Company did not repurchase any additional shares under this NCIB.

Stock options

In accordance with IFRS 2, the fair market valuation of options at the time of their award is expensed as compensation with an offsetting addition to contributed surplus over the vesting period of such awards.

All of the employee stock options issued on September 1, 2005 that had not been previously forfeited or exercised, expired August 31, 2010.

Note 13 Share Capital (Cont'd)

Stock options (Cont'd)

On November 14, 2008, the then members of the Board of Directors were awarded 700 options, fully vested with a strike price of \$0.11 per share expiring October 21, 2013. 300 shares relating to those options were exercised during the year 2010 during a period where the average market price of the Company's shares was \$0.28 and 300 remained outstanding at December 31, 2010. In the third quarter 2011, the options held by executive management amounting to 200 options were cancelled.

	2011		2010	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
	(000's)		(000's)	
Balance, beginning of year	300	\$ 0.11	1,955	\$ 0.41
Exercised	-	-	(300)	0.11
Cancelled and expired	(200)	0.11	(1,355)	0.55
Balance, end of year	100	0.11	300	0.11
Exercisable at year end	100	\$ 0.11	300	\$ 0.11

There are executive management personnel who are also shareholders of the Company. As part of their employment arrangements, upon departure from the Company, subject to applicable law, there is an agreement that allows for either a put right or call right, for the Company to redeem their shareholdings.

Note 14 Commitments

The Company rents certain equipment and premises under operating leases requiring minimum rental payments as follows:

2012	\$ 2,470
2013	2,157
2014	1,766
2015	1,237
2016 and thereafter	2,194

The Company has contract payments and royalty guarantees to client organizations requiring minimum annual payments as follows:

2012	\$ 3,060
2013	1,719
2014	250
2015	100
2016 and thereafter	-

Note 15 Related Party Disclosures

The principal related party relationships requiring disclosure in the consolidated financial statements under IAS 24 Related Party Disclosures pertain to the existence of subsidiaries and associates and transactions with these entities entered into by the Company and the identification and compensation of key management personnel as addressed in greater detail below.

Relationship with subsidiaries

The principal subsidiaries and related undertakings are as follows:

Company Name	Operating Location	Business Description	% Equity Interest	
			2011	2010
The Responsive Marketing Group Inc.	Canada	Political and charity fund raising	100%	100%
MLHL Management, LP	Canada	Political and charity fund raising	100%	100%
RMG Quebec Inc.	Canada	Political and charity fund raising	100%	100%
RMG Smith Falls, LP	Canada	Political and charity fund raising	100%	100%
RMG Thunder Bay, LP	Canada	Political and charity fund raising	100%	100%
Cobot Call Centre Inc.	Canada	Political and charity fund raising	100%	100%
Special Projects Unit Call Centre Inc.	Canada	Political and charity fund raising	100%	100%
RMG General Partner Inc.	Canada	General Partner in Partnerships	100%	100%
Engage Interactive Inc.	Canada	Charity fund raising	100%	100%
iMark Events	Canada	Event management	100%	n/a
NPE Data Management & Billing Inc.	Canada	Charity data development	100%	100%
Target Outreach Canada Inc.	Canada	Non-profit fundraising	100%	100%
GWE Consulting Group (USA), Inc	United States	Holding company	100%	100%
Wellsley Corporation	United States	Holding company	100%	100%
Courtesy Health Watch Inc.	United States	Fee for service charity fundraising	100%	100%
Target Outreach Inc.	United States	Political fundraising	100%	100%
US Billing Inc.	United States	Direct mail and pledge package production, caging services	100%	100%
American Graphics & Design, Inc.	United States	Graphic and publication design services	100%	100%
Xentel Inc.	United States	Non-profit fundraising	100%	100%
Professionally Speaking Inc.	United States	Inactive	100%	100%
Advanced Communications, Inc.	United States	Inactive	100%	100%

Note 15 Related Party Disclosures (Cont'd)

Terms and Conditions of Transactions with Subsidiaries and other Related Parties

In general, sales to and purchases from other related parties are on terms agreed between the related parties. The outstanding balances included on the consolidated statements of financial position at the balance sheet date in respect of transactions with related parties are unsecured and interest free and settlement arises in cash.

During the years ended December 31, 2011, and 2010 the Company incurred expenses to related parties, who were related as a result of being officers, directors and/or significant shareholders of the Company, as follows:

<u>(S000's)</u>	<u>2011</u>	<u>2010</u>
Rent expense	-	22
Professional fees	-	313
Management fees	246	224
Interest expense	9	3
Director's fees	160	143
Consulting fees	196	-
Officer's salaries and short term benefits	1,727	1,800

Rent expense relates to office rent paid to an entity that is associated with an officer and director of the Company.

Professional fees for the year ended December 31, 2010 amounting to \$313 are amounts paid to the firm of a former director while he was a director of the Company.

Subsequent to the closing of the RMG business combination (note 4), the former shareholders of RMG advanced \$400 to be repaid as profitability and cash flow permitted over the next twelve months. This was in addition to \$100 that was already owed at the time of the transaction. The \$100 was repaid in September 2010. The \$400 was repaid, in March and April of 2011 through two installment payments of \$200.

At December 31, 2011 there are no amounts due to or due from related parties other than in the normal course of business.

Note 16 Income Taxes

There are temporary differences relating to revenue and expenses deferred for income tax purposes, amortization where the cumulative amounts claimed for income tax purposes differs from the amounts recorded in the accounts and non-capital income tax losses which are available to be applied against future years' income to reduce income taxes otherwise payable. The income tax effect of these differences is shown in the financial statements as deferred income taxes in long term assets and long term liabilities, as applicable.

The following is a reconciliation of income taxes calculated at statutory rates to the actual income taxes expensed in the accounts:

	2011	2010
Income taxes at a combined rate of 27.6% (2010 – 30.1%)	\$ (766)	\$ 70
Effect on income taxes resulting from:		
• permanent differences, net	(11)	(116)
• capitalized costs deductible for tax purposes	-	(44)
• tax rate change due to acquired subsidiary status change	-	(42)
• difference between Canada and US income tax rates	(88)	89
• change in tax rates	(24)	-
• change in estimates	330	-
• change in unrecognized deferred tax assets	3,049	-
• other	(11)	(13)
	<u>\$ 2,479</u>	<u>\$ (30)</u>
Income tax expense(recovery)	<u>\$ 2,479</u>	<u>\$ (30)</u>

At December 31, 2011, December 31, 2010 and January 1, 2010 deferred taxes were comprised of the following:

Temporary differences	December 31, 2011	December 31, 2010	January 1, 2010
Equipment and intangible assets (net of assets)	\$ (45)	\$ (454)	\$ -
Non-capital losses, net operating losses and capital losses	1,348	1,129	2,059
Tax credits	530	506	332
Reserves	(1,116)	(1,037)	(838)
Other assets	1,057	1,072	-
	<u>1,774</u>	<u>1,216</u>	<u>1,553</u>
Unrecognized deferred tax assets	<u>(3,049)</u>	<u>-</u>	<u>-</u>
Net deferred tax asset (liability)	\$ (1,275)	\$ 1,216	\$ 1,553
Classified as:	December 31, 2011	December 31, 2010	January 1, 2010
Deferred tax assets	\$ -	\$ 2,626	\$ 2,391
Deferred tax liabilities	<u>(1,275)</u>	<u>(1,410)</u>	<u>(838)</u>
	<u>\$ (1,275)</u>	<u>\$ 1,216</u>	<u>\$ 1,553</u>

Note 17 Employee Benefits

Included in cost of revenue and branch overhead and corporate administration in the consolidated statements of operations is \$35,994 and \$9,995, respectively, attributed to total employee benefits incurred (2010 - \$35,801 and \$7,353, respectively).

Note 18 Incomes (Loss) Per Share

The income (loss) and weighted average number of shares used in the calculation of basic and diluted income (loss) per share for the years ended December 31, 2011 and 2010 are as follows:

Net earnings (loss) for the year (all measures)	\$ (5,253)	\$ 232
Basic weighted average number of shares outstanding	32,206	31,568
Dilutive impact of stock options	-	179
Diluted weighted average number of shares outstanding	32,206	31,747
Basic earnings (loss) per share	\$ (0.16)	\$ 0.01
Diluted earnings (loss) per share	\$ (0.16)	\$ 0.01

Note 19 Capital Disclosures

The Company's capital structure is comprised of the following:

(\$000's)	December 31, 2011	December 31, 2010	January 1, 2010
Due to related parties	-	400	-
Shareholders' equity	6,280	11,746	9,541
Net Capitalization	6,280	12,146	9,541

The Company's objectives when managing capital are to maintain a capital structure that provides financing options and access to capital on reasonably competitive commercial terms, as needed, while maintaining financial flexibility to meet its financial obligations, including debt service payments and dividend payments, as appropriate. In order to maintain or adjust its capital structure, the Company may modify its debt load, alter its share capital and/or adjust the payment of dividends. The capital structure is based on company needs and the market and economic conditions. The Company did not change its approach to capital management during the years ended December 31, 2011 and 2010.

As a condition of borrowing, under both facilities noted above, the Company has financial covenants that it must meet with its lenders. Any failure of the Company to maintain adequate credit facilities may have a material adverse impact on the financial position, results of operations and cash flows of the Company. See notes 10 and 11 for further details.

Note 20 Financial Instruments and Risk Management

Fair value

The Company's financial instruments consist of cash, trade and other receivables, bank indebtedness, trade and other payables, due to related parties, bank loans and finance lease obligation whose fair values approximate their carrying amounts given they mature shortly.

Fair value measurement of assets and liabilities recognized on the balance sheet are categorized into levels within a fair value hierarchy based on the nature of valuation inputs. The fair value hierarchy has the following levels:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: Inputs for the asset or liability that are not based on observable market data.

Cash and bank indebtedness are classified as Level 1.

Risk management

The Company, inherent as part of its operations, is exposed to a variety of financial risks, namely:

- credit risk; and
- liquidity risk.

The Company's risk management objective is to ensure that its financial performance is not subject to any material adverse impact of unmanaged risk.

(a) Credit risk

The Company has very limited exposure to credit risk due to its ability to effectively collect trade and other receivables since the majority of trade and other receivables are created by the depositing of cash into clients bank accounts. The Company does not have a significant concentration risk with any one customer and its maximum exposure relating to trade and other receivables credit risk is its the carrying value.

Donor obligations, based on the revenue recognition policy, are only recognized once pledges are received. Accordingly, accounts receivable are based on cash already deposited into the customers' bank account maintained at commercial banking establishments.

The Company maintains cash balances with Canadian commercial banks and major US banks, none of whom are currently subject to government support. To the extent that one or more of these banks were to fail and cash balances on deposit were in excess of government guarantees related to bank failures, the Company may not be able to continue to access these funds.

(b) Liquidity risk

Liquidity risk centres on the Company's ability to meet its obligations as they come due. December 31, 2011, the Company had net working capital of \$1.863 with \$383 of long-term liabilities. The Company maintains cash management processes to ensure it has sufficient available funds to meet current and foreseeable financial requirements.

Note 21 Contingencies

The Company is involved, from time to time, in litigious matters, primarily related to employment practice issues. These matters are typically not material in amount and the Company carries adequate insurance in the unlikely event such issues become material. In the opinion of management, there are no known matters that potentially would have a material adverse effect on the financial condition of the Company, except as noted below. In regard to the matters below the Company has accrued a total provision of \$153 related to the on-going defense.

Schroder

The Company is currently involved in litigation relating to an aborted privatization transaction with a group of US investment funds described as Schroder Ventures US.

On May 29, 2003 Schroder Ventures US unexpectedly delivered a notice of termination advising that Schroder Ventures US would not be closing on May 30, 2003, as scheduled and, demanded the Company pay them their expense fees amounting to approximately \$1,800 plus a Termination Fee of \$800. The Company vigorously denies any liability in that connection. On June 16, 2003 the Company initiated a legal claim against Schroder Ventures US claiming that the agreement was improperly terminated and the Company is entitled to specific performance or, in the alternative, to damages for breach of the contract and breach of good faith in the amount of \$50,000.

It is not possible, given the litigation process, to make a reasonable determination as to the extent of recovery by the Company or the Company's liability, if any, in this connection. The Company denies any liability in relation to the privatization transaction. The Company has expensed charges relating to the privatization transaction and the associated litigation fees that it was obligated to pay.

Tennessee Charitable Solicitations and Gaming Action

On November 14, 2011 the Company was informed that, during the period of July 1, 2011 to August 15, 2011, it had violated certain provisions of the Tennessee Charitable Solicitations Act. As a result of these alleged violations the Company has been assessed a civil penalty of \$720USD.

Note 22 Segmented Information

The Company operates in one business segment producing and marketing live entertainment and sports entertainment events with host organizations and assisting not for profit, political and Company raising organizations in conducting Company raising activities.

The Company operates in two geographic areas, Canada and the United States of America.

(S000's)	For the year ended December 31,					
	2011			2010		
	Canada	United States	Total	Canada	United States	Total
Gross revenues	51,496	35,456	86,952	48,947	37,706	86,653
Intercompany eliminations	1,941	1,244	3,185	576	845	1,421
Consolidated revenues	49,554	34,212	83,767	48,371	36,861	85,232
Interest expense	77	2	79	98	-	98
Depreciation & Amortization	1,323	390	1,713	931	621	1,552
Transaction charges for business combination	-	-	-	291	-	291
Bargain purchase gain	-	-	-	1,182	-	1,182
Restructuring charges	895	-	895	-	-	-
Income tax expense	48	2,431	2,479	142	(172)	30
Net earnings	(2,749)	(2,504)	(5,253)	1,177	(945)	232
Capital expenditures	1,617	222	1,839	786	667	1,453

(S000's)	December 31, 2011			December 31, 2010			January 1, 2010		
	United			United			United		
	Canada	States	Total	Canada	States	Total	Canada	States	Total
Total Assets	10,981	4,950	15,931	13,680	9,128	22,808	6,541	9,101	15,642
Equipment	2,891	1,129	4,020	3,301	1,273	4,574	998	1,300	2,298
Trademarks	42	-	42	50	-	50	57	-	57
Customer Contracts	2,053	-	2,053	2,304	-	2,304	-	-	-
Non-Compete Clauses	16	-	16	22	-	22	-	-	-

During the year ended December 31, 2011 2 customers having sales greater than 10% of the Company's total revenues amounted to \$9,183 and \$8,425 in the Canadian and United States operating segments respectively (2010 – nil customers).

iMarketing Solutions Group Inc.

Corporate Information

Board of Directors

James H. Ambrose Partner Argosy Partners Ltd. Toronto, Ontario	Michael M. Davis Chief Executive Officer iMarketing Solutions Group Inc. Toronto, Ontario
A. Richard G. Reid Partner Argosy Partners Ltd. Toronto, Ontario	Michael P. Platz Director iMarketing Solutions Group Inc. Toronto, Ontario
B. Andrus Wilson President YTW Growth Capital Partners Inc. Toronto, Ontario	David A. Winograd President iMarketing Solutions Group Inc. Milwaukee, Wisconsin
	Michael A. Neuman Managing Director Elevest Corporation Toronto, Ontario

Management

	Michael M. Davis Chief Executive Officer Toronto, Ontario
David A. Winograd President Milwaukee, Wisconsin	Michael A. Neuman Interim Managing Director Toronto, Ontario
Andrew B. Langhorne Chief Operating Officer Toronto, Ontario	Jeffrey K. Irwin Chief Financial Officer Toronto, Ontario

Auditors

Collins Barrow Toronto LLP

Legal Counsel

Heenan Blaikie LLP
Copilevitz & Canter LLC

Transfer Agent

Computershare Company of Canada

Stock Listing

TSX Venture Exchange
Trading symbol: XDM

Exhibit “T”



iMarketing Solutions Group Inc.

Shareholders' Quarterly Report

**For the three and nine months ended
September 30, 2012 and 2011**

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Unaudited Condensed Interim Consolidated Statements of Cash Flows

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Corporate Information

**4014 MacLeod Trail S., Suite 105
Calgary, AB T2G 2R7**

Report to Our Shareholders for the Third Quarter Ended September 30, 2012

The following is our financial report to shareholders, together with the related Management Discussion and Analysis for the three and nine months ended September 30, 2012.

Selected financial data for the third quarter and nine months ended September 30, 2012 are as follows:

(In thousands of Canadian dollars, except per share information)

	3 Months Ended September 30, 2012	3 Months Ended September 30, 2011	9 Months Ended September 30, 2012	9 Months Ended September 30, 2011
Revenue	\$ 14,104	\$ 16,679	\$ 48,684	\$ 55,514
Net Earnings (Loss)	\$ (3,877)	\$ (655)	\$ (5,927)	\$ 854
Net Earnings/ \$ (Loss) – Continuing Operations	\$ (3,294)	\$ (16)	\$ (4,692)	\$ 2,635
Net Earnings \$ (Loss) – discontinued Operations	\$ (583)	\$ (639)	\$ (1,235)	\$ (1,781)
EBITDA	\$ (2,359)	\$ 194	\$ (2,968)	\$ 4,496
Earnings (Loss) per share (Basic)	\$ (0.12)	\$ (0.02)	\$ (0.18)	\$ 0.02
Earnings (Loss) per share - (Fully Diluted)	\$ (0.12)	\$ (0.02)	\$ (0.18)	\$ 0.02
Earnings (Loss) per share - Continuing Operations (Basic and Fully diluted)	\$ (0.10)	\$ (0.00)	\$ (0.15)	\$ 0.08
Earnings (Loss) per share - (Basic and Fully diluted) – Discontinued Operations	\$ (0.02)	\$ (0.02)	\$ (0.03)	\$ (0.06)

Net loss for the three months ended September 30, 2012 amounted to \$3,877 or a loss of \$0.12 per share on a fully diluted basis. This compares to the net loss for the three months ended September 30, 2011 of \$655 or a net loss of \$0.02 per share on a fully diluted basis. Net loss from continuing operations for the three months ended September 30 2012 amounted to \$3,294. This compares to the net loss from continuing operations for the three months ended September 30, 2011 of \$16. Net loss from discontinued operations for the three months ended September 30, 2012 was \$583. This compares to a net loss of \$639 for the three months ended September 30, 2011.

EBITDA for the three months ended September 30, 2012 amounted to (\$2,359). This compares to EBITDA for the three months ended September 30, 2011 of \$194.

Net loss for the nine months ended September 30, 2012 amounted to \$5,927 or a loss of \$0.15 per share on a fully diluted basis. This compares to the net earnings for the nine months ended September 30, 2011 of \$854 or net earnings of \$0.02 per share on a fully diluted basis. For the nine months ended September 30, 2012, the net loss from continuing operations was \$4,692 compared to net earnings from continuing operations of \$2,635 for the nine months ended September 30, 2011. The net loss from discontinued operations for the nine months ended September 30, 2012 was \$1,235. This compares to a net loss from discontinued operations for the nine months ended September 30, 2011 of \$1,781.

EBITDA for the nine months ended September 30, 2012 amounted to (\$2,968). This compares to EBITDA for the nine months ended September 30, 2011 of \$4,496.

The Company is still in the process of completing a restructuring, rationalization and technology upgrade during which time there will be significant transformation of the Company operations. Until that process is complete in early 2013 it will be necessary to maintain parallel information technology platforms together with the associated duplication of costs.

As part of that restructuring, on September 27, 2012 the Company announced that it is discontinuing its specialty entertainment business operating under the name iMark Events. As a result of this decision the Company has commenced terminating or redeploying staff employed in the division, closing additional facilities and negotiating the disposition of assets used in this division. The operations of the specialty entertainment business have been reported separately in these financial statements as discontinued operations.

The Company has recorded a one-time charge in the third quarter of 2012 totaling \$508 consisting primarily of employee severance related expenses arising from the implementation of the restructuring plan and the closure of several of the Company's contact centres. In addition, the discontinued operations reflect a write-down of \$136 to write off of the net book value of assets used in the specialty entertainment business and \$825 to reflect termination costs for employees and facilities.

As a result of the cost of continuing restructuring efforts and a decline in business results, Management has determined that the Company will require additional financing in order to complete the implementation of its restructuring plans and return the Company to profitability.

On October 10, 2012 the Company completed a \$1.5 million secured bridge loan financing from two shareholders who, together with their respective affiliates, own approximately 28.2% and 12.2% respectively of the currently issued and outstanding common shares of the Company. The bridge loan is evidenced by a promissory note having a one year term which bears interest of 20% per annum and is secured by a general security agreement in favor of the lenders granting security over all of the Company's assets together with a pledge of the shares of certain of the Company's significant subsidiaries. Additionally, two of the Company's U.S. subsidiaries guaranteed the indebtedness and granted security over their respective assets in support of such guarantees.

While the bridge financing addressed the short term liquidity issues faced by the Company and allowed it to continue with its restructuring, management is substantially advanced on a plan to finance future funding requirements.

Toronto, Ontario, Canada

November 30, 2012

iMarketing Solutions Group Inc.
For the three and nine months ended September 30, 2012
Management Discussion and Analysis

(In thousands of Canadian dollars, except share and per share information)

The following Management Discussion and Analysis of the financial condition and results of the operations and cash flows for iMarketing Solutions Group Inc. (the "Company") for the three and nine months ended September 30, 2012 should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements and related notes thereon and in conjunction with the audited Consolidated Financial Statements, the related notes to the Consolidated Financial Statements and the Management Discussion and Analysis contained in the Company's December 31, 2011 Annual Report.

Basis of Presentation

The unaudited condensed interim consolidated financial statements of iMarketing Solutions Group Inc. are prepared in accordance with IFRS which became effective on January 1, 2011 with retroactive application to January 1, 2010. The Company's significant accounting policies are summarized in Note 2 of the accompanying unaudited condensed interim consolidated financial statements.

Except as otherwise noted, the accompanying unaudited condensed interim consolidated financial statements are presented in Canadian dollars, the Company's functional currency. Neither gross margin nor earnings before interest, taxes, depreciation and amortization (EBITDA) have standardized meanings under International Financial Reporting Standards (IFRS) and, therefore, the comparison of these amounts to other enterprises may not be possible if the basis of calculation differs.

Gross margin and gross margin percentage of revenues may vary between enterprises depending on the expense categories included in cost of revenue versus branch overhead and corporate administration but as applied consistently between the periods under consideration provides a comparison between those periods of the Company's operations.

EBITDA is a financial metric used by many investors and lenders to compare companies and to evaluate the Company's ability to repay debt since this measure excludes from operating results interest, taxes and amortization.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements in this report may constitute "forward looking statements" and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any performance or achievement expressed or implied by such "forward looking statements." These "forward looking statements" reflect management's current beliefs and are based on information available to management as of the date of this report. Outlined below under the heading Business Risks are some of the key factors that could cause results to differ materially from the results outlined in the "forward looking statements."

The September 30, 2012 unaudited condensed consolidated financial statements ("Financial Statements") have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due and assumes that the Company will be able to meet its obligations and continue operations for at least the next twelve months. Realization values may be substantially different from carrying values as shown and these Financial Statements do not give effect to adjustments that may be

necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern and such adjustments could be material

At September 30, 2012, the Company had an accumulated deficit of \$7,261 (December 31, 2011 - \$1,331) and a working capital deficit of \$5,201 (December 31, 2011 surplus of \$1,363). In the three month period ended September 30, 2012, cash generated from (used in) operating activities was \$(253) (September 30, 2011 - \$1,094). The Company expects to incur further losses as it restructures its business. Continuing as a going concern is dependent upon accessing additional capital to pay liabilities arising in the normal course of operations and completing its restructuring activities to attain future profitable operations. The Company is substantially advanced on a plan to finance future funding requirements. There is no assurance that the Company will be able to obtain such financing, or obtain it on favorable terms. Without access to additional financing or other cash generating activities in the next twelve months, there is material uncertainty that casts substantial doubt that the Company will be able to continue as a going concern.

Overview

The Company is engaged in the business of profile enhancement for community based organizations, charities, political parties and other not for profit enterprises through the marketing and production of newsletters and marketing materials, direct mail and tele-fundraising activities.

The Company provides the following services to its clients:

- Fee for service fundraising and data development
- Revenue sharing
- Direct voter contact
- Subcontract work
- Marketing list rentals

Gross revenues

An analysis of gross revenues for the three months ended September 30 from continuing operations follows:

	2012	2011	+/-	% Change	2012 % of Total	2011 % of Total
Canada	\$6,679	\$8,617	\$(1,938)	(23%)	47%	52%
United States	7,425	8,062	(637)	(8%)	53%	48%
Total	\$14,104	\$16,679	\$(2,575)	(16%)	100%	100%

An analysis of gross revenues for the nine months ended September 30 from continuing operations follows:

	2012	2011	+/-	% Change	2012 % of Total	2011 % of Total
Canada	\$22,534	\$29,969	\$(7,435)	(25%)	46%	54%
United States	26,150	25,545	605	2%	54%	46%
Total	\$48,684	\$55,514	\$(6,830)	(12%)	100%	100%

Canadian revenues

In the third quarter of 2012 the Company experienced a year over year decrease of \$1,938 or 23%. For the nine months ended September 30 the Company experienced a year over year decrease of \$7,435 or 25%. The decline in revenue in the third quarter and on a year-to-date basis is a result of a significant decrease in the political fundraising and direct voter contact activities the Company was engaged in last year for its political clients. The Company has also experienced revenue reductions associated with its community fundraising activities in Canada.

US Revenues

In the third quarter of 2012 the Company's US revenues have decreased on a year over year basis by \$637 or 8%. This is a result of a significant decrease in revenues associated with the Company's community fundraising business. Included in the year over year increase is the positive foreign currency exchange rate fluctuations on converting the US dollar revenues into Canadian dollars of \$119.

For the nine months ended September 30 the Company's US revenues have increased on a year over year basis by \$605 or 2%. This is mainly due to a positive foreign exchange contribution of \$644.

Cost of revenue and gross margin

Since gross margin has no standardized IFRS meaning, the comparability of gross margin to other enterprises may not be possible if the basis of calculation of gross margin differs.

Gross margin and gross margin percentage of revenues may vary between enterprises depending on the expense categories included in cost of revenue versus branch overhead and corporate administration but applied consistently between the periods under consideration, these amounts provide a comparison between those periods of the Company's operations.

An analysis of cost of revenue for the three months ended September 30 follows (continuing operations):

	2012	2011	% of Revenues	
			2012	2011
Canada	\$4,069	\$4,572	61%	53%
United States	5,883	5,206	79%	65%
Total	\$9,952	\$9,778	71%	59%

An analysis of cost of revenue for the nine months ended September 30 follows (continuing operations):

	2012	2011	% of Revenues	
			2012	2011
Canada	\$13,262	\$15,126	59%	51%
United States	19,135	16,508	73%	65%
Total	\$32,397	\$31,634	67%	57%

An analysis of the gross margin for the three months ended September 30 follows (continuing operations):

	2012	2011	+/-	% Change
Canada:				
\$	\$2,609	\$4,044	\$(1,436)	(36%)
% of Revenue	39%	47%	(8%)	
United States:				
\$	1,543	2,857	(1,314)	(46%)
% of Revenue	21%	35%	(15%)	
Total				
\$	\$4,153	\$6,902	\$(2,749)	(40%)
% of Revenue	29%	41%	(12%)	

An analysis of the gross margin for the nine months ended September 30 follows (continuing operations):

	2012	2011	+/-	% Change
Canada				
\$	\$9,271	\$14,843	\$(5,571)	(38%)
% of Revenue	41%	50%	(8%)	
United States				
\$	7,015	9,037	(2,022)	(22%)
% of Revenue	27%	35%	(9%)	
Total				
\$	\$16,287	\$23,880	\$(7,593)	(32%)
% of Revenue	34%	43%	(10%)	

Canadian Gross Margin

In the third quarter of 2012 the Company experienced a year over year decrease in gross margin of approximately \$1,436 or 36%. The causes of the decline are the decrease in revenue from the Company's political, and community fundraising activities noted above.

For the nine months ended September 30 the Company experienced a year over year decrease in gross margin of approximately \$5,571 or 38%. The causes of the decline continue to stem from a decrease in revenue from the Company's political, and community fundraising activities.

US Gross Margin

In the US there was a decrease in gross margin of \$2,749 or 40% in the third quarter versus the previous year which is mainly attributed to weak community fundraising. Included in the year over year decrease is a positive impact of foreign currency exchange rate fluctuations on converting the US dollar revenues into Canadian dollars of \$52.

For the nine months ended September 30 there was a decrease in gross margin of \$2,022 or 22% versus the previous year, largely due to community fundraising. Included in the above results is a positive foreign currency exchange rate impact on converting the US dollar revenues into Canadian dollars of \$230.

Operating expenses

A comparative analysis of the operating expenses for the three months ended September 30 follows (continuing operations):

	2012	2011	+/-	% Change
Branch overhead and corporate administration	\$6,511	\$6,707	(\$196)	(3%)
Depreciation of equipment	338	365	(27)	(7%)
Amortization of intangible assets	67	66	1	-
Total	\$6,916	\$7,138	(\$222)	(3%)

A comparative analysis of the operating expenses for the nine months ended September 30 follows (continuing operations):

	2012	2011	+/-	% Change
Branch overhead and corporate administration	\$19,255	\$19,384	(\$129)	-
Depreciation of equipment	1,014	1,034	(20)	(2%)
Amortization of intangible assets	200	199	1	-
Total	\$20,469	\$20,617	(\$148)	-

Non-operating income (expense)

A comparative analysis of the non-operating income and expense for the three months ended September 30 follows (continuing operations):

	2012	2011	+/-	% Change
Interest expense	\$28	\$17	\$11	65%
Restructuring charge	508	-	508	-
Total	\$536	\$17	\$519	3,053%

A comparative analysis of the non-operating income and expense for the nine months ended September 30 follows (continuing operations):

	2012	2011	+/-	% Change
Interest expense	\$77	\$63	\$14	22%
Restructuring charge	726	-	726	-
Total	\$803	\$63	\$740	1,175%

Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”)

EBITDA is a financial metric used by many investors and lenders to compare companies and used by management to evaluate the Company’s ability to repay debt since this measure excludes from operating results interest, taxes and amortization.

Since EBITDA has no standardized IFRS meaning, the comparability of EBITDA to other enterprises may not be possible if the basis of calculation of EBITDA differs.

An analysis of EBITDA for the three months ended September 30 follows (continuing operations):

	2012	2011	+/-	% Change
Net loss for the period	\$ (3,294)	\$ (16)	\$ (3,278)	-20488%
Income tax expense/(recovery)	(6)	(238)	232	97%
Depreciation and amortization	405	431	(26)	-6%
Restructuring charges	508	-	508	-
Interest expense	28	17	11	65%
EBITDA	(\$2,359)	\$194	(\$2,553)	-1316%

An analysis of EBITDA for the nine months ended September 30 follows (continuing operations):

	2012	2011	+/-	% Change
Net earnings (loss) for the period	\$ (4,692)	\$ 2,635	\$ (7,327)	-278%
Income tax expense/(recovery)	(293)	565	(858)	-152%
Depreciation and amortization	1,214	1,233	(19)	-2%
Restructuring charges	726	-	726	-
Interest expense	77	63	14	22%
EBITDA	\$ (2,968)	\$ 4,496	\$ (7,464)	-166%

Net earnings

An analysis of net earnings for the three months ended September 30 follows (continuing operations):

	2012	2011	+/-	% Change
Loss before income taxes	\$ (3,300)	\$ (254)	\$ (3,046)	-1,199%
Income tax recovery	6	238	(232)	-97%
Net earnings (loss) for the period	\$ (3,294)	\$ (16)	\$ (3,278)	NM
Basic net earnings (loss) per share	\$ (0.10)	\$ (0.00)	\$ (0.10)	-
Diluted net earnings (loss) per share	\$ (0.10)	\$ (0.00)	\$ (0.10)	-

The major components of the decrease in earnings before income taxes of \$3,045 for the three months ended September 30, 2012 versus the three months ended September 30, 2011 are as follows (continuing operations):

Decrease in gross margin	\$ (2,749)
Decrease in branch overhead and corporate administration	196
Decrease in depreciation and amortization	27
Increase in interest expense	(11)
Increase in restructuring charges	<u>(508)</u>
Increase in loss before taxes	<u>\$ (3,045)</u>

An analysis of net earnings for the nine months ended September 30 follows (continuing operations):

	2012	2011	+/-	% Change
Earnings (loss) before income taxes	(4,985)	3,200	(8,185)	-256%
Income tax expense (recovery)	293	(565)	858	-152%
Net earnings (loss) for the period	(4,692)	2,635	(7,327)	-278%
Basic net earnings (loss) per share	(0.15)	0.08	(0.23)	-275%
Diluted net earnings (loss) per share	(0.15)	0.08	(0.23)	-275%

The major components of the decrease in earnings before income taxes of \$8,184 for the nine months ended September 30, 2012 versus the nine months ended September 30, 2011 are as follows (continuing operations):

Decrease in gross margin	\$ (7,593)
Decrease in branch overhead and corporate administration	129
Decrease in depreciation and amortization	20
Increase in interest expense	(14)
Increase in restructuring charges	<u>(726)</u>
Increase in loss before taxes	<u>\$ (8,184)</u>

Capital resources and liquidity

The Company had a working capital deficit at September 30, 2012 of \$ 5,201 which was a reduction of \$6,564 in its working capital position since December 31, 2011.

Capital expenditures for the three months ended September 30, 2012 were \$448 (September 30, 2011 – Nil). Capital expenditures for the nine months ended September 30, 2012 were \$791 compared with \$1,974 for the nine months ended September 30, 2011.

Management has determined that the Company will require additional financing in order to complete the implementation of its restructuring plans and return the Company to profitability. The Company completed a \$1.5 million bridge loan subsequent to the quarter end on October 10, 2012 to address short term liquidity requirements. Management is substantially advanced on a plan to finance future funding requirements.

Credit facilities

The Company has a demand operating line of credit with a Canadian Chartered Bank in the amount of \$2,000 bearing interest at the bank's prime lending rate plus 1.25%, with interest payable monthly and secured by a general security interest in the overall assets of one of its most significant subsidiaries, subject to the first charge security on the assets noted below. The operating line of credit is limited to eligible accounts receivable. This is a standalone arrangement and is not guaranteed by the Company nor secured by any assets other than the subsidiary's. As at September 30, 2012 the Company had drawn down on this loan in the amount of \$1,927 (December 31, 2011 - \$498).

Share capital

Authorized

Unlimited number of:

Class A common voting shares, without par value

Class B non-voting convertible preferred shares – none issued or outstanding

<u>Issued</u>	September 30, 2012		December 31, 2011	
	Shares (000's)	(\$ 000's)	Shares (000's)	(\$ 000's)
Class A Common Shares				
Balance, beginning of period	32,385	11,325	32,718	11,436
Repurchase and cancellation of shares	-	-	(333)	(111)
	32,385	11,325	32,385	11,325
Share purchase financed by collateralized promissory note	(351)	(534)	(351)	(534)
Balance, end of period	32,034	10,791	32,034	10,791

Business risks

Except as discussed below and elsewhere in this report, the Company's business risks have not changed since December 31, 2011 as reported in the Company's 2011 Annual Report.

In the third quarter, the Company concluded that the increasing level of risks in the specialty entertainment business relative to the potential profitability did not warrant continuation of such business division. Consequently the Company announced on September 27 that it was discontinuing such business. The activities of this business segment have been reported as discontinued operations separately in these financial statements.

As identified in the second quarter financial report, continuing as a going concern is dependent upon accessing additional capital to pay liabilities arising in the normal course of operations and completing its restructuring activities to attain future profitable operations. The Company is substantially advanced on a plan to finance its future funding requirements. There is no assurance that the Company will be able to obtain such financing, or obtain it on favorable terms. Without access to additional financing or other cash generating activities in the next twelve months, there is material uncertainty that casts substantial doubt that the Company will be able to continue as a going concern.

Contingencies

The Company is involved, from time to time, in litigious matters, primarily related to employment practice issues and telemarketing regulatory compliance. In the opinion of management, there are no known matters that potentially would have a material adverse effect on the financial condition of the Company.

Subsequent Events

On November 23, 2012 the Company announced it had received approval from the TSX Venture Exchange for a voluntary delisting of the Company's common shares on the TSX-V and has received conditional approval from the Canadian National Stock Exchange for listing of the Company's common shares on the CNSX.

Annual review

The following is a tabular analysis of the financial results for the Company for continuing operations except where specifically noted for each of the last two fiscal years ended December 31. All amounts are in \$ millions except per share data.

	FYE 2011	FYE 2010 [*]
Revenue	\$ 72.1	\$ 85.0
Gross margin	\$ 29.2	\$ 22.7
Earnings (loss) before taxes	\$ 0.2	-
Net earnings (loss) – continuing operations	\$(2.3)	-
Net earnings (loss) - total	\$(5.3)	-
EBITDA	\$ 2.8	\$ 0.8
Basic and Diluted EPS – continuing operations	\$ (0.07)	\$.01
Net earnings (loss)- discontinued operations	\$(3.0)	
Basic and Diluted EPS – discontinued Operations	\$(0.09)	

^{*} Excludes impact of change in method of revenue measurement applied retroactively to 2010

^{*} Data for discontinued operations is not available for 2010 so the 2010 amounts include continuing and discontinued operations.

Outlook

While it is difficult to assess, it is possible that the Company will continue to experience reductions in revenue in its primary telemarketing activities as a result of government regulations and consumer resistance. In response, the Company is actively working to develop alternative marketing channels to counter these challenges.

The Company is in the process of a complete restructuring, rationalization and technology upgrade during which time there will be significant transformation of the Company operations. Until that process is completed later this year it will be necessary to maintain parallel information technology platforms together with the associated duplication of costs. The Company has accrued restructuring charges (note 6) consisting of employee severance related expenses largely arising from the closure of the Company's Calgary facility and other contact centers as well as information technology integration activities.

As a result of the cost of continuing restructuring efforts and a decline in business results, Management has determined that the Company will require additional financing in order to complete the implementation of its restructuring plans and return the Company to profitability. The Company completed a \$1.5 million bridge loan subsequent to the quarter end on October 10, 2012 to address short term liquidity requirements. Management is substantially advanced on a plan to finance future funding requirements.

Management's Responsibility for Financial Statements

To the Shareholders of iMarketing Solutions Group Inc.:

The accompanying unaudited condensed interim consolidated financial statements of iMarketing Solutions Group Inc. and its subsidiary companies (Company) and all information in this report have been prepared by management and approved by the Board of Directors of the Company. The unaudited condensed interim consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and reflect management's best estimates and judgments. Management is responsible for the accuracy, integrity and objectivity of the condensed interim financial statements within reasonable limits of materiality. Financial and operating data elsewhere in this annual report are consistent with the information contained in the condensed interim financial statements.

The September 30, 2012 unaudited condensed consolidated financial statements ("Financial Statements") have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due and assumes that the Company will be able to meet its obligations and continue operations for at least the next twelve months. Realization values may be substantially different from carrying values as shown and these Financial Statements do not give effect to adjustments that may be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. Continuing as a going concern is dependent upon accessing additional capital to pay liabilities arising in the normal course of operations and completing its restructuring activities to attain future profitable operations. The Company is substantially advanced on a plan to finance its future funding requirements. There is no assurance that the Company will be able to obtain such financing, or obtain it on favorable terms. Without access to additional financing or other cash generating activities in the next twelve months, there is material uncertainty that casts substantial doubt that the Company will be able to continue as a going concern.

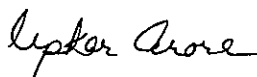
To assist management in the discharge of these responsibilities, the Company maintains a system of internal controls designed to provide reasonable assurance that its assets are safeguarded, that only valid and authorized transactions are executed, and that accurate, timely and comprehensive financial information is prepared.

The Board of Directors carries out its responsibility for the financial statements in this report principally through its Audit Committee. The majority of the Members of the Audit Committee are independent non-management directors and all members of the Audit Committee are appointed by the Board of Directors. The Audit Committee meets with management and the external auditors to discuss the results of the annual audit examinations with respect to the adequacy of internal accounting controls and to review and discuss the unaudited condensed interim consolidated financial statements and financial reporting matters.

These unaudited condensed interim consolidated financial statements for the three months ended September 30, 2012 have not been reviewed by the Company's external auditors, Collins Barrow Toronto LLP.



Andrew Langhorne
Chief Executive Officer



Upkar Arora
Chief Financial Officer

Toronto, Ontario, Canada
November 28, 2012

iMarketing Solutions Group Inc.
Unaudited Condensed Interim Consolidated Statements of Financial Position
(In thousands of Canadian dollars)

As at		September 30,	December 31,
	Note	2012	2011
			Note 3
Assets			
Current assets			
Cash		\$ 507	\$ 448
Trade and other receivables		5,270	7,742
Income taxes recoverable		3	-
Prepaid expenses and other current assets		709	984
Current assets of discontinued operations	5	637	126
Total current assets		7,126	9,300
Equipment		3,610	4,020
Intangible assets		1,911	2,111
Total assets		\$ 12,647	\$ 15,431
Liabilities			
Current liabilities			
Bank indebtedness	4	\$ 2,450	\$ 498
Trade and other payables		6,864	6,089
Other provisions		45	153
Deferred revenue		-	5
Accrued restructuring charges	6	1,112	543
Bank loans		44	144
Current Liabilities of Discontinued Operations	5	1,812	505
Total current liabilities		12,327	7,937
Deferred tenant inducement		-	56
Accrued restructuring charges -- non-current	6	146	352
Deferred income taxes		646	1,275
Finance lease obligation		21	31
Total liabilities		13,140	9,651

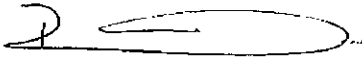
See accompanying notes to the unaudited condensed interim consolidated financial statements.

iMarketing Solutions Group Inc.
Unaudited Condensed Interim Consolidated Statements of Financial Position
(In thousands of Canadian dollars)

As at		September 30,	December 31,
	Note	2012	2011
Shareholders' equity			Note 3
Share capital	7	10,791	10,791
Contributed surplus		678	678
Accumulated other comprehensive loss		(4,701)	(4,358)
Deficit		(7,261)	(1,331)
Total shareholders' equity		(493)	5,780
Total liabilities and shareholders' equity		\$ 12,647	\$ 15,431

See accompanying notes to the unaudited condensed interim consolidated financial statements.

Approved by the Board of Directors:



Director



Director

iMarketing Solutions Group Inc.
Unaudited Condensed Interim Consolidated Statements of Operations
(In thousands of Canadian dollars, except per share amounts)

For the periods ended September 30	Note	Three months ended		Nine months ended	
		2012	2011	2012	2011
			Notes 3 and 5		Notes 3 and 5
Revenue		\$ 14,104	\$16,679	\$ 48,684	\$55,514
Cost of revenue		9,952	9,778	32,397	31,634
Gross margin		4,152	6,901	16,287	23,880
Operating expenses					
Branch overhead and corporate administration	9	6,511	6,707	19,255	19,384
Depreciation of equipment		338	365	1,014	1,034
Amortization of intangible assets		67	66	200	199
Total operating expenses		6,916	7,138	20,469	20,617
Operating earnings		(2,764)	(237)	(4,182)	3,263
Non-operating income (expense)					
Interest expense		(28)	(17)	(77)	(63)
Restructuring charges	6	(508)	-	(726)	-
Total non-operating income (expense)		(536)	(17)	(803)	(63)
Earnings (loss) before income taxes		(3,300)	(254)	(4,985)	3,200
Income taxes					
Current income tax recovery (expense)		6	238	293	(565)
Deferred income tax recovery (expense)		-	-	-	-
Total income tax recovery (expense)		6	238	293	(565)
Net earnings (loss) for the period - (continuing operations)		\$ (3,294)	\$ (16)	\$ (4,692)	\$ 2,635
Net loss from discontinued operations (net of tax)	5	\$ (583)	\$ (639)	\$ (1,235)	\$ (1,781)
Net earnings (loss) for the period		\$ (3,877)	\$ (655)	\$ (5,927)	\$ 854

See accompanying notes to the unaudited condensed interim consolidated financial statements.

iMarketing Solutions Group Inc.
Unaudited Condensed Interim Consolidated Statements of Operations
(In thousands of Canadian dollars, except per share amounts)

For the periods ended September 30	Note	Three months ended		Nine months ended	
		2012	2011	2012	2011
Basic and diluted earnings (loss) per share		\$(0.12)	\$(0.02)	\$(0.18)	\$0.02
Basic and diluted earnings (loss) per share (continuing operations)		\$ (0.10)	\$0.00	\$ (0.15)	\$0.08
Basic and diluted earnings (loss) (discontinuing operations)		\$ (0.02)	\$(0.02)	\$ (0.03)	(\$0.06)
Basic weighted average number of shares outstanding		32,206	32,107	32,206	32,416
Diluted weighted average number of shares outstanding		32,206	32,163	32,206	32,264

See accompanying notes to unaudited condensed interim consolidated financial statements.

iMarketing Solutions Group Inc.

Unaudited Condensed Interim Consolidated Statements of Comprehensive Income (Loss)
(In thousands of Canadian dollars, except per share amounts)

For the periods ended September 30	Note	Three months ended		Nine months ended	
		2012	2011	2012	2011
Net earnings (loss) for the period		\$ (3,877)	Note 3 \$ (655)	\$ (5,927)	Note 3 \$ 854
Foreign currency translation adjustment		(324)	24	(343)	(7)
Comprehensive income (loss) for the period		\$ (4,201)	\$ (631)	\$ (6,270)	\$ 847

See accompanying notes to unaudited condensed interim consolidated financial statements.

Unaudited Condensed Interim Consolidated Statements of Changes in Equity
(In thousands of Canadian dollars, except per share amounts)

For the periods ended September 30	Note	Three months ended		Nine months ended	
		2012	2011	2012	2011
			Note 3		Note 3
Share capital					
Balance, beginning of period		\$10,791	\$10,849	\$10,791	\$10,902
Repurchase and cancellation of shares		-	(58)	-	(111)
Balance, end of period		\$10,791	\$10,791	\$10,791	\$10,791
Contributed surplus					
Balance, beginning of period		\$ 678	\$ 669	\$ 678	\$ 664
Discount from book value on share repurchase		-	9	-	14
Balance, end of period		\$ 678	\$ 678	\$ 678	\$ 678
Accumulated other comprehensive loss					
Balance, beginning of period		\$ (4,377)	\$ (4,273)	\$(4,358)	\$(4,242)
Foreign currency translation change		(324)	24	(343)	(7)
Balance, end of period		\$ (4,701)	\$ (4,249)	\$(4,701)	\$(4,249)

iMarketing Solutions Group Inc.
 Unaudited Condensed Interim Consolidated Statements of Changes in Equity
 (In thousands of Canadian dollars, except per share amounts)

For the periods ended September 30	Note	Three months ended		Nine months ended	
		2012	2011	2012	2011
Retained earnings (deficit)					
Balance, beginning of period as previously reported		\$ (3,380)	\$ 5,922	\$ (831)	\$ 4,460
Prior period adjustment			(356)	(500)	(262)
Balance, beginning of period as restated		\$ (3,380)	\$ 5,570	\$ (1,331)	\$ 4,198
Net earnings (loss) for the period as previously reported		(3,877)	(655)	(5,927)	811
Prior period adjustment		-	(47)	-	(141)
Net earnings (loss) for the period as restated		(3,877)	(702)	(5,927)	670
Balance, end of period		\$ (7,257)	\$ 4,868	\$ (7,257)	\$ 4,868

See accompanying notes to unaudited condensed interim consolidated financial statements.

iMarketing Solutions Group Inc.
Unaudited Condensed Interim Consolidated Statements of Cash Flows
Unaudited
(In thousands of Canadian dollars, except per share amounts)

For the periods ended September 30	Note	Three months ended		Nine months ended	
		2012	2011	2012	2011
			Note 3		Note 3
Cash flow from (used in) operating activities					
Net earnings (loss) from continuing operations		\$ (3,294)	\$ (16)	\$ (4,692)	\$ 2,635
Items not affecting cash:					
Depreciation of equipment		338	365	1,014	1,034
Amortization of intangible assets		67	66	200	199
Adjustment for non-cash tenant inducement rent credit		(18)	(14)	(56)	(56)
Deferred income tax expense (recovery)		(335)	(726)	(629)	107
		(3,242)	(325)	(4,163)	3,919
Non-cash working capital from continuing operations					
Trade and other receivables		1,115	445	2,472	(467)
Prepaid expenses and other current assets		(137)	(81)	272	(579)
Restructuring charge		355	-	363	-
Trade and other payables		2,036	978	667	(394)
Deferred revenue		(424)	(435)	(5)	-
Change in non-cash working capital items from continuing operations		2,945	907	3,769	(1,440)
Change in non-cash working capital items from discontinued operations		550	(512)	(255)	(1,656)
Cash flow from operating activities		253	70	(649)	823
Cash flow from (used in) financing activities					
Increase (decrease) in bank indebtedness		1,063	23	1,952	(209)
Long term debt repaid		(34)	(57)	(100)	(224)
(Repayments to) advances from related parties		-	-	-	(400)
Repurchase of share capital		-	(49)	-	(96)
(Repayment of) advances under finance lease obligation		(3)	(35)	(10)	-
Cash flow from (used in) financing activities		1,026	(118)	1,842	(929)

iMarketing Solutions Group Inc.
Unaudited Condensed Interim Consolidated Statements of Cash Flows
Unaudited
(In thousands of Canadian dollars, except per share amounts)

For the periods ended September 30	Note	Three months ended		Nine months ended	
		2012	2011	2012	2011
Cash flow from (used in) investing activities					
Investment in equipment		(448)	-	(791)	(1,974)
Cash flow from (used in) investing activities		(448)	-	(791)	(1,974)
Effect of exchange rate fluctuations on cash		(324)	24	(343)	(7)
Net increase (decrease) in cash		507	(24)	59	(2,087)
Cash, beginning of period		-	259	448	2,322
Cash, end of period		\$ 507	\$235	\$ 507	\$235

Supplemental information (continuing operations)

Cash payments (receipts)

• Income taxes	(6)	(238)	(293)	565
• Interest expense	28	17	77	63

See accompanying notes to unaudited condensed interim consolidated financial statements.

iMarketing Solutions Group Inc.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2012 and 2011
(In thousands of Canadian dollars, except share and per share information)

Note 1 Nature of Operations

iMarketing Solutions Group Inc. and its subsidiary companies (the "Company") are engaged in the business of profile enhancement for community based organizations, charities, political organizations and other not for profit enterprises through the marketing and production of newsletters, marketing materials, direct mail and fundraising activities.

The Company is incorporated in the province of Alberta with shares listed on the TSX Venture Exchange (TSX V: XDM). The registered head office address is 4014 McLeod Trail S., Calgary, Alberta T2G 2R7.

Going concern

The September 30, 2012 unaudited condensed interim consolidated financial statements ("Financial Statements") have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due and assumes that the Company will be able to meet its obligations and continue operations for at least the next twelve months. Realization values may be substantially different from carrying values as shown and these Financial Statements do not give effect to adjustments that may be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

At September 30, 2012, the Company had an accumulated deficit of \$7,261 (December 31, 2011 - \$1,331) and a working capital deficit of \$5,201 (December 31, 2011 surplus of \$1,363). In the three month period ended September 30, 2012, cash generated from (used in) operating activities was \$(253) (September 30, 2011 - \$1,094). The Company expects to incur further losses as it restructures its business. Continuing as a going concern is dependent upon accessing additional capital to pay liabilities arising in the normal course of operations and completing its restructuring activities to attain future profitable operations. The Company is substantially advanced on a plan to finance future funding requirements. There is no assurance that the Company will be able to obtain such financing, or obtain it on favorable terms. Without access to additional financing or other cash generating activities in the next twelve months, there is material uncertainty that casts substantial doubt that the Company will be able to continue as a going concern.

Note 2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise noted.

Statement of compliance and basis of presentation

(a) Statement of compliance:

These unaudited condensed interim consolidated financial statements have been prepared under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) incorporating interpretations issued by the IFRS Interpretations Committee (“IFRICs”). These condensed interim financial statements of the Company have been prepared in accordance with IAS 34, Interim Financial Reporting. These unaudited condensed interim consolidated financial statements have been prepared in accordance with the accounting policies included in its December 31, 2011 annual financial statements. These accounting policies are based on the IFRS and IFRICs applicable at that time. The unaudited condensed interim consolidated financial statements do not include all of the information required for full annual financial statements.

(b) Basis of presentation

The unaudited condensed interim consolidated financial statements, which are presented in Canadian Dollars, rounded to the nearest thousand (unless otherwise stated), have been prepared under the historical cost convention, as modified by the measurement at fair value of certain financial assets and financial liabilities including cash. Share options and share awards granted to employees and third parties are recognized at fair value at the date of grant.

The accounting policies set out in the Company’s 2011 Annual Report have been applied consistently by all of the Company’s subsidiaries, unless otherwise stated.

The preparation of these unaudited condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets liabilities income and expenses. Actual amounts may differ from these estimates. Significant estimates made in the preparation of these financial statements were outlined in detail in the Company’s 2011 Annual Report.

Note 3 Corrections of Errors and Restatement

The September 30, 2011 and December 31, 2011 comparative amounts have been restated for the following:

- (a) To correct an error in the measurement of revenues resulting in a decrease in trade and other receivables, a decrease in revenue, an increase in net loss for the period and a decrease in retained earnings of \$47 for the 3 month period ended September 30, 2011; \$141 for the nine month period ended September 30, 2011; and a total of \$500 for the years ended December 31, 2009, 2010 and 2011.
- (b) To correct an error in the measurement of revenue and costs of revenue in relation to certain customer contracts. The Company recorded revenue in relation to certain customer contracts as if it was the principal under the terms of the contract when in fact the Company was acting as an agent for the customer. As a result the revenue and cost of revenue were overstated by \$1,275 and \$3,855 for the 3 and 9 month periods ended September 30, 2011 respectively. The correction of the error had no impact on the 2011 net loss or retained earnings.

Note 4 Credit Facilities

The Company has a demand operating line of credit with a Canadian Chartered Bank in the amount of \$2,000 bearing interest at the bank's prime lending rate plus 1.25%, with interest payable monthly and secured by a general security interest in the overall assets of one of its most significant subsidiaries, subject to the first charge security on the assets noted below. The operating line of credit is limited to eligible accounts receivable. This is a standalone arrangement and is not guaranteed by the Company nor secured by any assets other than subsidiary's. As at September 30, 2012 the Company had drawn down on this loan in the amount of \$ 1,927 (December 31, 2011 \$498).

Note 5 Discontinued Operations

The Company has substantially completed the wind down of its iMark Events business operations announced on September 27, 2012, with the exception of continuing to provide customer support. The Company has segregated assets, liabilities and results of operations specifically identifiable with the discontinued operations from those of the ongoing business.

The following tables set out the assets and liabilities related to discontinued operations

	September 30, 2012	December 31, 2011
Current assets of discontinued operations		
Cash	\$ 381	\$ -
Prepays	117	126
Trade receivables	139	-
	<u>\$ 637</u>	<u>\$ 126</u>
Current liabilities of discontinued operations		
Deferred revenue	\$ 83	\$ 263
Payables	903	242
Restructuring Provision	825	-
	<u>\$ 1,812</u>	<u>\$ 505</u>

The following table sets out the operations related to discontinued operations

	3 Months Ended September 30		9 Months Ended September 30	
	2012	2011	2012	2011
Revenue	\$ 2,716	\$ 2,730	\$ 7,288	\$ 9,511
Gross margin	855	(198)	1,116	(455)
Corporate expenses	480	441	1,393	1,326
Operating gain (loss)	375	(639)	(277)	(1,781)
Interest expense	-	-	-	-
Restructuring charges	958	-	958	-
Net earnings (loss)	<u>\$ (583)</u>	<u>\$ (639)</u>	<u>\$ (1,235)</u>	<u>\$ (1,781)</u>

Note 6 Restructuring Costs

The Company recorded restructuring costs in the fourth quarter of 2011 in the amount of \$895. These costs are comprised of employee severance related expenses largely arising out of the 2012 closure of the Company's Calgary facility and other contact centers and information technology integration activities.

The Company has recorded a further restructuring charge of \$508 in the third quarter of 2012. These costs are a result of formalizing additional employee severance costs arising from the August 2012 closure of the Company's Calgary facility other contact centers. Costs for employee and facility terminations for the discontinued business have been included in discontinued operations.

The following table provides a continuity analysis of the reserve for restructuring costs:

	Current	Non-Current	Total
Opening Balance – January 1, 2012	\$ 543	\$ 352	\$ 895
Payments – Q1 2012	(120)	-	(120)
Payments – Q2 2012	(90)	-	(90)
Additions – Q2 2012	137	81	218
Payments – Q3 2012	(153)	-	(153)
Additions – Q3 2012	529	33	562
Adjustments and reclass - Q3, 2012	266	(320)	(54)
Closing Balance – September 30, 2012	\$ 1,112	\$ 146	\$ 1,258

Note 7 Share Capital

Authorized

Unlimited number of:

Class A common voting shares, without par value

Class B non-voting convertible preferred shares – none issued or outstanding

<u>Issued</u>	September 30, 2012		December 31, 2011	
	Shares (000's)	(\$ 000's)	Shares (000's)	(\$ 000's)
Class A Common Shares				
Balance, beginning of period	32,385	11,325	32,718	11,436
Repurchase and cancellation of shares	-	-	(333)	(111)
	32,385	11,325	32,385	11,325
Share purchase financed by collateralized promissory note	(351)	(534)	(351)	(534)
Balance, end of period	32,034	10,791	32,034	10,791

Note 8 Commitments

The Company rents certain equipment and premises under operating leases requiring minimum rental payments as follows:

2012	\$ 662 (October – December 2012)
2013	2,198
2014	1,970
2015	1,439
2016 and thereafter	3,256

The Company has contract payments and royalty guarantees to client organizations requiring minimum annual payments as follows:

2012	\$ 695 (October – December 2012)
2013	1,304
2014	250
2015	100
2016 and thereafter	-

Note 9 Related Party Disclosures

During the nine months ended September 30, 2012 and 2011 the Company incurred expenses to related parties, who were related as a result of being officers, directors and/or significant shareholders of the Company, as follows:

	2012	2011
Management fees	\$ 75	\$ 182
Interest expense	-	9
Director's fees	29	88
Consulting fees	303	45
Officer's salaries and short term benefits	1,069	1,240

Subsequent to the end of the quarter, on October 10, 2012 the Company completed a \$1.5 million secured bridge loan financing from two shareholders who, together with their respective affiliates, own approximately 28.2% and 12.2% respectively of the currently issued and outstanding common shares of the Company. The bridge loan is evidenced by a promissory note having a one year term which bears interest of 20% per annum and is secured by a general security agreement in favor of the lenders granting security over all of the Company's assets together with a pledge of the shares of certain of the Company's significant subsidiaries. Additionally, two of the Company's U.S. subsidiaries guaranteed the indebtedness and granted security over their respective assets in support of such guarantees.

Note 10 Capital Disclosures

The Company's capital structure is comprised of the following:

	September 30, 2012	December 31, 2011
Shareholders' equity	\$ (493)	\$ 5,780

As a result of the cost of continuing restructuring efforts and a decline in business results, Management has determined that the Company will require additional financing in order to complete the implementation of its restructuring plans and return the Company to profitability. Management is substantially advanced on a plan to finance future funding requirements.

Note 11 Segmented Information

The Company operates in one business segment assisting not for profit, political and fundraising organizations in conducting fundraising activities. The Company operates in two geographic areas, Canada and the United States of America (continuing operations):

For the three months ended September 30

	2012			2011		
	Canada	USA	Total	Canada	USA	Total
Gross revenues	6,678	7,425	14,103	8,617	8,062	16,679
Interest expense	28	-	28	17	-	17
Depreciation & amortization	233	172	405	332	99	431
Income tax expense (recovery)	(6)	-	(6)	(238)	-	(238)
Capital expenditures	313	135	448	(19)	19	-

For the nine months ended September 30

Gross revenues	22,535	26,150	48,685	29,969	25,545	55,514
Interest expense	77	0	77	63	-	63
Depreciation & amortization	869	345	1,214	947	286	1,233
Income tax expense (recovery)	(293)	-	(293)	565	-	565
Capital expenditures	387	404	791	1,789	185	1,974

Total Assets

	30-Sep-12			31-Dec-11		
	Canada	United States	Total	Canada	United States	Total
Total assets	\$ 8,347	\$ 4,300	\$ 12,647	\$ 10,981	\$ 4,450	\$ 15,431
Equipment	\$ 2,596	\$ 1,014	\$ 3,610	\$ 2,891	\$ 1,129	\$ 4,020
Intangible Assets	\$ 1,911	-	1,911	\$ 2,111	-	\$ 2,111

iMarketing Solutions Group Inc.

Corporate Information

Board of Directors

James H. Ambrose
Partner
Argosy Partners Ltd.
Toronto, Ontario

A. Richard G. Reid
Partner
Argosy Partners Ltd.
Toronto, Ontario

B. Andrus Wilson
President
YTW Growth Capital Partners Inc.
Toronto, Ontario

Michael M. Davis
Founder, Managing Director, Political
iMarketing Solutions Group Inc.
Toronto, Ontario

Michael P. Platz
Director
iMarketing Solutions Group Inc.
Toronto, Ontario

David A. Winograd
President
iMarketing Solutions Group Inc.
Milwaukee, Wisconsin

Michael A. Neuman
Managing Director
Elevest Corporation
Toronto, Ontario

Management

Andrew B. Langhorne
Chief Executive Officer
Toronto, Ontario

David A. Winograd
President
Milwaukee, Wisconsin

Michael M. Davis
Founder, Managing Director, Political
Toronto, Ontario

Upkar Arora
Chief Financial Officer
Toronto, Ontario

Auditors

Collins Barrow Toronto LLP

Legal Counsel

Heenan Blaikie LLP
Copilevitz & Canter LLC

Transfer Agent

Computershare Trust Company of Canada

Stock Listing

TSX Venture Exchange
Trading symbol: XDM

Exhibit “U”

PPSA Summary – iMarketing Solutions Group Inc. (“IMSG”)

Reference File No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
68332236	Shotgun Fund Limited Partnership III	IMSG	December 4, 2012 (exp. Dec. 4, 2015)	Inv, equip, accts, other, MV incl.
683833437	Pitney Bowes Global Financial Services	IMSG	December 31, 2012 (exp. Dec. 31, 2016)	Equip, other, no fixed maturity date - Lease 768140 Digital Copier - Lease 768123 Digital Copier - Lease 768131 Digital Copier - Lease 768134 Digital Copier - Lease 768145 Digital Copier - Lease 768146 Digital Copier

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408095043.06

REPORT : PSSR060
PAGE : 1
(6916)

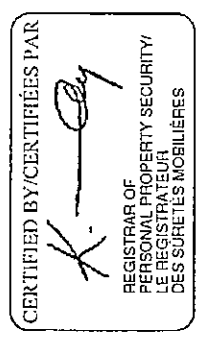
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SEARCH CONDUCTED ON : IMARKETING SOLUTIONS GROUP INC.
FILE CURRENCY : 07APR 2013

ENQUIRY NUMBER 20130408095043.06 CONTAINS 5 PAGE(S), 2 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

THORNTONGROUTFINNIGAN (MCROBERTS) (SIR)
3200 - 109 WELLINGTON STREET WEST
TORONTO ON M5K 1K7



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408095043.06

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IMARKETING SOLUTIONS GROUP INC.
FILE CURRENCY : 07APR 2013

FORM 1C FINANCING STATEMENT / CLAIM FOR ITEM

00 FILE NUMBER
683833437

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FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
01 002 20121231 1031 8077 5348 P PPSA 4

02 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 BUSINESS NAME IMARKETING SOLUTIONS GROUP INC TORONTO
04 ADDRESS 5TH - 481 UNIVERSITY AVE TORONTO
ONTARIO CORPORATION NO.
ON M5G 2E9

05 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 BUSINESS NAME
07 ADDRESS
ONTARIO CORPORATION NO.

08 SECURED PARTY / PITNEY BOWES GLOBAL FINANCIAL SERVICES
09 LIEN CLAIMANT ADDRESS 5500 EXPLORER DRIVE MISSISSAUGA ON L4W 5C7

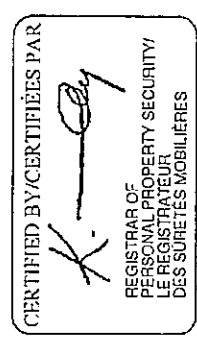
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GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
X X X

11 YEAR MAKE MODEL V.I.N.
12 MOTOR VEHICLE

13 GENERAL LEASE 768140 DIGITAL COPIER MY2X LEASE 768123 DIGITAL COPIER
14 COLLATERAL MY3X LEASE 768131 DIGITAL COPIER MY2X LEASE 768134 DIGITAL COPIER
15 DESCRIPTION MY2X LEASE 768145 DIGITAL COPIER MY3X LEASE 768146 DIGITAL COPIER

16 REGISTERING AGENT REGISTRY = RECOVERY INC.
17 ADDRESS 1551 THE QUEENSWAY TORONTO ON M8Z 1T5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***
CONTINUED... 3



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408095043.06

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MARKETING SOLUTIONS GROUP INC.
FILE CURRENCY : 07APR 2013

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
681833417

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FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
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04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.
06 NAME BUSINESS NAME ADDRESS
07 ADDRESS

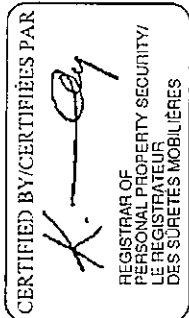
08 SECURED PARTY / LIEN CLAIMANT ADDRESS
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10 COLLATERAL CLASSIFICATION
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11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL MY5X
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT ADDRESS
17 ADDRESS



TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : MARKETING SOLUTIONS GROUP INC.
 FILE CURRENCY : 07APR 2013

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 603322336

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
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 001 1 20121204 1318 1590 1962 P PPSA 3

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 03 NAME BUSINESS NAME MARKETING SOLUTIONS GROUP INC.
 04 ADDRESS 481 UNIVERSITY AVENUE, 6TH FLOOR TORONTO ONTARIO CORPORATION NO.
 MSG 239

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 06 NAME BUSINESS NAME
 07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / LIEN CLAIMANT SHOTGUN FUND LIMITED PARTNERSHIP III TORONTO ON MSH 3L5
 09 ADDRESS 141 ADELAIDE STREET WEST

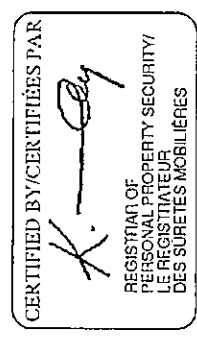
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11 MOTOR YEAR MAKE MODEL V.I.N.
 12 VEHICLE

13 GENERAL
 14 COLLATERAL
 15 DESCRIPTION

16 REGISTERING HEENAN BLAIKIE LLP (R. MIDDLETON/P. COOK/020992-0039)
 17 AGENT ADDRESS SUITE 2900 - 333 BAY STREET TORONTO ON MSH 274

CONTINUED... 5



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 5
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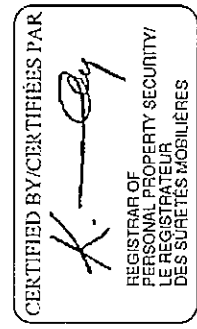
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RUN DATE : 2013/04/08
ID : 20130408095043.06

TYPE OF SEARCH : BUSINESS DESTOR
SEARCH CONDUCTED ON : IMARKETING SOLUTIONS GROUP INC.
FILE CURRENCY : 07APR 2013

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
683833437	20121231	1031	8077 5348
683322336	20121204	1318	1590 1962

2 REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.



PPSA Summary – The Responsive Marketing Group Inc. (“Responsive”)

Reference File No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
071678826	Canadian Imperial Bank of Commerce TR 2622	Responsive	October 6, 1993 (exp. Oct. 6, 2013)	Inv, equip, accts, other, MV incl.
643044924	De Lage Landen Financial Services Canada (CAD)	Responsive	February 29, 2008 (exp. Feb. 29, 2014)	Equip, other, no fixed maturity date
650943261	MCAP Leasing Inc.	Responsive	January 9, 2009 (exp. Jan. 9, 2015)	Inv, equip, other, no fixed maturity date -Equipment described on leases, from time to time leased by the secured party to the debtor and any proceeds thereof together with all replacement parts, accessories and attachments.
651367935	Roynat Inc.	Responsive	February 4, 2009 (exp. Feb. 4, 2015)	Equip, other -Copier(s) together with all attachments accessories accessions replacements substitutions additions and improvements thereto and all proceeds in any form derived directly or indirectly from any sale and or any dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.
651612771	Xerox Canada Ltd.	Responsive	February 19, 2009 (exp. Feb. 19, 2015)	Equip, other, no fixed maturity date

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408095235.35

REPORT : PSSR060
PAGE : 1
(8921)

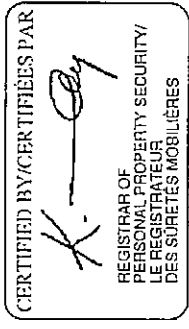
THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : THE RESPONSIVE MARKETING GROUP INC.
FILE CURRENCY : 07APR 2013

ENQUIRY NUMBER 20130408095235.35 CONTAINS 14 PAGE(S), 5 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

THORNTONGROUFINNIGAN (MCROBERTS) (SIR)
3200 - 100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408095235.35

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : THE RESPONSIVE MARKETING GROUP INC.
FILE CURRENCY : 07APR 2013

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
651612771

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
01 001 20090219 1402 1462 8641 P PPSA 6

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
BUSINESS NAME THE RESPONSIVE MARKETING GROUP INC. TORONTO
ADDRESS 1235 BAY ST STE 505 ONTARIO CORPORATION NO.
M5R3K4

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
BUSINESS NAME XEROX CANADA LTD ONTARIO CORPORATION NO.
ADDRESS 33 BLOOR ST. E. 3RD FLOOR TORONTO ON M4W5H1

SECURED PARTY / LIEN CLAIMANT
XEROX CANADA LTD
ADDRESS 33 BLOOR ST. E. 3RD FLOOR TORONTO ON M4W5H1

COLLATERAL CLASSIFICATION
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED Maturity OR Maturity Date
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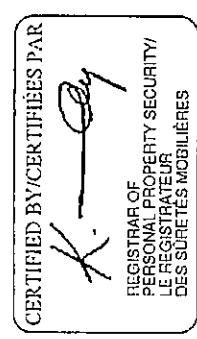
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MOTOR VEHICLE
GENERAL COLLATERAL DESCRIPTION

REGISTERING AGENT
PPSA CANADA INC. - (3992)
ADDRESS 110 SHEPPARD AVE EAST, SUITE 303 TORONTO ON M2N6Y8

FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY.

CONTINUED . . . 3



TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : THE RESPONSIVE MARKETING GROUP INC.
 FILE CURRENCY : 07APR 2013

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 651367935

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES NO. OF PAGES UNDER PERIOD
 001 2 20090204 1441 1902 2386 P PPSA 06

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 BUSINESS NAME THE RESPONSIVE MARKETING GROUP INC TORONTO
 ADDRESS 1235 BAY STREET #501
 ONTARIO CORPORATION NO. ON HSR 3S9

DEBTOR NAME BUSINESS NAME INITIAL SURNAME
 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 BUSINESS NAME ADDRESS
 ONTARIO CORPORATION NO.

SECURED PARTY / LIEN CLAIMANT ADDRESS
 ROYNAT INC. SUITE 300, 665 BURRARD ST. VANCOUVER BC V6C 2X8

COLLATERAL CLASSIFICATION
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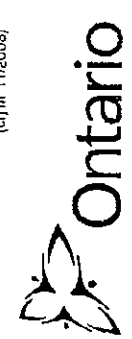
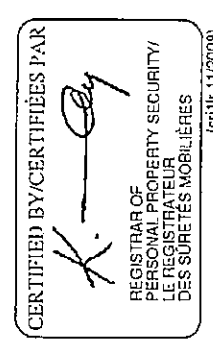
YEAR MAKE MODEL V.I.N.

GENERAL COPIER(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS
 COLLATERAL REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL
 DESCRIPTION PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE

REGISTERING AVS SYSTEMS INC. VERNON BC V1T 9G1
 AGENT ADDRESS 17A 100 KAL LAKE RD.

FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY.

CONTINUED ... 4



RUN NUMBER : 098
 RUN DATE : 2013/04/08
 ID : 20130408095235.35
 PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 4
 (6924)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : THE RESPONSIVE MARKETING GROUP INC.
 FILE CURRENCY : 07APR 2013

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER : 651367935

CAUTION PAGE NO. OF PAGES : 002 2
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 REGISTERED UNDER REGISTRATION PERIOD

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 FIRST GIVEN NAME :
 INITIAL :
 SURNAME :
 ONTARIO CORPORATION NO. :

02 DEBTOR NAME :
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 ADDRESS :
 ONTARIO CORPORATION NO. :

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 BUSINESS NAME :
 ADDRESS :
 ONTARIO CORPORATION NO. :

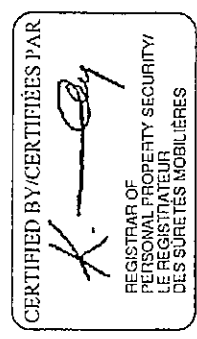
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 BUSINESS NAME :
 ADDRESS :
 ONTARIO CORPORATION NO. :

05 SECURED PARTY / LIEN CLAIMANT :
 ADDRESS :
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 CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED :
 MOTOR VEHICLE AMOUNT :
 DATE OF MATURITY OF :
 NO FINED :
 MATURITY DATE :

06 YEAR MAKE :
 MODEL :
 V.I.N. :

07 GENERAL :
 14 COLLATERAL :
 15 DESCRIPTION :
 AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE
 PAYMENT OR OTHER PAYMENT THAT IDENTIFIES OR COMPENSATES FOR LOSS OR
 DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

16 REGISTERING AGENT :
 ADDRESS :



PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : P55K060
 PAGE : 5
 (6925)

RUN NUMBER : 098
 RUN DATE : 2013/04/08
 ID : 20130408095235.35

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : THE RESPONSIVE MARKETING GROUP INC.
 FILE CURRENCY : 07APR 2013

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 650943261

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 01 002 20090109 1036 8077 7175 P PPSA 6

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 03 BUSINESS NAME THE RESPONSIVE MARKETING GROUP INC. TORONTO ONTARIO CORPORATION NO.
 04 ADDRESS 505 - 1235 BAY ST. TORONTO ON M5R 3S9

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 06 BUSINESS NAME RESPONSIVE MARKETING GROUP TORONTO ONTARIO CORPORATION NO.
 07 ADDRESS 505 - 1235 BAY ST. TORONTO ON M5R 3S9

08 SECURED PARTY / MCAP LEASING INC. TORONTO ON L7L 6M1
 LIEN CLAIMANT ADDRESS 5575 NORTH SERVICE RD, STE 300 BURLINGTON

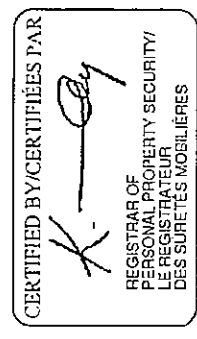
10 COLLATERAL CLASSIFICATION
 CONSUMER X
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF NO FILED Maturity OR Maturity Date X

11 YEAR MAKE MODEL V.I.N.
 12 MOTOR VEHICLE

13 GENERAL EQUIPMENT DESCRIBED ON LEASES, FROM TIME TO TIME LEASED BY THE
 14 COLLATERAL SECURED PARTY TO THE DEBTOR AND ANY PROCEEDS THEREOF TOGETHER WITH
 15 DESCRIPTION ALL REPLACEMENT PARTS, ACCESSORIES AND ATTACHMENTS.
 REGISTRY = RECOVERY INC.

16 REGISTERING AGENT ADDRESS 1551 THE QUEENSWAY TORONTO ON M8Z 1T5

17 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***
 CONTINUED... 6



PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
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 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 6
 (6926)

RUN NUMBER : 098
 RUN DATE : 2013/04/08
 ID : 20130408095235.35

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : THE RESPONSIVE MARKETING GROUP INC.
 FILE CURRENCY : 07APR 2013

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN
 FILE NUMBER : 650943261
 CAUTION PAGE : 02
 FILING NO. OF PAGES : 002
 MOTOR VEHICLE SCHEDULE : 20090109 1036 8077 7175
 REGISTRATION NUMBER :
 REGISTERED UNDER PERIOD :
 REGISTRATION NUMBER :
 REGISTRATION PERIOD :

01 DEBTOR NAME :
 DATE OF BIRTH :
 FIRST GIVEN NAME :
 INITIAL :
 SURNAME :
 BUSINESS NAME :
 ADDRESS :
 ONTARIO CORPORATION NO. :

02 DEBTOR NAME :
 DATE OF BIRTH :
 FIRST GIVEN NAME :
 INITIAL :
 SURNAME :
 BUSINESS NAME :
 ADDRESS :
 ONTARIO CORPORATION NO. :

03 DEBTOR NAME :
 DATE OF BIRTH :
 FIRST GIVEN NAME :
 INITIAL :
 SURNAME :
 BUSINESS NAME :
 ADDRESS :
 ONTARIO CORPORATION NO. :

04 SECURED PARTY / LIEN CLAIMANT :
 ADDRESS :
 COLLATERAL CLASSIFICATION :
 CONSUMER :
 GOODS : INVENTORY EQUIPMENT ACCOUNTS OTHER :
 MOTOR VEHICLE AMOUNT :
 DATE OF MATURITY OR :
 NO FIXED MATURITY DATE :

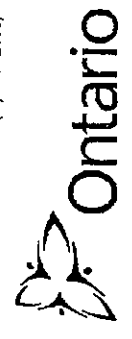
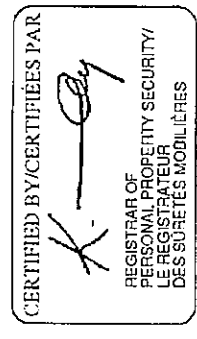
05 YEAR MAKE :
 MODEL :
 V.I.N. :

06 GENERAL COLLATERAL DESCRIPTION :

07 REGISTERING AGENT :
 ADDRESS :

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED . . . 7



RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408095235.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 7
(6927)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : THE RESPONSIVE MARKETING GROUP INC.
FILE CURRENCY : 07APR 2013

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
64304924

01 CAUTION PAGE : 01
TOTAL PAGES : 001
MOTOR VEHICLE REGISTRATION NUMBER : 20080229 1953 1531 3513
SCHEDULE PERIOD : P PPSA 6

02 DEBTOR NAME : THE RESPONSIVE MARKETING GROUP INC.
03 BUSINESS NAME : THE RESPONSIVE MARKETING GROUP INC.
04 ADDRESS : 505-1235 BAY ST TORONTO ONTARIO CORPORATION NO. M5R 3K4

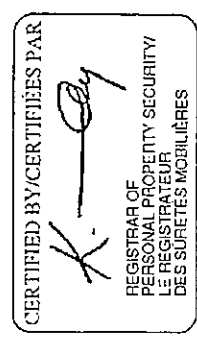
05 DATE OF BIRTH :
06 FIRST GIVEN NAME :
07 BUSINESS NAME :
08 ADDRESS :
09 DATE OF BIRTH :
10 FIRST GIVEN NAME :
11 BUSINESS NAME :
12 ADDRESS :
13 DE LA GE LANDE FINANCIAL SERVICES CANADA (CAD) OAKVILLE ON L6M 2M2

14 COLLATERAL CLASSIFICATION :
15 CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED :
16 MOTOR VEHICLE AMOUNT :
17 DATE OF MATURITY :
18 NO. FIXED :
19 Maturity Date : X

20 YEAR MAKE :
21 MODEL :
22 V.I.N. :

23 REGISTERING AGENT :
24 ADDRESS : 4126 NORLAND AVENUE BURNABY BC V5G 3S8
25 CANADIAN SECURITIES REGISTRATION SYSTEMS
26 FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY

27 CONTINUED... 8



TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : THE RESPONSIVE MARKETING GROUP INC.
 FILE CURRENCY : 07APR 2013

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER
 01 001 19941014 2137 1005 1421

RECORD FILE NUMBER 071678826

PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT
 REFERENCED A AMENDMENT YEARS PERIOD

REFERENCE FIRST GIVEN NAME INITIAL SURNAME
 24 DEBTOR/ BUSINESS NAME THE RESPONSIVE MARKETING GROUP INC.

OTHER CHANGE
 REASON/ THE ADDRESS RECORDED ON LINE 04 OF REGISTRATION NUMBER
 27 DESCRIPTION 931006152300887964 HAS BEEN AMENDED

DEBTOR/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

TRANSFEREE BUSINESS NAME

04/07 ADDRESS 79 SCOLLARD ST TORONTO

ONTARIO CORPORATION NO:
 ONT M5R 1G4

29 ASSIGNOR
 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE

08 ADDRESS

09 COLLATERAL CLASSIFICATION MOTOR VEHICLE DATE OF NO FIXED
 CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR NATURITY DATE

10 YEAR MAKE MODEL V.I.N.

11 MOTOR

12 VEHICLE

13 GENERAL

14 COLLATERAL

15 DESCRIPTION

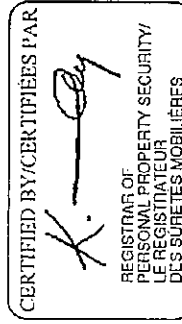
16 REGISTERING AGENT DR

17 SECURED PARTY/ ADDRESS CANADIAN IMPERIAL BANK OF COMMERCE TR 212 TORONTO

LIEN CLAIMANT YONGE AND EGLINTON TORONTO M4P 3A1

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 10



(e)2/r 11/2008)



PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

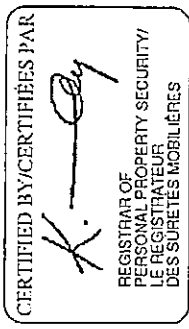
REPORT : PSSR060
 PAGE : 10
 (6930)

RUN NUMBER : 098
 RUN DATE : 2013/04/08
 ID : 20130408095235.35

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : THE RESPONSIVE MARKETING GROUP INC.
 FILE CURRENCY : 07APR 2013

FORM 3C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

01		REGISTRATION NUMBER	19980916 1444 7091 0134		
31	RECORD REFERENCED	FILE NUMBER	071678826	CHANGE REQUIRED	B RENEWAL
					RENEWAL YEARS 5
32	INDIVIDUAL DEBTOR				
33	BUSINESS DEBTOR		THE RESPONSIVE MARKETING GROUP INC		ONTARIO CORPORATION NO:
08/16	SECURED PARTY/LIEN CLAIMANT/REGISTERING AGENT	NAME	CANADIAN IMPERIAL BANK OF COMMERCE TR.#2622		
09/17		ADDRESS	1400 LAWRENCE AVENUE WEST	TORONTO	ONT M6L 1A7



FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY.

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
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REPORT : PSSR060
 PAGE : 11
 (6931)

RUN NUMBER : 098
 RUN DATE : 2013/04/08
 ID : 20130408095235.35

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : THE RESPONSIVE MARKETING GROUP INC.
 FILE CURRENCY : 07APR 2013

FORM 3C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER
 01 001 20030902 1050 1529 4354
 RECORD FILE NUMBER 071678826
 REFERENCED PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT PERIOD
 X B RENEWAL 5

REFERENCE DEBTOR/ TRANSFEROR FIRST GIVEN NAME INITIAL SURNAME
 THE RESPONSIVE MARKETING GROUP INC

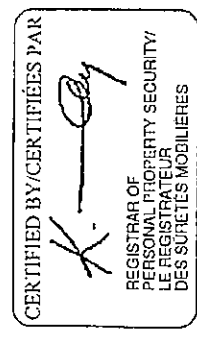
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 DEBTOR/ TRANSFEREE BUSINESS NAME ADDRESS
 ONTARIO CORPORATION NO.

ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE ADDRESS
 COLLATERAL CLASSIFICATION ADDRESS
 CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE DATE OF NO. FIXED
 YEAR MAKE MODEL V.T.N.

MOTOR VEHICLE GENERAL COLLATERAL DESCRIPTION REGISTERING AGENT OR SECURED PARTY/LIEN CLAIMANT
 CANADIAN SECURITIES REGISTRATION SYSTEMS BURNABY BC V5G 3S8

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 12



(cr24 11/2008)



PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 12
 (6932)

RUN NUMBER : 098
 RUN DATE : 2013/04/08
 ID : 20130408095235.35

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : THE RESPONSIVE MARKETING GROUP INC.
 FILE CURRENCY : 07APR 2013

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 01 001 20071113 1949 1531 6986
 RECORD FILE NUMBER 071678826
 REFERENCED PAGE AMENDED NO. SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT
 21 001 001 20071113 1949 1531 6986 YEARS PERIOD
 22 X A AMENDMENT INITIAL SURNAME

REFERENCE DEBTOR/ TRANSFEROR BUSINESS NAME THE RESPONSIVE MARKETING GROUP INC.
 FIRST GIVEN NAME INITIAL SURNAME

OTHER CHANGE REASON/ DESCRIPTION TO AMEND DEBTOR'S ADDRESS ON REGISTRATION NUMBER
 25 19941014213710051421

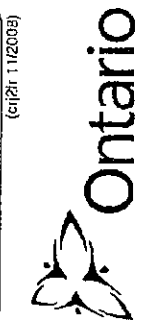
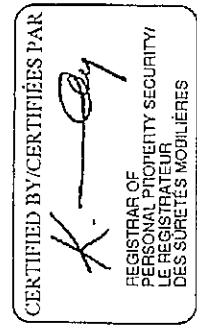
DEBTOR/ TRANSFEREE BUSINESS NAME THE RESPONSIVE MARKETING GROUP INC.
 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 02/ 05/ 03/ 06/ 04/07 ADDRESS #505 - 1235 BAY STREET TORONTO ONTARIO CORPORATION NO. M5R 3K4

ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE ADDRESS

COLLATERAL CLASSIFICATION ADDRESS
 CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE DATE OF NO FIXED
 10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OF MATURITY DATE

MOTOR YEAR MAKE MODEL V.I.N.
 11 MOTOR VEHICLE
 12 VEHICLE
 13 GENERAL
 14 COLLATERAL
 15 DESCRIPTION CANADIAN SECURITIES REGISTRATION SYSTEMS BURNABY BC V5G 3S8
 16 REGISTERING AGENT OR ADDRESS 4126 NORLAND AVENUE
 17 SECURED PARTY/ LIEN CLAIMANT

FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY.



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408095235.35

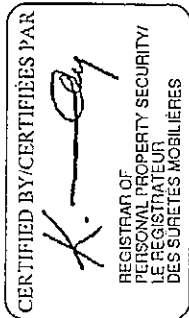
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : THE RESPONSIVE MARKETING GROUP INC.
FILE CURRENCY : 07APR 2013

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION : TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
FILING NO. OF PAGES SCHEDULE NUMBER UNDER
01 001 20080909 1051 1529 7585
RECORD FILE NUMBER 071678826
PAGE AMENDED NO. SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT
X B RENEWAL YEARS PERIOD
FIRST GIVEN NAME INITIAL SURNAME
BUSINESS NAME THE RESPONSIVE MARKETING GROUP INC.

OTHER CHANGE
REASON/
DESCRIPTION
DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
DEBTOR/
TRANSFEREE BUSINESS NAME
ADDRESS
ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
ADDRESS
COLLATERAL CLASSIFICATION
CONSUMER MOTOR VEHICLE DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR MATURITY DATE
YEAR MAKE MODEL V.I.N.

MOTOR VEHICLE
GENERAL COLLATERAL
DESCRIPTION CANADIAN SECURITIES REGISTRATION SYSTEMS
REGISTERING AGENT OR ADDRESS 4126 NORLAND AVENUE
SECURED PARTY/ LIEN CLAIMANT BURNABY BC V5G 3S8
FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY.
CONTINUED... 14



PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 14
 (6934)

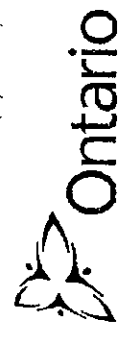
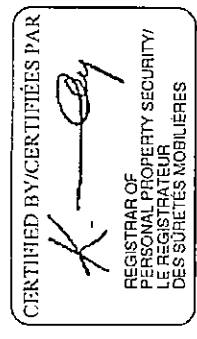
RUN NUMBER : 098
 RUN DATE : 2013/04/08
 ID : 20130408095235.35

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : THE RESPONSIVE MARKETING GROUP INC.
 FILE CURRENCY : 07APR 2013

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
651612771	20090219	1402	1462 8641
651367935	20090204	1441	1902 2386
650943261	20090109	1036	8077 7175
643044924	20080229	1953	1531 3513
071678826	19931006	1523	0088 7964
	20071113	1949	1531 6986
	19941014	2137	1005 1421
	20080909	1051	1529 7585
	19980916	1444	7091 0134
	20030902	1050	1529 4354

10 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.



RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408095513.60

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(6935)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

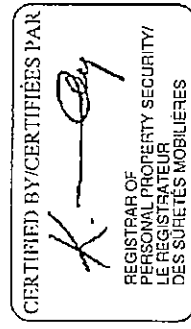
SEARCH CONDUCTED ON : DIRECT CONTACT STRATEGIES INC.

FILE CURRENCY : 07APR 2013

ENQUIRY NUMBER 20130408095513.60 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

THORNTON GROUT FINNIGAN (MCROBERTS) (SIR)
3200 - 100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7



(enq/2 11/2008)



Ontario

RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408095522.24

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(5936)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

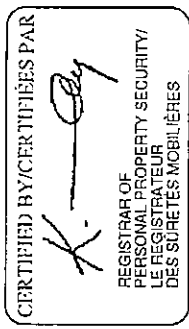
SEARCH CONDUCTED ON : FRONT LINE SUPPORT INC.

FILE CURRENCY : 07APR 2013

ENQUIRY NUMBER 20130408095522.24 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

THORNTONGROUPTFINNIGAN (MCROBERTS) (SIR)
3200 - 100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408095546.08

REPORT : PSSR060
PAGE : 1
(6937)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

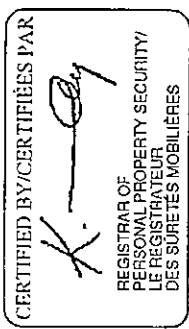
SEARCH CONDUCTED ON : IMARK EVENTS INC.

FILE CURRENCY : 07APR 2013

ENQUIRY NUMBER 20130408095546.08 CONTAINS 1 PAGE(S), 0 FAMILY (IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

THORNTONGROUFTFINNIGAN (MCROBERTS) (SIR)
3200 - 100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408095558.85

REPORT : PSSR060
PAGE : 1
(6938)

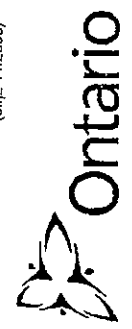
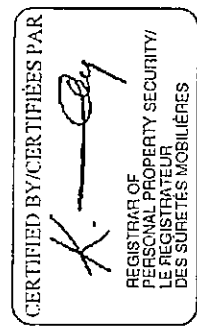
THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CABOT CALL CENTRE INC.
FILE CURRENCY : 07APR 2013

ENQUIRY NUMBER 20130408095558.85 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

THORNTON GROUT FINNIGAN (MCROBERTS) (SIR)
3200 - 100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408100953.32

REPORT : P5SR060
PAGE : 1
(6939)

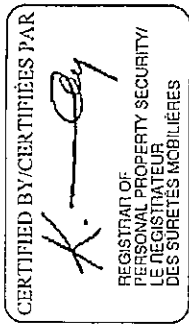
THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SPECIAL PROJECTS UNIT CALL CENTRE INC.
FILE CURRENCY : 07APR 2013

ENQUIRY NUMBER 20130408100953.32 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

THORNTONGROUPTFINNIGAN (MCROBERTS) (SIR)
3200 - 100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(6940)

RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408101031.00

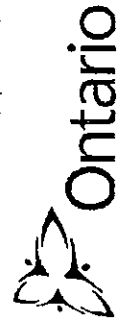
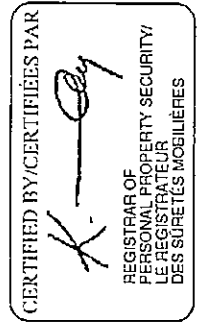
THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ENGAGE INTERACTIVE INC.
FILE CURRENCY : 07APR 2013

ENQUIRY NUMBER 20130408101031.00 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

THORNTONGROUPTFINNIGAN (MCROBERTS) (STR)
3200 - 100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408101105.45

REPORT : PSSR060
PAGE : 1
(6941)

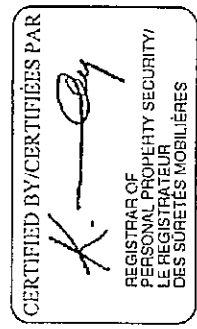
THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MLHL MARKETING INC.
FILE CURRENCY : 07APR 2013

ENQUIRY NUMBER 20130408101105.45 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

THORNTON GROUPE FINNIGAN (MCROBERTS) (SIR)
3200 - 100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7



RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408101139.89

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(6942)

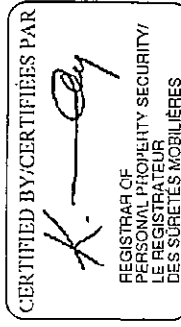
THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MLHL MARKETING, LP
FILE CURRENCY : 07APR 2013

ENQUIRY NUMBER 20130408101139.89 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

THORNTON GROUT FINNIGAN (MCROBERTS) (SJR)
3200 - 100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7



(enq/2 11/2008)



Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : (1
(6943)

RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408101214.41

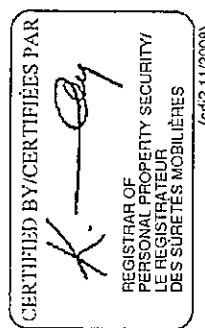
THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEFTOR
SEARCH CONDUCTED ON : RMG SMITHS FALLS, LP
FILE CURRENCY : 07APR 2013

ENQUIRY NUMBER 20130408101214.41 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

THORNTONGROUTFINNIGAN (MCROBERTS) (SIR)
3200 - 100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7



RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408101248.77

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(6944)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

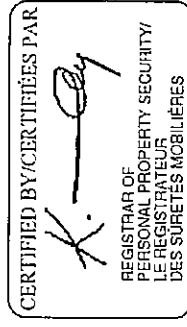
SEARCH CONDUCTED ON : RMG THUNDER BAY, LP

FILE CURRENCY : 07APR 2013

ENQUIRY NUMBER 20130408101248.77 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

THORNTONROUTFINNIGAN (MCROBERTS) (STR)
3200 - 100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7



(aff2 11/2008)



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408101432.90

REPORT : PSSR060
PAGE : 1
(6945)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

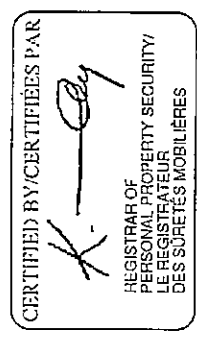
SEARCH CONDUCTED ON : SPECTACLES INARK

FILE CURRENCY : 07APR 2013

ENQUIRY NUMBER 20130408101432.90 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

THORNTONGROUTFINNIGAN (MCROBERTS) (SIR)
3200 - 100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(6946)

RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408101434.12

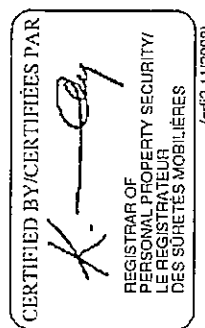
THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IMARK ENTERTAINMENT
FILE CURRENCY : 07APR 2013

ENQUIRY NUMBER 20130408101434.12 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

THORNTON GROUT FINNINGAN (MCROBERTS) (SIR)
3200 - 100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130406101325.21

REPORT : PSSR060
PAGE : 1
(6947)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

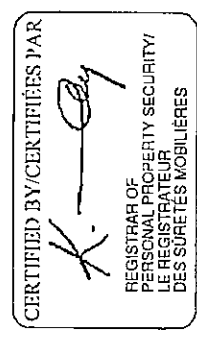
TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : RMG QUEBEC, LP

FILE CURRENCY : 07APR 2013

ENQUIRY NUMBER 20130408101325.21 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.



THORNTONGROUPTFINNIGAN LLP
3200 - 100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 098
RUN DATE : 2013/04/08
ID : 20130408101359.67

REPORT : PSSR060
PAGE : 1
(6948)

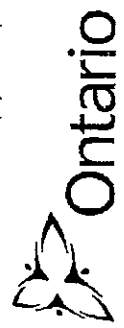
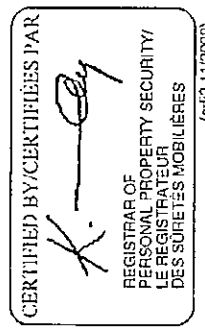
THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : RMG GENERAL PARTNER INC.
FILE CURRENCY : 07APR 2013

ENQUIRY NUMBER 20130408101359.67 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

THORNTONROUTCETTINIGAN LLP
3200 - 100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7



PPRS Summary – iMarketing Solutions Group Inc. (“IMSG”)

Reference File No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
12120419047	Shotgun Fund Limited Partnership III	IMSG	December 4, 2012 (exp. Dec. 4, 2015)	All present and after acquired personal property of the debtor
12123102845	Pitney Bowes Global Financial Services	IMSG	December 31, 2012 (exp. December 31, 2016)	Lease 768168 Digital Copier MY#X

Search ID#: Z04551316

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES LTD.
P158)
10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967
Phone #: 780 483 8211
Reference #: 00416995-4287

Search ID #: Z04551316

Date of Search: 2013-Apr-08

Time of Search: 07:12:25

Business Debtor Search For:

IMARKETING SOLUTIONS GROUP INC

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.

Be sure to read the reports carefully.



Search ID#: Z04551319

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES LTD.
P158)
10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967
Phone #: 780 483 8211
Reference #: 00417030-4294

Search ID #: Z04551319

Date of Search: 2013-Apr-08

Time of Search: 07:16:23

Business Debtor Search For:

CABOT CALL CENTRE INC

No Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.

Be sure to read the reports carefully.

Result Complete



Search ID#: Z04551317

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES LTD.
P158)
10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967
Phone #: 780 483 8211
Reference #: 00416998-4290

Search ID #: Z04551317

Date of Search: 2013-Apr-08

Time of Search: 07:12:26

Business Debtor Search For:

DIRECT CONTACT STRATEGIES INC

No Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.

Be sure to read the reports carefully.

Result Complete



Search ID#: Z04551318

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES LTD.
P158)
10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967
Phone #: 780 483 8211
Reference #: 00417027-4291

Search ID #: Z04551318

Date of Search: 2013-Apr-08

Time of Search: 07:14:16

Business Debtor Search For:

FRONT LINE SUPPORT INC.

Inexact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.

Be sure to read the reports carefully.



Search ID#: Z04551318

Business Debtor Search For:

FRONT LINE SUPPORT INC.

Search ID #: Z04551318

Date of Search: 2013-Apr-08

Time of Search: 07:14:16

Registration Number: 05010607413

Registration Type: REPORT OF SEIZURE

Registration Date: 2005-Jan-06

Registration Status: Current

Registration Term: Infinity

Property has been seized under Landlord Distress.

Amount being seized for is \$898.00.

Property was seized on 2005-Jan-06

<u>Registration Type</u>	<u>Date</u>	<u>Registration #</u>	<u>Value</u>
Report of Seizure	2005-Jan-06	05010607413	\$898.00

Inexact Match on: Debtor

No: 1

Solicitor / Agent

SHORTRIDGE AND ASSOCIATES
400, 606-4TH STREET SW
CALGARY, AB T2P1T1

Phone #: 403 560 9406

Civil Enforcement Agent

ALLIED CIVIL ENFORCEMENT AGENCY INC.
1974 KENSINGTON ROAD NW
CALGARY, AB T2N 3R5

Phone #: 403 237 5468

Fax #: 140 326 3731 (3)

Debtor(s)

Block

1

Status

Current

Search ID#: Z04551318

FRONT LINE SECURITY LTD
ROOM 2, 21C, 3012-17 AVENUE S.E.
CALGARY, AB

Creditor(s)

<u>Block</u>		<u>Status</u>
1	METROWEST DEVELOPMENTS C/O 400, 606-4TH STREET S.W. CALGARY, AB T2P1T1	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	2X NEC MONITOR MFG DATE-DEC 03 ACCUSYNC 700	Current
2	SUPRA TOWER #U25915 W FLOPPY AND 52X DISC DRIVE	Current
3	MICROSOFT KEYBOARD SER#5919502582225	Current
4	HP PRINTER SER#CNFB035771	Current
5	SHARP UX-176 FAX SER#67115594	Current
6	ABS TOWER SER#012587954	Current
7	TTX MONITOR SER#T7CN14A138412	Current
8	2X TURBO MEDIA KEYBOARD SER#10101584686 & 101010584685	Current
9	HP PRINTER SER#MY25D1K272	Current
10	SAMSUNG TV 12" SER#528831RC401591	Current
11	NATIONAL VIDEO MONITOR SER#C-M4060029	Current
12	TOSHIBA 1560 PHOTOCOPIER SER#CLH129695 C/W STAND	Current
13	2X 5 DRAWER FILE CABINETS	Current
14	2X 2 DRAWER FILE CABINETS	Current
15	HOTPOINT MICROWAVE SER#EF604384	Current
16	SANYO FRIDGE (1/2 SIZE)	Current
17	ABS TOWER SER#012587958	Current
18	16X CHAIRS	Current
19	2X DESKS	Current
20	4X TABLES	Current
21	ALL OTHER ASSETS	Current

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	SEIZED PROPERTY LEFT ON A BAILEES UNDERTAKING WITH ALEC TATE.	Current

Search ID#: Z04551318

Business Debtor Search For:

FRONT LINE SUPPORT INC.

Search ID #: Z04551318

Date of Search: 2013-Apr-08

Time of Search: 07:14:16

Registration Number: 07120615556

Registration Type: SECURITY AGREEMENT

Registration Date: 2007-Dec-06

Registration Status: Current

Expiry Date: 2020-Dec-06 23:59:59

Inexact Match on: Debtor

No: 1

Debtor(s)

Block

Status

1	FRONT LINE SECURITY ALBERTA LTD. BAY 6, 6025 - 12 STREET SE Calgary, AB T2H 2K1	Current
---	---	---------

Secured Party / Parties

Block

Status

1	BUSINESS DEVELOPMENT BANK OF CANADA BOX 6,505 BARRARD ST VANCOUVER, BC V7X 1V3 Phone #: 604 666 7467 Fax #: 604 666 1573	Current
---	--	---------

Collateral: General

Block

Description

Status

1	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current
---	---	---------

Search ID#: Z04551318

Business Debtor Search For:

FRONT LINE SUPPORT INC.

Search ID #: Z04551318

Date of Search: 2013-Apr-08

Time of Search: 07:14:16

Registration Number: 08081323157

Registration Type: SECURITY AGREEMENT

Registration Date: 2008-Aug-13

Registration Status: Current

Expiry Date: 2013-Aug-13 23:59:59

Inexact Match on: Debtor

No: 1

Debtor(s)

Block

Status

1	FRONTLINE SNOW AND SKATE LTD PO BOX 6719 STN MAIN PEACE RIVER, AB T3S 1S5	Current
---	---	---------

Secured Party / Parties

Block

Status

1	ALBERTA TREASURY BRANCHES-WESTVIEW #07199 9907 106A STREET GRANDE PRAIRIE, AB T8V 8E9 Phone #: 780 539 7450 Fax #: 780 538 5404	Current
---	---	---------

Collateral: General

Block

Description

Status

1	ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY	Current
2	PROCEEDS: ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALINGS WITH THE ORIGINAL COLLATERAL OR PROCEEDS THEREOF	Current

Search ID#: Z04551318

Business Debtor Search For:

FRONT LINE SUPPORT INC.

Search ID #: Z04551318

Date of Search: 2013-Apr-08

Time of Search: 07:14:16

Registration Number: 09100117667

Registration Type: SECURITY AGREEMENT

Registration Date: 2009-Oct-01

Registration Status: Current

Expiry Date: 2014-Oct-01 23:59:59

Inexact Match on: Debtor

No: 1

Amendments to Registration

09100815313

Amendment

2009-Oct-08

Debtor(s)

Block

1 FRONTLINE SECURITY ALBERTA LTD
BAY 6 6025 12ST SE
CALGARY, AB T2H 2K1

Status

Current

Block

2 NG, CHRISTIAN, ALEXANDER
100 BRIGHTONDALE CRES SE
CALGARY, AB T2Z 4K1

Status

Current

Birth Date:
1977-Nov-17

Secured Party / Parties

Block

1 GENERAL MOTORS ACCEPTANCE CORPORATION OF CANADA, LIMITED
P.O. Box 5300, Station D
ETOBICOKE, ON M9A 6T4

Status

Deleted by
09100815313

Block

2 RESMOR TRUST COMPANY
1400-3250 Bloor Street West
TORONTO, ON M8X 2X9

Status

Current by
09100815313

Search ID#: Z04551318

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1GNDU23109D118276	2009	CHEVROLET UPLANDER	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	AND ALL PROCEEDS THEREFROM.	Current

Search ID#: Z04551318

Business Debtor Search For:

FRONT LINE SUPPORT INC.

Search ID #: Z04551318

Date of Search: 2013-Apr-08

Time of Search: 07:14:16

Registration Number: 09100215395

Registration Type: SECURITY AGREEMENT

Registration Date: 2009-Oct-02

Registration Status: Current

Expiry Date: 2014-Oct-02 23:59:59

Inexact Match on: Debtor

No: 1

Amendments to Registration

09100815641

Amendment

2009-Oct-08

Debtor(s)

Block

1 FRONTLINE SECURITY ALBERTA LTD
BAY 6 6025 12ST SE
CALGARY, AB T2H 2K1

Status

Current

Block

2 NG, CHRISTIAN, ALEXANDER
100 BRIGHTONDALE CRES SE
CALGARY, AB T2Z 4K1

Status

Current

Birth Date:
1977-Nov-17

Secured Party / Parties

Block

1 GENERAL MOTORS ACCEPTANCE CORPORATION OF CANADA, LIMITED
P.O. Box 5300, Station D
ETOBICOKE, ON M9A 6T4

Status

Deleted by
09100815641

Block

2 RESMOR TRUST COMPANY
1400-3250 Bloor Street West
TORONTO, ON M8X 2X9

Status

Current by
09100815641

Search ID#: Z04551318

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1GNDU23179D120073	2009	CHEVROLET UPLANDER	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	AND ALL PROCEEDS THEREFROM.	Current

Search ID#: Z04551318

Business Debtor Search For:

FRONT LINE SUPPORT INC.

Search ID #: Z04551318

Date of Search: 2013-Apr-08

Time of Search: 07:14:16

Registration Number: 10091631055

Registration Type: SECURITY AGREEMENT

Registration Date: 2010-Sep-16

Registration Status: Current

Expiry Date: 2015-Sep-16 23:59:59

Inexact Match on: Debtor

No: 1

Debtor(s)

Block

Status

1	FRONT LINE SECURITY ALBERTA LTD. BAY 6 6025 12 ST SE CALGARY, AB T2H 2K1	Current
---	--	---------

Block

Status

2	NG, CHRISTIAN 100 BRIGHTONDALE CRES SE Calgary, AB T2Z 4K1	Current
---	--	---------

Birth Date:
1977-Nov-17

Secured Party / Parties

Block

Status

1	FORD CREDIT CANADA LIMITED PO Box 2400 Edmonton, AB T5J 5C7	Current
---	---	---------

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	2FMDK3GC1ABB75690	2010	FORD EDGE	MV - Motor Vehicle	Current

Search ID#: Z04551318

Business Debtor Search For:

FRONT LINE SUPPORT INC.

Search ID #: Z04551318

Date of Search: 2013-Apr-08

Time of Search: 07:14:16

Registration Number: 12072532432

Registration Type: SECURITY AGREEMENT

Registration Date: 2012-Jul-25

Registration Status: Current

Expiry Date: 2017-Jul-25 23:59:59

Inexact Match on: Debtor

No: 1

Amendments to Registration

12072534242

Amendment

2012-Jul-25

Debtor(s)

Block

1 FRONT LINE SECURITY ALBERTA LTD.
BAY 6, 6025 - 12 STREET S.E.
CALGARY, AB T2H 2K1

Status

Current

Secured Party / Parties

Block

1 TATE, LAUREN
13180 AMANDA COURT
TECUMSEH, ON N8N 4J2

Status

Current

Collateral: General

Block

Description

1 ALL OF THE DEBTOR'S PERSONAL AND AFTER-ACQUIRED PERSONAL PROPERTY

Status

Deleted By
12072534242

2 ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY

Current By
12072534242

Search ID#: Z04551318

Business Debtor Search For:

FRONT LINE SUPPORT INC.

Search ID #: Z04551318

Date of Search: 2013-Apr-08

Time of Search: 07:14:16

Registration Number: 12082212002

Registration Type: SECURITY AGREEMENT

Registration Date: 2012-Aug-22

Registration Status: Current

Expiry Date: 2018-Aug-22 23:59:59

Inexact Match on: Debtor

No: 3

Amendments to Registration

12082313365

Amendment

2012-Aug-23

Debtor(s)

Block

1 FRONT LINE SCURITY ALB
6025 12 ST SE SUITE 6
CALGARY, AB T2H 2K1

Status

Deleted by
12082313365

Block

2 NG, CHRISTIAN
100 BRIGHTONDALE CRES SE
CALGARY, AB T2Z 4K1

Status

Current

Birth Date:
1977-Nov-17

Block

3 FRONT LINE SECURITY ALBERTA LTD
6025 12 ST SE SUITE 6
CALGARY, AB T2H 2K1

Status

Current by
12082313365

Secured Party / Parties

Block

1 ALLY CREDIT CANADA LIMITED
P.O. Box 5300, Station D
Etobicoke, ON M9A 6T4

Status

Current

Search ID#: Z04551318

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	3D4PG5FGXBT569409	2011	DODGE JOURNEY	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	AND ALL PROCEEDS THEREFROM	Current

Result Complete

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched: Newfoundland and Labrador
Type of Search: Debtors (Enterprise)

Search Criteria: CABOT CALL CENTRE INC.

Date and Time of Search: 2013-04-08 10:18 (Atlantic)
Transaction Number: 9811417
Searched By: S185207

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

An '*' in the 'Included' column indicates that the registration's details are included within the Search Result Report.

0 registration(s) contained information that **exactly** matched the search criteria you specified.

0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

END OF REPORT

Exhibit “V”

Delaware

PAGE 1

The First State

CERTIFICATE

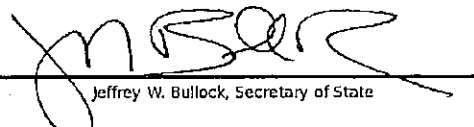
SEARCHED APRIL 9, 2013, AT 3:18 P.M.
FOR DEBTOR "WELLESLEY CORPORATION INC."

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THERE ARE NO PRESENTLY EFFECTIVE FINANCING STATEMENTS, LAPSED FINANCING STATEMENTS, FEDERAL TAX LIENS OR UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, AS OF MARCH 25, 2013 AT 11:59 P.M.



20131357178UCXL

130415957


Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 0345122

DATE: 04-09-13

Delaware

PAGE 1

The First State

CERTIFICATE

SEARCHED APRIL 9, 2013, AT 3:19 P.M.
FOR DEBTOR "GWE CONSULTING GROUP (USA) INC."

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THERE ARE NO PRESENTLY EFFECTIVE FINANCING STATEMENTS, LAPSED FINANCING STATEMENTS, FEDERAL TAX LIENS OR UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, AS OF MARCH 25, 2013 AT 11:59 P.M.



20131357210UCXL

130415971

A handwritten signature in black ink, appearing to read "JBullock", is written over a horizontal line.

Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 0345138

DATE: 04-09-13

UCC Summary – Xentel Inc.

Reference File No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
32782590	JPMorgan Chase Bank, N.A. <i>[replaced Bank One, NA on July 11, 2008]</i>	Xentel, Inc.	October 23, 2003 (exp. Oct. 23, 2013)	All assets of the debtor.
32826744	RoyNat Business Capital Inc.	Xentel Inc.	October 24, 2003 (exp. Oct. 24, 2013) <i>[Terminated November 5, 2008]</i>	All of the debtor's personal property, as more particularly described on Exhibit A attached hereto and incorporated herein by reference.
11963167	Royal Bank of America Leasing	Xentel, Inc.	May 24, 2011 (exp. May 24, 2016)	(1) Bosch Acces Control System, (1) CCTV System, (1) Intercom System, (1) Alarm System "including all replacements, parts, substitutions, modifications, accessories, additions, attachments, accessions and tools of the debtor now or hereafter installed therein, afixed thereto or intended to be used in connection therewith."
23329028	Mintaka Financial, LLC	Xentel Inc.	August 28, 2012 (exp. Aug. 28, 2017)	Equipment Location: 720 W. Virginia Street, Wilwaukee, WI 53204 (1) Swing Classic Inserter System Model #950601 inc: 6-Station STI Inserter base, 6-Station STI Inserter base, Ejector Roller Assembly, 6' Conveyor Classic Feeder/Accumulator, Folder w/Sound Covers, PLC Control Module, 12 inch touch screen monitor, Reading-BCR Camera, System Extension, STI proprietary PLC software inc.: STI Barcode Definition

Delaware

PAGE 1

The First State

CERTIFICATE

SEARCHED APRIL 9, 2013, AT 3:16 P.M.
FOR DEBTOR "XENTEL INC."

1 OF 4 FINANCING STATEMENT 32782590
EXPIRATION DATE: OCTOBER 23, 2013
DEBTOR: XENTEL, INC.
10 KODAK CRESCENT ADDED 10-23-03
TORONTO, ONTARIO CANADA M3J 3G5
SECURED: BANK ONE, NA
111 EAST WISCONSIN AVENUE ADDED 10-23-03
MILWAUKEE WI 53202 REMOVED 07-11-08
SECURED: JPMORGAN CHASE BANK, N.A.
P.O. BOX 33035 ADDED 07-11-08
LOUISVILLE KY 40202

F I L I N G H I S T O R Y
32782590 FILED 10-23-03 AT 4:49 P.M. FINANCING STATEMENT
81661055 FILED 05-14-08 AT 4:19 A.M. CONTINUATION
82376943 FILED 07-11-08 AT 4:27 A.M. AMENDMENT

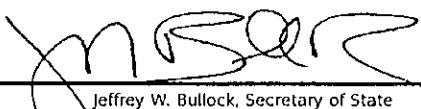
2 OF 4 FINANCING STATEMENT 32826744
EXPIRATION DATE: OCTOBER 24, 2013
DEBTOR: XENTEL INC.
900 S.E. 3RD AVENUE, ADDED 10-24-03
SUITE 201
FT. LAUDERDALE FL 33316
SECURED: ROYNAT BUSINESS CAPITAL INC.
SUITE 1210, 1300 EAST 9TH STREET ADDED 10-24-03
CLEVELAND OH 44114

F I L I N G H I S T O R Y
32826744 FILED 10-24-03 AT 11:00 A.M. FINANCING STATEMENT
82310496 FILED 07-07-08 AT 3:25 P.M. CONTINUATION
83716162 FILED 11-05-08 AT 5:28 P.M. TERMINATION

3 OF 4 FINANCING STATEMENT 11963167
EXPIRATION DATE: MAY 24, 2016
DEBTOR: XENTEL, INC.
101 NE 3RD AVENUE, STE 203 ADDED 05-24-11
FT. LAUDERDALE FL 53202



20131357152UCXL
130415941


Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 0345118

DATE: 04-09-13

Delaware

PAGE 2

The First State

SECURED: ROYAL BANK AMERICA LEASING
550 TOWNSHIP LINE ROAD
SUITE 425
BLUE BELL PA 19422
F I L I N G H I S T O R Y
11963167 FILED 05-24-11 AT 11:59 A.M. FINANCING STATEMENT
ADDED 05-24-11

4 OF 4 FINANCING STATEMENT 23329028
EXPIRATION DATE: AUGUST 28, 2017

DEBTOR: XENTEL INC
101 NE 3RD AVE. #203
FT. LAUDERDALE FL 33301
ADDED 08-28-12
REMOVED 03-07-13

DEBTOR: XENTEL INC.
101 NE 3RD AVE. #203
FT. LAUDERDALE FL 33301
ADDED 03-07-13

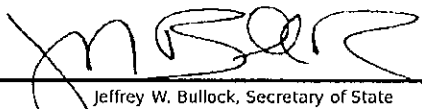
SECURED: MINTAKA FINANCIAL, LLC
PO BOX 2149
GIG HARBOR WA 98335
F I L I N G H I S T O R Y
23329028 FILED 08-28-12 AT 1:25 P.M. FINANCING STATEMENT
30884461 FILED 03-07-13 AT 1:02 P.M. AMENDMENT
ADDED 08-28-12
E N D O F F I L I N G H I S T O R Y

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THE ABOVE LISTING IS A RECORD OF ALL PRESENTLY EFFECTIVE FINANCING STATEMENTS, LAPSED FINANCING STATEMENTS, FEDERAL TAX LIENS AND UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, AS OF MARCH 25, 2013 AT 11:59 P.M.



20131357152UCXL

130415941


Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 0345118

DATE: 04-09-13

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

DELAWARE DEPARTMENT OF STATE
 U.C.C. FILING SECTION
 FILED 04:49 PM 10/23/2003
 INITIAL FILING NUM: 3278259 0
 AMENDMENT NUMBER: 0000000
 SRV: 030682690

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CT. Corporation System - UCC Division
 208 South LaSalle Street
 Chicago, IL 60604

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
XENTEL INC.

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
10 KODAK CRESCENT TORONTO, ONTARIO M3J 3G5 CANADA

1d. TAX ID # SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any
CORPORATION DELAWARE 3003225 NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. TAX ID # SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any
 NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE or ASSIGNOR S/P) - Insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
BANK ONE, NA

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
111 EAST WISCONSIN AVENUE MILWAUKEE WI 53202 USA

4. This FINANCING STATEMENT covers the following collateral:

ALL ASSETS OF THE DEBTOR.

5. ALTERNATIVE DESIGNATION (if applicable): LESSOR/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOB SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (or recorded) in the REAL ESTATE RECORDS. Attach Acknowledgment Check to REQUEST SEARCH REPORT (S) on Debtor(s) (optional) (ADDITIONAL FEE)

7. All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA
FILE WITH DE SOS

5961011-1

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	8009335778
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
UCC DIRECT SERVICES	
2727 ALLEN PARKWAY	
SUITE 1000	
HOUSTON TX 77019	

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 04:19 AM 05/14/2008
INITIAL FILING # 3278259 0
AMENDMENT # 2008 1661055
SRV: 080542959

1a. INITIAL FINANCING STATEMENT FILE # 3278259 0	1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
---	--

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.
Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.
 CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME					
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
7c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION
--------------------------	----------------------------------

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT
Bank One, NA

10. OPTIONAL FILER REFERENCE DATA
DE-0-30539225-0000620154 Xentel Inc. 790358543000

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	8008335778
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
UCC DIRECT SERVICES	
2727 ALLEN PARKWAY	
SUITE 1000	
HOUSTON TX 77019	

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 04:27 AM 07/11/2008
INITIAL FILING # 3278259 0
AMENDMENT # 2008 2376943
SRV: 080775621

1a. INITIAL FINANCING STATEMENT FILE # 3278259 0	1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.
---	--

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes. Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME BANK ONE, NA				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME JPMORGAN CHASE BANK, N.A.				
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS P.O. BOX 33035	CITY LOUISVILLE	STATE KY	POSTAL CODE 40202	COUNTRY US
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7d. TYPE OF ORGANIZATION	7e. JURISDICTION OF ORGANIZATION
--------------------------	----------------------------------

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT
JPMorgan Chase Bank, N.A.

10. OPTIONAL FILER REFERENCE DATA
DE-0-30539228-0000620154 Xentel Inc. 790358543000

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

DELAWARE DEPARTMENT OF STATE
 U.C.C. FILING SECTION
 FILED 11:00 AM 10/24/2003
 INITIAL FILING NUM: 3282674 4
 AMENDMENT NUMBER: 000000
 SRV: 030686523

A. NAME & PHONE OF CONTACT AT FILER [optional]
 Mary F. Graham 216.348.5461

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Mary F. Graham, Paralegal
 McDonald Hopkins Co., LPA
 2100 Bank One Center
 600 Superior Avenue
 Cleveland, OH 44114

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
 Xentel Inc.

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
 900 S.E. 3rd Avenue, Suite 201 Ft. Lauderdale FL 33316 USA

1d. TAX ID #: SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID # if any
 corporation Delaware 3003225 NCI-F

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. TAX ID #: SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any
 NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
 RoyNat Business Capital Inc.

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
 Suite 1210, 1300 East 9th Street Cleveland OH 44114 USA

4. This FINANCING STATEMENT covers the following collateral:

All of Debtor's personal property, as more particularly described on Exhibit A attached hereto and incorporated herein by reference.

5. ALTERNATIVE DESIGNATION [if applicable]: LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG LIEN NON UCC FILING

6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) (ADDITIONAL FEE) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

PDF # 439860 Delaware Secretary of State

Exhibit A

Debtor:	Secured Party:
Xentel Inc. 900 S.E. 3rd Avenue, Suite 201 Ft. Lauderdale, FL 33316	RoyNat Business Capital Inc. Suite 1210, 1300 East 9 th Street Cleveland, Ohio 44114

Description of Collateral

This financing statement covers all of the right, title and interest of the Debtor in, to and under all of the following, wherever located, whether now existing or hereafter from time to time acquired:

- (a) all of Debtor's Accounts, Accounts Receivable or Deposit Accounts;
- (b) all of Debtor's Inventory;
- (c) all of Debtor's Equipment;
- (d) all of Debtor's Cash Security;
- (e) all of Debtor's General Intangibles and Payment Intangibles;
- (f) all of Debtor's Investment Property;
- (g) all of Debtor's Letter-of-Credit Rights and Commercial Tort Claims;
- (h) all of Debtor's rights in Supporting Obligations; and
- (i) all of the Proceeds, Accessions, products, profits, and rents of Debtor's Accounts, Accounts Receivable, Deposit Accounts, Inventory, Equipment, Cash Security, General Intangibles and Payment Intangibles, Investment Property, Letter-of-Credit Rights, Commercial Tort Claims and Supporting Obligations.

All of the foregoing hereinafter sometimes referred to collectively as the "Collateral."

For purposes of this Exhibit A,

"Accessions" shall have the meaning assigned that term in Chapter 1301 *et seq.* of the Ohio Revised Code (as the same may be amended and/or in effect from time to time) (the "**UCC**").

"Account" means: (a) any account, as defined in the UCC; and (b) any right to payment for Goods sold or leased or for services rendered which is not evidenced by an Instrument or Chattel Paper, whether or not it has been earned by performance.

“Account Receivable” means:

- (a) any account receivable, Account, Chattel Paper, Contract Right, General Intangible, Document, or Instrument owned, acquired, or received by a Person;
- (b) any other indebtedness owed to or receivable owned, acquired, or received by a Person of whatever kind and however evidenced; and
- (c) any right, title, and interest in a Person’s Goods which were sold, leased, or furnished by that Person and gave rise to either (a) or (b) above, or both of them. This includes, without limitation:
 - (1) any rights of stoppage in transit of a Person’s sold, leased, or furnished Goods;
 - (2) any rights to reclaim a Person’s sold, leased, or furnished Goods; and
 - (3) any rights a Person has in such sold, leased, or furnished Goods that have been returned to or repossessed by that Person.

“Affiliate” as to any Person means any other Person which directly or indirectly controls, is controlled by, or is under common control with such Person. Control, as used in this definition, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, including the power to elect a majority of the directors or trustees of a corporation or trust, as the case may be.

“Agreement” means that certain Credit and Security Agreement between Debtor and Secured Party, and includes any partial or total amendment, renewal, restatement, extension, or substitution of or for such agreement.

“Cash Security” means all cash, Instruments, Deposit Accounts, and other cash equivalents, whether matured or unmatured, whether collected or in the process of collection, upon which Debtor presently has or may hereafter have any claim, that are presently or may hereafter be existing or maintained with, issued by, drawn upon, or in the possession of Secured Party or any Affiliate of Secured Party.

“Chattel Paper” means: (a) any chattel paper as defined in the UCC; and (b) any writing or writings which evidence both a monetary obligation and a security interest in or a lease of specific Goods. If a transaction is evidenced both by such an agreement for security or a lease and by an Instrument or a series of Instruments, the group of writings taken together constitutes Chattel Paper.

“Commercial Tort Claim” has the meaning ascribed to such term in the UCC.

“Contract Right” means: (a) any contract right as defined in the UCC (including, without limitation, any right of a Debtor to be indemnified by any other Person); and (b) any right to payment under a contract not yet earned by performance and not evidenced by an Instrument or Chattel Paper.

“Deposit Account” means: (a) any deposit account as defined in the UCC; and (b) any demand, time, savings, passbook, or a similar account maintained with a bank, savings and loan association, credit union, or similar organization, other than an account evidenced by a certificate of deposit.

“Document” means: (a) any document as defined in the UCC; (b) any document of title, including a bill of lading, dock warrant, dock receipt, warehouse receipt or order for the delivery of Goods, and any other document which in the regular course of business or financing is treated as adequately evidencing that the Person in possession of it is entitled to receive, hold, and dispose of the document and the Goods it covers; and (c) any receipt covering Goods stored under a statute requiring a bond against withdrawal or a license for the issuance of receipts in the nature of warehouse receipts even though issued by a Person who is the owner of the Goods and is not a warehouseman.

“Equipment” means:

- (a) any equipment as defined in the UCC, including without limitation, machinery, office furniture and furnishings, tools, dies, jigs, and molds;
- (b) all Goods that are used or bought for use primarily in a Person’s business;
- (c) all Goods that are not consumer goods, farm products, or Inventory;
- (d) all titled vehicles; and
- (e) all substitutes or replacements for, and all parts, accessories, additional, attachments, or accessions to (a) through (d) above.

“General Intangible” means: (a) any general intangible, as defined in the UCC, including without limitation, any patent, trademark, service mark, goodwill, copyright, license and any applications or rights with respect to the foregoing or any other Intellectual Property; and (b) any personal property (including things in action) other than Goods, Accounts, Contract Rights, Chattel Paper, Documents, Instruments, and money.

“Goods” means: (a) any goods, as defined in the UCC; and (b) all things which are movable at the time the security interest granted Secured Party under the Agreement attaches or which are fixtures but does not include money, Instruments, Documents, Accounts, Chattel Paper, General Intangibles, and Contract Rights.

“Instrument” means:

- (a) any instrument as defined in the UCC;
- (b) any negotiable or nonnegotiable instrument (including, without limitation, drafts, checks, acceptances, certificates of deposit, and notes);
- (c) any security; and
- (d) any other writing which:
 - (1) evidences a right to the payment of money,
 - (2) is not itself a security agreement or lease, and
 - (3) is of a type which in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment.

“Intellectual Property” means Debtor’s now owned and hereafter arising or acquired: patents, patent rights, patent applications, copyrights, works which are the subject matter of copyrights, copyright registrations, trademarks, trade names, trade styles, trademark and service mark applications, and licenses and rights to use any of the foregoing; all extensions, renewals, reissues, divisions, continuations, and continuations-in-part of any of the foregoing; all rights to sue for past, present and future infringement of any of the foregoing; inventions, trade secrets, formulae, processes, compounds, drawings, designs, blueprints, surveys, reports, manuals, and operating standards; goodwill; customer and other lists in whatever form maintained; and trade secret rights, copyright rights, rights in works of authorship, and contract rights relating to computer software programs, in whatever form created or maintained.

“Investment Property” means a security, whether certificated or uncertificated; a security entitlement, a securities account, a commodity contract or a commodity account, each as defined in the UCC and shall also include any investment property, as defined in the UCC.

“Inventory” means:

- (a) any inventory, as defined in the UCC;
- (b) all Goods that are raw materials;
- (c) all Goods that are work in process;
- (d) all Goods that are materials used or consumed in the ordinary course of a Person’s business;
- (e) all Goods that are, in the ordinary course of a Person’s business, held for sale or lease or furnished or to be furnished under contracts of service; and
- (f) all substitutes and replacements for, and parts, accessories, additions, attachments, or accessions to (a) to (e) above.

“Letter of Credit Rights” shall have the meaning set forth in the UCC.

“Organization” means a corporation, government or government subdivision or agency, business trust, estate, trust, partnership, limited liability company, joint stock company, joint venture, unincorporated organization, association, two or more Persons having a joint or common interest, and any other legal or commercial entity.

“Payment Intangible” means any payment intangible as defined in the UCC.

“Person” means an individual or an Organization.

“Proceeds” means: (a) any proceeds as defined in the UCC; and (b) whatever is received upon the sale, exchange, collection, or other disposition of Collateral or Proceeds, whether cash or non-cash. Cash Proceeds includes, without limitation, moneys, checks, and Deposit Accounts. Proceeds includes, without limitation, any Account arising when the right to payment is earned under a Contract Right, any insurance payable by reason of

loss or damage to the Collateral, and any return or unearned premium upon any cancellation of insurance. Except as expressly authorized in the Agreement, Secured Party's right to Proceeds specifically set forth herein or indicated in any financing statement shall never constitute an express or implied authorization on the part of Secured Party to a Debtor's sale, exchange, collection, or other disposition of any or all of the Collateral.

“Supporting Obligations” means all supporting obligations as defined in the UCC, and all letter of credit rights or secondary obligations (such as guaranties, surety agreements, indemnification agreements or similar agreements wherein the obligor's obligation is secondary or wherein the obligor has a right of recourse with respect to an obligation secured by collateral against the debtor, another obligor or property of either) that support the payment or performance of an account, chattel paper, documents, general intangibles, instruments or investment property, all whether now owned or hereafter acquired.

“UCC” shall have the meaning set forth in the definition of “Accession”.

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 03:25 PM 07/07/2008
INITIAL FILING # 3282674 4
AMENDMENT # 2008 2310496
SRV: 080761139

A. NAME & PHONE OF CONTACT AT FILER (optional)	
Diligenz	8008585294
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
DILIGENZ, INC.	
6500 HARBOR HEIGHTS PARKWAY	
SUITE 400	
MCKILTEO WA 98275	

1a. INITIAL FINANCING STATEMENT FILE # 3282674 4	1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
---	--

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.
Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.
 CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME					
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
7c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

7d. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION
--------------------------	----------------------------------

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT
RoyNat Business Capital Inc.

10. OPTIONAL FILER REFERENCE DATA
[35342072]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Diligenz 8008585294

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

DILIGENZ, INC.
6500 HARBOR HEIGHTS PARKWAY
SUITE 400
MOKILTEO WA 98275

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 05:28 PM 11/05/2008
INITIAL FILING # 3282674 4
AMENDMENT # 2008 3716162
SRV: 081094962

1a. INITIAL FINANCING STATEMENT FILE #
3282674 4

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.
Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.
 CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

7d. TYPE OF ORGANIZATION	7e. JURISDICTION OF ORGANIZATION

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT
RoyNat Business Capital Inc.

10. OPTIONAL FILER REFERENCE DATA
[38146218]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
	8008335778
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
UCC DIRECT SERVICES 2727 ALLEN PARKWAY SUITE 1000 HOUSTON TX 77019	

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
 FILED 11:59 AM 05/24/2011
 INITIAL FILING # 2011 1963167

 SRV: 110606221

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME XENTEL, INC.					
OR	1b. INDIVIDUAL'S LAST NAME				
	FIRST NAME	MIDDLE NAME	SUFFIX		
1c. MAILING ADDRESS 101 NE 3RD AVENUE, STE 203		CITY FT. LAUDERDALE	STATE FL	POSTAL CODE 53202	COUNTRY US
1e. TYPE OF ORGANIZATION CORPORATION		1f. JURISDICTION OF ORGANIZATION DE			

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME				
	FIRST NAME	MIDDLE NAME	SUFFIX		
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
2e. TYPE OF ORGANIZATION		2f. JURISDICTION OF ORGANIZATION			

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME ROYAL BANK AMERICA LEASING					
OR	3b. INDIVIDUAL'S LAST NAME				
	FIRST NAME	MIDDLE NAME	SUFFIX		
3c. MAILING ADDRESS 550 TOWNSHIP LINE ROAD SUITE 425		CITY BLUE BELL	STATE PA	POSTAL CODE 19422	COUNTRY US

4. This FINANCING STATEMENT covers the following collateral:

(1) Bosch Acces Control System, (1) CCTV System, (1) Intercom System, (1) Alarm System "including all replacements, parts, substitutions, modifications, accessories, additions, attachments, accessions and tools of the debtor now or hereafter installed therein, afixed thereto or used or intended to be used in connection therewith."

5. ALTERNATIVE DESIGNATION - Lessee-Lessor

6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum <input type="checkbox"/> (if applicable)	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] <input type="checkbox"/> (optional)	<input type="checkbox"/> All Debtors	<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2
---	--	--------------------------------------	-----------------------------------	-----------------------------------

8. OPTIONAL FILER REFERENCE DATA
DE-0-45476536

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
 Gisella Melendez 8008335778

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

UCC DIRECT SERVICES
 2727 ALLEN PARKWAY
 SUITE 1000
 HOUSTON TX 77019

DELAWARE DEPARTMENT OF STATE
 U.C.C. FILING SECTION
 FILED 01:25 PM 08/28/2012
 INITIAL FILING # 2012 3329028
 SRV: 120977754

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
 XENTEL INC

OR

1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
1c. MAILING ADDRESS 101 NE 3RD AVE. #203	CITY FT. LAUDERDALE	STATE FL	POSTAL CODE 33301	COUNTRY US
1e. TYPE OF ORGANIZATION CORPORATION	1f. JURISDICTION OF ORGANIZATION DE			

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION			

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
 MINTAKA FINANCIAL, LLC

OR

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS PO BOX 2149	CITY GIG HARBOR	STATE WA	POSTAL CODE 98335	COUNTRY US

4. This FINANCING STATEMENT covers the following collateral:

Equipment Location: 720 W. Virginia Street, Milwaukee, WI 53204

(1) Swing Classic Inserter System Model #950601 inc: 6-Station STI Inserter base, 6-Station STI Inserter base, Ejector Roller Assembly, 6' Conveyor Classic Feeder/Accumulator, Folder w/Sound Covers, PLC Control Module, 12 inch touch screen monitor, Reading-BCR Camera, System Extension, STI proprietary PLC software inc: STI Barcode Definition

6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

DE-0-34563470-46763674

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 01:02 PM 03/07/2013
INITIAL FILING # 2012 3329028
AMENDMENT # 2013 0884461
SRV: 130286973

A. NAME & PHONE OF CONTACT AT FILER [optional] Gisella Melendez 8008335778
B. SEND ACKNOWLEDGMENT TO: (Name and Address) UCC DIRECT SERVICES 2727 ALLEN PARKWAY SUITE 1000 HOUSTON TX 77019

1a. INITIAL FINANCING STATEMENT FILE # 2012 3329028	1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
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2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.
Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.
 CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME XENTIEL INC	OR		
6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME XENTIEL INC.	OR		
7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS 101 NE 3RD AVE. #203	CITY FT. LAUDERDALE	STATE FL	POSTAL CODE 33301	COUNTRY US
7d. TYPE OF ORGANIZATION CORPORATION	7f. JURISDICTION OF ORGANIZATION DE			

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT
Mintaka Financial, LLC

10. OPTIONAL FILER REFERENCE DATA
DE-0-37230446-47225092

UCC Summary – US Billings Inc. (“US Billings”)

Reference File No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
38782822	JPMorgan Chase Bank, N.A.	US Billings	October 23, 2003 (exp. October 10, 2013)	All assets of the debtor.
32826777	RoyNat Business Capital Inc.	U.S. Billings	October 24, 2003 (exp. October 24, 2013) <i>(Terminated November 5, 2008)</i>	<p>All of Debtor’s personal property, as more particularly described on Exhibit A attached hereto and incorporated herein by reference.</p> <ul style="list-style-type: none"> - Accounts, Accounts Receivable or Deposit Accounts - Inventory - Equipment - Cash Security - General Intangibles and Payment Intangibles - Investment Property - Letter of Credit Rights and Commercial Tort Claims - Rights in Supporting Obligations - Proceeds, Accessions, products, profits and rents of Debtor’s Accounts, Accounts Receivable, Deposit Accounts, Inventory, Equipment, Cash Security, General Intangibles and Payment Intangibles, Investment Property, Letter-of-Credit Rights, Commercial Tort Claims and Supporting Obligations
42813782	JPMorgan Chase Bank, N.A.	U.S. Billings	October 6, 2004 (exp. October 6, 2014)	All of the following-described property of the Debtor. whether now or here after acquired, whether now existing or hereafter

Reference File No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
				<p>arising, and wherever located, together with all books, records, data, and software relating thereto and all Proceeds, Products, and Supporting Obligations thereof: All of the Debtor's Accounts; Chattel Paper; Deposit Accounts; Documents; Equipment; General Intangibles; Instruments; Inventory; Investment Property; and Letter of Credit Rights. All terms used herein with their initial letters capitalized are used as defined in the UCC of the State of Wisconsin, as in effect from time to time.</p>
03482209	Susquehanna Commercial Finance Inc.	US Billings	October 6, 2010 (exp. October 6, 2015)	One New 6 Station Sensible Technologies Classic Automatic Mail Processing Inserting Solution
30868969	Mintake Financial, LLC	US Billings	March 6, 2013 (exp. March 6, 2018)	Swing Classic Inserter System Model 3950601 inc: 6-Station Inserter base, 6-Station STI Inserter base, Ejector Roller Assembly, 6' Conveyor Classic Feeder/Accumulator, Folder w/Sound Covers, PLC Control Module, 12 inch touch screen monitor, Reading-BCR Camera, System Extension, STI proprietary PLC software inc: STI Barcode Definition

Delaware

PAGE 1

The First State

CERTIFICATE

SEARCHED APRIL 9, 2013, AT 3:24 P.M.
FOR DEBTOR "US BILLING INC."

1 OF 5 FINANCING STATEMENT 32782822
EXPIRATION DATE: OCTOBER 23, 2013
DEBTOR: XENTEL AMERICA, INC.
ADDED
REMOVED 08-10-11
DEBTOR: XENTEL AMERICA, INC
10 KODAK CRESCENT
TORONTO, ONTARIO CANADA M3J 3G5 ADDED 10-23-03
REMOVED 07-09-07
DEBTOR: US BILLING, INC.
10 KODAK CRESCENT
TORONTO, ONTARIO DC 99999 ADDED 07-09-07
DEBTOR: US BILLING, INC.
10 KODAK CRESCENT
TORONTO, ONTARIO M3J 3G5 ADDED 08-10-11
SECURED: BANK ONE, NA
111 EAST WISCONSIN AVENUE
MILWAUKEE WI 53202 ADDED 10-23-03
REMOVED 07-11-08
SECURED: JPMORGAN CHASE BANK, N.A.
P.O. BOX 33035
LOUISVILLE KY 40202 ADDED 07-11-08


F I L I N G H I S T O R Y
32782822 FILED 10-23-03 AT 4:54 P.M. FINANCING STATEMENT
72574811 FILED 07-09-07 AT 3:06 P.M. AMENDMENT
81661048 FILED 05-14-08 AT 4:19 A.M. CONTINUATION
82376927 FILED 07-11-08 AT 4:21 A.M. AMENDMENT
13102087 FILED 08-10-11 AT 6:01 P.M. AMENDMENT

2 OF 5 FINANCING STATEMENT 32826777
EXPIRATION DATE: OCTOBER 24, 2013
DEBTOR: XENTEL AMERICA, INC
900 S.E. 3RD AVENUE, SUITE 201
FT. LAUDERDALE FL 33316 ADDED 10-24-03
REMOVED 12-12-07
DEBTOR: US BILLING, INC.
900 S.E. 3RD AVENUE
SUITE 201 ADDED 12-12-07



20131357301UCXL

130416016


Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 0345155

DATE: 04-09-13

Delaware

PAGE 2

The First State

FT. LAUDERDALE FL 33316
SECURED: ROYNAT BUSINESS CAPITAL INC.
SUITE 1210, 1300 EAST 9TH STREET ADDED 10-24-03
CLEVELAND OH 44114

F I L I N G H I S T O R Y
32826777 FILED 10-24-03 AT 11:00 A.M. FINANCING STATEMENT
74681903 FILED 12-12-07 AT 10:24 A.M. AMENDMENT
82310470 FILED 07-07-08 AT 3:25 P.M. CONTINUATION
83716170 FILED 11-05-08 AT 5:28 P.M. TERMINATION

3 OF 5 FINANCING STATEMENT 42813782
EXPIRATION DATE: OCTOBER 6, 2014
DEBTOR: XENTEL AMERICA, INC
10012 W CAPITOL DRIVE ADDED 10-06-04
MILWAUKEE WI 53222 REMOVED 07-09-07
DEBTOR: US BILLING, INC.
10012 W CAPITOL DRIVE ADDED 07-09-07
MILWAUKEE WI 53222
SECURED: BANK ONE, NA WITH ITS MAIN OFFICE IN CHICAGO, IL
312 SOUTH FOURTH STREET ADDED 10-06-04
LOUISVILLE KY 40202 REMOVED 06-04-09
SECURED: JPMORGAN CHASE BANK, N.A.
P.O. BOX 33035 ADDED 06-04-09
LOUISVILLE KY 40202

F I L I N G H I S T O R Y
42813782 FILED 10-06-04 AT 5:08 P.M. FINANCING STATEMENT
72574787 FILED 07-09-07 AT 3:06 P.M. AMENDMENT
91675369 FILED 05-28-09 AT 4:02 A.M. CONTINUATION
91760799 FILED 06-04-09 AT 5:28 A.M. AMENDMENT

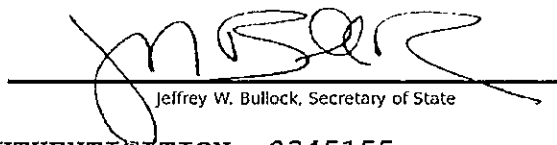
4 OF 5 FINANCING STATEMENT 03482209
EXPIRATION DATE: OCTOBER 6, 2015
DEBTOR: US BILLING, INC.
10012 W. CAPITOL DR. ADDED 10-06-10
MILWAUKEE WI 53222
SECURED: SUSQUEHANNA COMMERCIAL FINANCE, INC.
1566 MEDICAL DR. ADDED 10-06-10
STE. 201
POTTSTOWN PA 19464

F I L I N G H I S T O R Y



20131357301UCXL

130416016


Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 0345155

DATE: 04-09-13

Delaware

PAGE 3

The First State

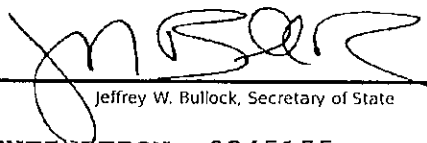
03482209 FILED 10-06-10 AT 3:08 P.M. FINANCING STATEMENT
5 OF 5 FINANCING STATEMENT 30868969
EXPIRATION DATE: MARCH 6, 2018
DEBTOR: US BILLING, INC.
720 W. VIRGINIA ST
MILWAUKEE WI 53204 ADDED 03-06-13
SECURED: MINTAKA FINANCIAL, LLC
PO BOX 2149
GIG HARBOR WA 98335 ADDED 03-06-13
F I L I N G H I S T O R Y
30868969 FILED 03-06-13 AT 2:12 P.M. FINANCING STATEMENT
E N D O F F I L I N G H I S T O R Y

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THE ABOVE LISTING IS A RECORD OF ALL PRESENTLY EFFECTIVE FINANCING STATEMENTS, LAPSED FINANCING STATEMENTS, FEDERAL TAX LIENS AND UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, AS OF MARCH 25, 2013 AT 11:59 P.M.



20131357301UCXL

130416016


Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 0345155

DATE: 04-09-13

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

DELAWARE DEPARTMENT OF STATE
 U.C.C. FILING SECTION
 FILED 04:54 PM 10/23/2003
 INITIAL FILING NUM: 3278282 2
 AMENDMENT NUMBER: 000000
 SRV: 030682718

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Kimberly Breunling
 CT Corporation System - UCC Division
 208 South LaSalle Street
 Chicago, IL 60604

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
XENTEL AMERICA, INC.

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
10 KODAK CRESCENT TORONTO, ONTARIO M3J 3G5 CANADA

1d. TAX ID # SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any
CORPORATION DELAWARE 3707504 NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. TAX ID # SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any
 NONE

3. SECURED PARTY'S NAME (or NAME OF TOTAL ASSIGNEE of ASSIGNOR & P) - Insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
BANK ONE, NA

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
111 EAST WISCONSIN AVENUE MILWAUKEE WI 53202 USA

4. This FINANCING STATEMENT covers the following collateral:

ALL ASSETS OF THE DEBTOR.

5. ALTERNATIVE DESIGNATION (if applicable): LESSOR/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOB SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

FILE WITH DE SOS **5961011-A**

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] 8008335778

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

UCC DIRECT SERVICES
2727 ALLEN PARKWAY
SUITE 1000

HOUSTON TX 77019

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 03:06 PM 07/09/2007
INITIAL FILING # 3278282 2
AMENDMENT # 2007 2574811
SRV: 070793235

1a. INITIAL FINANCING STATEMENT FILE # 1b. This FINANCING STATEMENT AMENDMENT is
3278282 2 to be filed [for record] (or recorded) in the
 REAL ESTATE RECORDS.

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME
XENTEL AMERICA, INC.

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME
US BILLING, INC.

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

10 KODAK CRESCENT	TORONTO, ONTARIO	DC	99999	US
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7d. TYPE OF ORGANIZATION CORPORATION	7f. JURISDICTION OF ORGANIZATION DE
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8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT
BANK ONE, NA

10. OPTIONAL FILER REFERENCE DATA
DE-0-25451509-0000620154 Xentel Inc 790358543000 6

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	8008335778
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
UCC DIRECT SERVICES	
2727 ALLEN PARKWAY	
SUITE 1000	
HOUSTON TX 77019	

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 04:19 AM 05/14/2008
INITIAL FILING # 3278282 2
AMENDMENT # 2008 1661048
SRV: 080542958

1a. INITIAL FINANCING STATEMENT FILE # 3278282 2	1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
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2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

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6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME					
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
7c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION
--------------------------	----------------------------------

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT
BANK ONE, NA

10. OPTIONAL FILER REFERENCE DATA
DE-0-30539223-0000620154 Xentel Inc 790358543000 6

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] 8008335778

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

UCC DIRECT SERVICES
 2727 ALLEN PARKWAY
 SUITE 1000
 HOUSTON TX 77019

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 04:21 AM 07/11/2008
INITIAL FILING # 3278282 2
AMENDMENT # 2008 2376927
SRV: 080775618

1a. INITIAL FINANCING STATEMENT FILE # 1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

3278282 2

2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

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Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

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6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME
 BANK ONE, NA

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME
 JPMORGAN CHASE BANK, N.A.

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS P.O. BOX 33035	CITY LOUISVILLE	STATE KY	POSTAL CODE 40202	COUNTRY US
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7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION

8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.

Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT
 JPMorgan Chase Bank, N.A.

10. OPTIONAL FILER REFERENCE DATA
 DE-0-30539224-0000620154 Xentel Inc 790358543000 6

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
	4142775000
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
REBECCA A. DILLER QUARLES & BRADY LLP 411 E WISCONSIN AVE SUITE 2040 MILWAUKEE WI 53202	

DELAWARE DEPARTMENT OF STATE
 U.C.C. FILING SECTION
 FILED 06:01 PM 08/10/2011
 INITIAL FILING # 3278282 2
 AMENDMENT # 2011 3102087
 SRV: 110909212

1a. INITIAL FINANCING STATEMENT FILE # 3278282 2	1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
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2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

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6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME XENTEL AMERICA, INC.				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME US BILLING, INC.				
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS 10 KODAK CRESCENT		CITY TORONTO, ONTARIO	STATE	POSTAL CODE M3J 3G5	COUNTRY CA
7d. TYPE OF ORGANIZATION CORPORATION		7f. JURISDICTION OF ORGANIZATION DE			

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT
 JPMorgan Chase Bank, N.A., successor in interest to Bank One

10. OPTIONAL FILER REFERENCE DATA

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

DELAWARE DEPARTMENT OF STATE
 U.C.C. FILING SECTION
 FILED 11:00 AM 10/24/2003
 INITIAL FILING NUM: 3282677 7
 AMENDMENT NUMBER: 000000
 SRV: 030686524

A. NAME & PHONE OF CONTACT AT FILER [optional]
 Mary F. Graham 216.348.5461

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Mary F. Graham, Paralegal
 McDonald Hopkins Co., LPA
 2100 Bank One Center
 600 Superior Avenue
 Cleveland, OH 44114

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
 Xentel America, Inc.

OR 1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
 900 S.E. 3rd Avenue, Suite 201 Ft. Lauderdale FL 33316 USA

1d. TAX ID # SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any
 corporation Delaware 3707504 NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. TAX ID # SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any
 NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR SIP) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
 RoyNat Business Capital Inc.

OR 3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
 Suite 1210, 1300 East 9th Street Cleveland OH 44114 USA

4. This FINANCING STATEMENT covers the following collateral:

All of Debtor's personal property, as more particularly described on Exhibit A attached hereto and incorporated herein by reference.

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. THIS FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA PDF # 439868 Delaware Secretary of State

Exhibit A

Debtor:	Secured Party:
Xentel America, Inc. 900 S.E. 3rd Avenue, Suite 201 Ft. Lauderdale, FL 33316	RoyNat Business Capital Inc. Suite 1210, 1300 East 9 th Street Cleveland, Ohio 44114

Description of Collateral

This financing statement covers all of the right, title and interest of the Debtor in, to and under all of the following, wherever located, whether now existing or hereafter from time to time acquired:

- (a) all of Debtor's Accounts, Accounts Receivable or Deposit Accounts;
- (b) all of Debtor's Inventory;
- (c) all of Debtor's Equipment;
- (d) all of Debtor's Cash Security;
- (e) all of Debtor's General Intangibles and Payment Intangibles;
- (f) all of Debtor's Investment Property;
- (g) all of Debtor's Letter-of-Credit Rights and Commercial Tort Claims;
- (h) all of Debtor's rights in Supporting Obligations; and
- (i) all of the Proceeds, Accessions, products, profits, and rents of Debtor's Accounts, Accounts Receivable, Deposit Accounts, Inventory, Equipment, Cash Security, General Intangibles and Payment Intangibles, Investment Property, Letter-of-Credit Rights, Commercial Tort Claims and Supporting Obligations.

All of the foregoing hereinafter sometimes referred to collectively as the "Collateral."

For purposes of this Exhibit A,

"Accessions" shall have the meaning assigned that term in Chapter 1301 *et seq.* of the Ohio Revised Code (as the same may be amended and/or in effect from time to time) (the "**UCC**").

"Account" means: (a) any account, as defined in the UCC; and (b) any right to payment for Goods sold or leased or for services rendered which is not evidenced by an Instrument or Chattel Paper, whether or not it has been earned by performance.

“Account Receivable” means:

- (a) any account receivable, Account, Chattel Paper, Contract Right, General Intangible, Document, or Instrument owned, acquired, or received by a Person;
- (b) any other indebtedness owed to or receivable owned, acquired, or received by a Person of whatever kind and however evidenced; and
- (c) any right, title, and interest in a Person’s Goods which were sold, leased, or furnished by that Person and gave rise to either (a) or (b) above, or both of them. This includes, without limitation:
 - (1) any rights of stoppage in transit of a Person’s sold, leased, or furnished Goods;
 - (2) any rights to reclaim a Person’s sold, leased, or furnished Goods; and
 - (3) any rights a Person has in such sold, leased, or furnished Goods that have been returned to or repossessed by that Person.

“Affiliate” as to any Person means any other Person which directly or indirectly controls, is controlled by, or is under common control with such Person. Control, as used in this definition, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, including the power to elect a majority of the directors or trustees of a corporation or trust, as the case may be.

“Agreement” means that certain Credit and Security Agreement between Debtor and Secured Party, and includes any partial or total amendment, renewal, restatement, extension, or substitution of or for such agreement.

“Cash Security” means all cash, Instruments, Deposit Accounts, and other cash equivalents, whether matured or unmatured, whether collected or in the process of collection, upon which Debtor presently has or may hereafter have any claim, that are presently or may hereafter be existing or maintained with, issued by, drawn upon, or in the possession of Secured Party or any Affiliate of Secured Party.

“Chattel Paper” means: (a) any chattel paper as defined in the UCC; and (b) any writing or writings which evidence both a monetary obligation and a security interest in or a lease of specific Goods. If a transaction is evidenced both by such an agreement for security or a lease and by an Instrument or a series of Instruments, the group of writings taken together constitutes Chattel Paper.

“Commercial Tort Claim” has the meaning ascribed to such term in the UCC.

“Contract Right” means: (a) any contract right as defined in the UCC (including, without limitation, any right of a Debtor to be indemnified by any other Person); and (b) any right to payment under a contract not yet earned by performance and not evidenced by an Instrument or Chattel Paper.

“Deposit Account” means: (a) any deposit account as defined in the UCC; and (b) any demand, time, savings, passbook, or a similar account maintained with a bank, savings and loan association, credit union, or similar organization, other than an account evidenced by a certificate of deposit.

“Document” means: (a) any document as defined in the UCC; (b) any document of title, including a bill of lading, dock warrant, dock receipt, warehouse receipt or order for the delivery of Goods, and any other document which in the regular course of business or financing is treated as adequately evidencing that the Person in possession of it is entitled to receive, hold, and dispose of the document and the Goods it covers; and (c) any receipt covering Goods stored under a statute requiring a bond against withdrawal or a license for the issuance of receipts in the nature of warehouse receipts even though issued by a Person who is the owner of the Goods and is not a warehouseman.

“Equipment” means:

- (a) any equipment as defined in the UCC, including without limitation, machinery, office furniture and furnishings, tools, dies, jigs, and molds;
- (b) all Goods that are used or bought for use primarily in a Person’s business;
- (c) all Goods that are not consumer goods, farm products, or Inventory;
- (d) all titled vehicles; and
- (e) all substitutes or replacements for, and all parts, accessories, additional, attachments, or accessions to (a) through (d) above.

“General Intangible” means: (a) any general intangible, as defined in the UCC, including without limitation, any patent, trademark, service mark, goodwill, copyright, license and any applications or rights with respect to the foregoing or any other Intellectual Property; and (b) any personal property (including things in action) other than Goods, Accounts, Contract Rights, Chattel Paper, Documents, Instruments, and money.

“Goods” means: (a) any goods, as defined in the UCC; and (b) all things which are movable at the time the security interest granted Secured Party under the Agreement attaches or which are fixtures but does not include money, Instruments, Documents, Accounts, Chattel Paper, General Intangibles, and Contract Rights.

“Instrument” means:

- (a) any instrument as defined in the UCC;
- (b) any negotiable or nonnegotiable instrument (including, without limitation, drafts, checks, acceptances, certificates of deposit, and notes);
- (c) any security; and
- (d) any other writing which:
 - (1) evidences a right to the payment of money,
 - (2) is not itself a security agreement or lease, and
 - (3) is of a type which in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment.

“Intellectual Property” means Debtor’s now owned and hereafter arising or acquired: patents, patent rights, patent applications, copyrights, works which are the subject matter of copyrights, copyright registrations, trademarks, trade names, trade styles, trademark and service mark applications, and licenses and rights to use any of the foregoing; all extensions, renewals, reissues, divisions, continuations, and continuations-in-part of any of the foregoing; all rights to sue for past, present and future infringement of any of the foregoing; inventions, trade secrets, formulae, processes, compounds, drawings, designs, blueprints, surveys, reports, manuals, and operating standards; goodwill; customer and other lists in whatever form maintained; and trade secret rights, copyright rights, rights in works of authorship, and contract rights relating to computer software programs, in whatever form created or maintained.

“Investment Property” means a security, whether certificated or uncertificated; a security entitlement, a securities account, a commodity contract or a commodity account, each as defined in the UCC and shall also include any investment property, as defined in the UCC.

“Inventory” means:

- (a) any inventory, as defined in the UCC;
- (b) all Goods that are raw materials;
- (c) all Goods that are work in process;
- (d) all Goods that are materials used or consumed in the ordinary course of a Person’s business;
- (e) all Goods that are, in the ordinary course of a Person’s business, held for sale or lease or furnished or to be furnished under contracts of service; and
- (f) all substitutes and replacements for, and parts, accessories, additions, attachments, or accessions to (a) to (e) above.

“Letter of Credit Rights” shall have the meaning set forth in the UCC.

“Organization” means a corporation, government or government subdivision or agency, business trust, estate, trust, partnership, limited liability company, joint stock company, joint venture, unincorporated organization, association, two or more Persons having a joint or common interest, and any other legal or commercial entity.

“Payment Intangible” means any payment intangible as defined in the UCC.

“Person” means an individual or an Organization.

“Proceeds” means: (a) any proceeds as defined in the UCC; and (b) whatever is received upon the sale, exchange, collection, or other disposition of Collateral or Proceeds, whether cash or non-cash. Cash Proceeds includes, without limitation, moneys, checks, and Deposit Accounts. Proceeds includes, without limitation, any Account arising when the right to payment is earned under a Contract Right, any insurance payable by reason of

loss or damage to the Collateral, and any return or unearned premium upon any cancellation of insurance. Except as expressly authorized in the Agreement, Secured Party's right to Proceeds specifically set forth herein or indicated in any financing statement shall never constitute an express or implied authorization on the part of Secured Party to a Debtor's sale, exchange, collection, or other disposition of any or all of the Collateral.

“Supporting Obligations” means all supporting obligations as defined in the UCC, and all letter of credit rights or secondary obligations (such as guaranties, surety agreements, indemnification agreements or similar agreements wherein the obligor's obligation is secondary or wherein the obligor has a right of recourse with respect to an obligation secured by collateral against the debtor, another obligor or property of either) that support the payment or performance of an account, chattel paper, documents, general intangibles, instruments or investment property, all whether now owned or hereafter acquired.

“UCC” shall have the meaning set forth in the definition of “Accession”.

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
Mary F. Graham	2163485406
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
MCDONALD HOPKINS CO., (USE ACCT. 9180516)	
600 SUPERIOR AVENUE, SUITE 2100	
CLEVELAND OH 44114	

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 10:24 AM 12/12/2007
INITIAL FILING # 3282677 7
AMENDMENT # 2007 4681903
SRV: 071311610

1a. INITIAL FINANCING STATEMENT FILE # 3282677 7	1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
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2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

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6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME XENTEL AMERICA, INC.				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME US BILLING, INC.				
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS 900 S.E. 3RD AVENUE SUITE 201		CITY FT. LAUDERDALE	STATE FL	POSTAL CODE 33316	COUNTRY US
7d. TYPE OF ORGANIZATION CORPORATION		7f. JURISDICTION OF ORGANIZATION DE			

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT
RoyNat Business Capital Inc.

10. OPTIONAL FILER REFERENCE DATA
21721-00017

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
Diligenz	8008585294
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
DILIGENZ, INC.	
6500 HARBOR HEIGHTS PARKWAY	
SUITE 400	
MOKILEE WA 98275	

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 03:25 PM 07/07/2008
INITIAL FILING # 3282677 7
AMENDMENT # 2008 2310470
SRV: 080761136

1a. INITIAL FINANCING STATEMENT FILE # 3282677 7	1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
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2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

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6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME				
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION
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8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT
RoyNat Business Capital Inc.

10. OPTIONAL FILER REFERENCE DATA
[35341967]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
Diligenz	8008585294
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
DILIGENZ, INC.	
6500 HARBOR HEIGHTS PARKWAY	
SUITE 400	
MUKILTEO WA 98275	

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 05:28 PM 11/05/2008
INITIAL FILING # 3282677 7
AMENDMENT # 2008 3716170
SRV: 081094963

1a. INITIAL FINANCING STATEMENT FILE # 3282677 7	1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
---	--

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.
Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME				
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION
--------------------------	----------------------------------

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT
RoyNat Business Capital Inc.

10. OPTIONAL FILER REFERENCE DATA
[38146323]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]		8008335778
B. SEND ACKNOWLEDGMENT TO: (Name and Address)		
UCC DIRECT SERVICES 2727 ALLEN PARKWAY SUITE 1000 HOUSTON TX 77019		

DELAWARE DEPARTMENT OF STATE
 U.C.C. FILING SECTION
 FILED 05:08 PM 10/06/2004
 INITIAL FILING NUM: 4281378 2
 AMENDMENT NUMBER: 000000
 SRV: 040724356

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME XENTEL AMERICA, INC.					
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS 10012 W CAPITOL DRIVE		CITY MILWAUKEE	STATE WI	POSTAL CODE 53222	COUNTRY US
		1e. TYPE OF ORGANIZATION CORPORATION	1f. JURISDICTION OF ORGANIZATION DE		

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
		2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION		

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME BANK ONE, NA WITH ITS MAIN OFFICE IN CHICAGO, IL					
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS 312 SOUTH FOURTH STREET		CITY LOUISVILLE	STATE KY	POSTAL CODE 40202	COUNTRY US

5. ALTERNATIVE DESIGNATION - 2003

6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum <input type="checkbox"/> (if applicable)	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] <input type="checkbox"/> optional <input type="checkbox"/> All Debtors <input type="checkbox"/> Debtor 1 <input type="checkbox"/> Debtor 2
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8. OPTIONAL FILER REFERENCE DATA

DE-0-11618417-620399 8502637107 Xentel America, In

UCC FINANCING STATEMENT ADDENDUM - COLLATERAL

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT		
9a. ORGANIZATION'S NAME		
XENTEL AMERICA, INC.		
OR	9b. INDIVIDUAL'S LAST NAME	
	FIRST NAME	MIDDLE NAME, SUFFIX

This FINANCING STATEMENT covers the following collateral

All of the following-described property of the Debtor, whether now owned or here after acquired, whether now existing or hereafter arising, and wherever located, together with all books, records, data, and software relating thereto and all Proceeds, Products, and Supporting Obligations thereof: All of the Debtor's Accounts; Chattel Paper; Deposit Accounts; Documents; Equipment; General Intangibles; Instruments; Inventory; Investment Property; and Letter of Credit Rights. All terms used herein with their initial letters capitalized are used as defined in the Uniform Commercial Code of the State of Wisconsin, as in effect from time to time.

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	8008335778
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
UCC DIRECT SERVICES 2727 ALLEN PARKWAY SUITE 1000 HOUSTON TX 77019	

DELAWARE DEPARTMENT OF STATE
 U.C.C. FILING SECTION
 FILED 03:06 PM 07/09/2007
 INITIAL FILING # 4281378 2
 AMENDMENT # 2007 2574787
 SRV: 070793232

1a. INITIAL FINANCING STATEMENT FILE # 4281378 2	1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
---	--

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.
 Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME XENTEL AMERICA, INC.				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME US BILLING, INC.				
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS 10012 W CAPITOL DRIVE	CITY MILWAUKEE	STATE WI	POSTAL CODE 53222	COUNTRY US
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7e. TYPE OF ORGANIZATION CORPORATION	7f. JURISDICTION OF ORGANIZATION DE
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8. AMENDMENT (COLLATERAL CHANGE): check only one box.
 Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT
 BANK ONE, NA with its main office in Chicago, IL

10. OPTIONAL FILER REFERENCE DATA
 DE-0-25451475-0000620399 Xentel America, Inc. 850

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)	8008335778
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
UCC DIRECT SERVICES	
2727 ALLEN PARKWAY	
SUITE 1000	
HOUSTON TX 77019	

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 04:02 AM 05/28/2009
INITIAL FILING # 4281378 2
AMENDMENT # 2009 1675369
SRV: 090538487

1a. INITIAL FINANCING STATEMENT FILE # 4281378 2	1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
---	---

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.
Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.
 CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7q (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME				
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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7d. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION
--------------------------	----------------------------------

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT
BANK ONE, NA with its main office in Chicago, IL

10. OPTIONAL FILER REFERENCE DATA
DE-0-36877461-0000620399 Xentel America, Inc. 850

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	8008335778
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
UCC DIRECT SERVICES	
2727 ALLEN PARKWAY	
SUITE 1000	
HOUSTON TX 77019	

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 05:28 AM 06/04/2009
INITIAL FILING # 4281378 2
AMENDMENT # 2009 1760799
SRV: 090586355

1a. INITIAL FINANCING STATEMENT FILE # 4281378 2	1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
---	--

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.
Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME BANK ONE, NA WITH ITS MAIN OFFICE IN CHICAGO, IL				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME JPMORGAN CHASE BANK, N.A.				
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS P.O. BOX 33035	CITY LOUISVILLE	STATE KY	POSTAL CODE 40202	COUNTRY US
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7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION
--------------------------	----------------------------------

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT
JPMorgan Chase Bank, N.A.

10. OPTIONAL FILER REFERENCE DATA

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
Tracie Morley	3148427000
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
KING COMMERCIAL, INC.	
10024 OFFICE CENTER AVE SUITE 1	
50	
ST. LOUIS MO 63128	

DELAWARE DEPARTMENT OF STATE
 U.C.C. FILING SECTION
 FILED 03:08 PM 10/06/2010
 INITIAL FILING # 2010 3482209
 SRV: 100973512

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME US BILLING, INC.					
OR	1b. INDIVIDUAL'S LAST NAME				
	FIRST NAME	MIDDLE NAME	SUFFIX		
1c. MAILING ADDRESS 10012 W. CAPITOL DR.		CITY MILWAUKEE	STATE WI	POSTAL CODE 53222	COUNTRY US
	1e. TYPE OF ORGANIZATION CORPORATION	1f. JURISDICTION OF ORGANIZATION DE			

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME				
	FIRST NAME	MIDDLE NAME	SUFFIX		
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION			

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME SUSQUEHANNA COMMERCIAL FINANCE, INC.					
OR	3b. INDIVIDUAL'S LAST NAME				
	FIRST NAME	MIDDLE NAME	SUFFIX		
3c. MAILING ADDRESS 1566 MEDICAL DR. STE. 201		CITY POTTSTOWN	STATE PA	POSTAL CODE 19464	COUNTRY US

4. This FINANCING STATEMENT covers the following collateral:

One (1) New 6 Station Sensible Technologies Classic Automatic Mail Processing Inserting Solution

6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) (optional)	<input type="checkbox"/> All Debtors	<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2
8. OPTIONAL FILER REFERENCE DATA				

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

DELAWARE DEPARTMENT OF STATE
 U.C.C. FILING SECTION
 FILED 02:12 PM 03/06/2013
 INITIAL FILING # 2013 0868969

SRV: 130282331

A. NAME & PHONE OF CONTACT AT FILER (optional)	
Gisella Melendez	8008335778
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
UCC DIRECT SERVICES 2727 ALLEN PARKWAY SUITE 1000 HOUSTON TX 77019	

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME					
US BILLING, INC.					
OR	1b. INDIVIDUAL'S LAST NAME				
	FIRST NAME	MIDDLE NAME	SUFFIX		
1c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
720 W. VIRGINIA ST		MILWAUKEE	WI	53204	US
	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION			
	CORPORATION	DE			

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME				
	FIRST NAME	MIDDLE NAME	SUFFIX		
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION			

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME					
MINTAKA FINANCIAL, LLC					
OR	3b. INDIVIDUAL'S LAST NAME				
	FIRST NAME	MIDDLE NAME	SUFFIX		
3c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
PO BOX 2149		GIG HARBOR	WA	98335	US

4. This FINANCING STATEMENT covers the following collateral:

Equipment Location: 720 W. Virginia Street, Milwaukee, WI 53204

(1) Swing Classic Inserter System Model #950601 inc: 6-Station STI Inserter base, 6-Station STI Inserter base, Ejector Roller Assembly, 6' Conveyor Classic Feeder/Accumulator, Folder w/Sound Covers, PLC Control Module, 12 inch touch screen monitor, Reading-BCR Camera, System Extension, STI proprietary PLC software inc: STI Barcode Definition

6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed (or record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) (optional)	<input type="checkbox"/> All Debtors	<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2
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8. OPTIONAL FILER REFERENCE DATA

DE-0-37215728-47221783

Delaware

PAGE 1

The First State


CERTIFICATE

SEARCHED APRIL 9, 2013, AT 3:33 P.M.
FOR DEBTOR "TARGET OUTREACH INC."

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THERE ARE NO PRESENTLY EFFECTIVE FINANCING STATEMENTS, LAPSED FINANCING STATEMENTS, FEDERAL TAX LIENS OR UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, AS OF MARCH 25, 2013 AT 11:59 P.M.



20131357913UCXL
130416147


Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 0345225

DATE: 04-09-13

Delaware

PAGE 1

The First State

CERTIFICATE

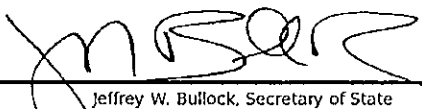
SEARCHED APRIL 9, 2013, AT 3:31 P.M.
FOR DEBTOR "PROFESSIONALLY SPEAKING INC."

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THERE ARE NO PRESENTLY EFFECTIVE FINANCING STATEMENTS, LAPSED FINANCING STATEMENTS, FEDERAL TAX LIENS OR UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, AS OF MARCH 25, 2013 AT 11:59 P.M.



20131357780UCXL

130416116


Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 0345213

DATE: 04-09-13

Delaware

PAGE 1

The First State

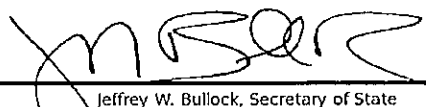
CERTIFICATE

SEARCHED APRIL 9, 2013, AT 3:34 P.M.
FOR DEBTOR "ENGAGE FUNDING INC."

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THERE ARE NO PRESENTLY EFFECTIVE FINANCING STATEMENTS, LAPSED FINANCING STATEMENTS, FEDERAL TAX LIENS OR UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, AS OF MARCH 25, 2013 AT 11:59 P.M.



20131357947UCXL
130416153


Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 0345230

DATE: 04-09-13

UCC Summary – Courtesy Health Watch Inc. (“Courtesy Health”)

Reference File No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
74449178	JPMorgan Chase Bank, N.A.	Courtesy Health	November 26, 2007 (exp. Nov. 26, 2017)	All assets of debtor.

Delaware

PAGE 1

The First State

CERTIFICATE

SEARCHED APRIL 9, 2013, AT 3:32 P.M.
FOR DEBTOR "COURTESY HEALTH WATCH INC."

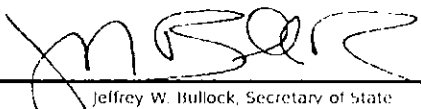
1 OF 1 FINANCING STATEMENT 74449178
EXPIRATION DATE: NOVEMBER 26, 2017
DEBTOR: COURTESY HEALTH WATCH, INC.
616 SW 6TH STREET ADDED 11-26-07
FORT LAUDERDALE FL 33315
SECURED: JPMORGAN CHASE BANK, N.A.
111 EAST WISCONSIN AVENUE ADDED 11-26-07
MILWAUKEE WI 53202 REMOVED 08-23-12
SECURED: JPMORGAN CHASE BANK, N.A.
P.O. BOX 33035 ADDED 08-23-12
LOUISVILLE KY 40232--303

F I L I N G H I S T O R Y
74449178 FILED 11-26-07 AT 9:31 A.M. FINANCING STATEMENT
22657353 FILED 07-11-12 AT 8:44 A.M. CONTINUATION
23267277 FILED 08-23-12 AT 5:11 A.M. AMENDMENT
E N D O F F I L I N G H I S T O R Y

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THE ABOVE LISTING IS A RECORD OF ALL PRESENTLY EFFECTIVE FINANCING STATEMENTS, LAPSED FINANCING STATEMENTS, FEDERAL TAX LIENS AND UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, AS OF MARCH 25, 2013 AT 11:59 P.M.



20131357822UCXL
130416130


Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 0345221
DATE: 04-09-13

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] 4142775191

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CYNTHIA ZDROJEWSKI JORGENSEN
411 EAST WISCONSIN AVENUE

MILWAUKEE WI 53202

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 09:31 AM 11/26/2007
INITIAL FILING # 2007 4449178

SRV: 071250259

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
COURTESY HEALTH WATCH, INC.

OR

1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

1c. MAILING ADDRESS 616 SW 6TH STREET	CITY FORT LAUDERDALE	STATE FL	POSTAL CODE 33315	COUNTRY US
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1e. TYPE OF ORGANIZATION CORPORATION	1f. JURISDICTION OF ORGANIZATION DE
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2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION
--------------------------	----------------------------------

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
JPMORGAN CHASE BANK, N.A.

OR

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

3c. MAILING ADDRESS 111 EAST WISCONSIN AVENUE	CITY MILWAUKEE	STATE WI	POSTAL CODE 53202	COUNTRY US
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4. This FINANCING STATEMENT covers the following collateral:

All assets of Debtor.

6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum if applicable

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional]

All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

140456.00011

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
Gisella Melendez	8008335778
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
UCC DIRECT SERVICES	
2727 ALLEN PARKWAY	
SUITE 1000	
HOUSTON TX 77019	

DELAWARE DEPARTMENT OF STATE
 U. C. C. FILING SECTION
 FILED 08:44 AM 07/11/2012
 INITIAL FILING # 2007 4449178
 AMENDMENT # 2012 2657353
 SRV: 120823207

1a. INITIAL FINANCING STATEMENT FILE # 2007 4449178	1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
--	---

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.
 Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME				
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
	7d. TYPE OF ORGANIZATION	7e. JURISDICTION OF ORGANIZATION		

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
 Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT
 JPMorgan Chase Bank, N.A.

10. OPTIONAL FILER REFERENCE DATA
 DE-0-33961733-46550821

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)	
Gisella Melendez	8008335778
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
UCC DIRECT SERVICES	
2727 ALLEN PARKWAY	
SUITE 1000	
HOUSTON TX 77019	

DELAWARE DEPARTMENT OF STATE
U. C. C. FILING SECTION
FILED 05:11 AM 08/23/2012
INITIAL FILING # 2007 4449178
AMENDMENT # 2012 3267277
SRV: 120962869

1a. INITIAL FINANCING STATEMENT FILE # 2007 4449178	1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
--	--

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME				
JPMORGAN CHASE BANK, N.A.				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME				
JPMORGAN CHASE BANK, N.A.				
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
P.O. BOX 33035		LOUISVILLE	KY	40232-303	US
7e. TYPE OF ORGANIZATION		7f. JURISDICTION OF ORGANIZATION			

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT

JPMorgan Chase Bank, N.A.

10. OPTIONAL FILER REFERENCE DATA

DE-0-34507663-46752130

Delaware

PAGE 1

The First State

CERTIFICATE

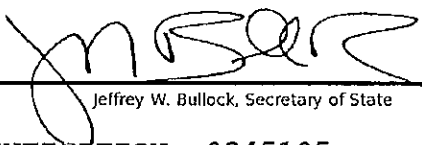
SEARCHED APRIL 9, 2013, AT 3:30 P.M.
FOR DEBTOR "AMERICAN GRAPHICS & DESIGN INC."

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THERE ARE NO PRESENTLY EFFECTIVE FINANCING STATEMENTS, LAPSED FINANCING STATEMENTS, FEDERAL TAX LIENS OR UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, AS OF MARCH 25, 2013 AT 11:59 P.M.



20131357673UCXL

130416093


Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 0345195

DATE: 04-09-13

UCC Summary – Advanced Communications Inc. (“Advanced”)

Reference File No.	Secured Party	Debtor	Date of Registration	Collateral Secured and Comments
53127918	General Electric Capital Corporation (“GE”)	Advanced	October 10, 2005 (exp. October 10, 2015)	To perfect GE’s interest as secured party/lessor under a True Lease transaction by and between Advanced as Debtor/Lessee.

Delaware

PAGE 1

The First State

CERTIFICATE


SEARCHED APRIL 9, 2013, AT 3:30 P.M.
FOR DEBTOR "ADVANCED COMMUNICATIONS INC."

1 OF 1 FINANCING STATEMENT 53127918
EXPIRATION DATE: OCTOBER 10, 2015
DEBTOR: ADVANCED COMMUNICATIONS, INC.
5711 RESEARCH DRIVE ADDED 10-10-05
CANTON MI 48188
SECURED: GENERAL ELECTRIC CAPITAL CORPORATION
1000 WINDWARD DRIVE, SUITE 403 ADDED 10-10-05
ALPHARETTA GA 30005
F I L I N G H I S T O R Y
53127918 FILED 10-10-05 AT 4:51 P.M. FINANCING STATEMENT
03040262 FILED 08-31-10 AT 11:16 A.M. CONTINUATION
E N D O F F I L I N G H I S T O R Y

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THE
ABOVE LISTING IS A RECORD OF ALL PRESENTLY EFFECTIVE FINANCING
STATEMENTS, LAPSED FINANCING STATEMENTS, FEDERAL TAX LIENS AND
UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE
ABOVE DEBTOR, AS OF MARCH 25, 2013 AT 11:59 P.M.



20131357715UCXL
130416107


Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 0345208

DATE: 04-09-13

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
Dani Ashford	8008585294
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
DILIGENZ, INC.	
6500 HARBOR HEIGHTS PARKWAY	
SUITE 400	
MUKILTEO WA 98275	

DELAWARE DEPARTMENT OF STATE
 U.C.C. FILING SECTION
 FILED 04:51 PM 10/10/2005
 INITIAL FILING NUM: 5312791 8
 AMENDMENT NUMBER: 0000000
 SRV: 050826914

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME ADVANCED COMMUNICATIONS, INC.					
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS 5711 RESEARCH DRIVE		CITY CANTON	STATE MI	POSTAL CODE 48188	COUNTRY US
1e. TYPE OF ORGANIZATION CORPORATION		1f. JURISDICTION OF ORGANIZATION MI			

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
2e. TYPE OF ORGANIZATION		2f. JURISDICTION OF ORGANIZATION			

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME GENERAL ELECTRIC CAPITAL CORPORATION					
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS 1000 WINDWARD DRIVE, SUITE 403		CITY ALPHARETTA	STATE GA	POSTAL CODE 30005	COUNTRY US

5. ALTERNATIVE DESIGNATION - 2004

6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional]	<input type="checkbox"/> All Debtors	<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2
--	---	--------------------------------------	-----------------------------------	-----------------------------------

8. OPTIONAL FILER REFERENCE DATA

Southeast - Alpharetta - 4163506-002 #15113298

UCC FINANCING STATEMENT ADDENDUM - COLLATERAL

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT		
9a. ORGANIZATION'S NAME ADVANCED COMMUNICATIONS, INC.		
OR		
9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

This FINANCING STATEMENT covers the following collateral

This is to perfect General Electric Capital Corporation's interest as Secured Party/Lessor under a True Lease transaction by and between _____ as Debtor/Lessee. This Financing Statement is (i) ~~being filed solely as a precaution~~ in case, contrary to the intention of the parties, the transaction relating to the property described herein is adjudged to be other than a lease within the meaning of 1-201(37) of the Uniform Commercial Code, and (ii) not to be construed as an admission that said transaction is anything other than a True Lease. General Electric Capital Corporation's interest extends to [description of the equipment and/or all more completely described on Schedule 'A' attached hereto and made a part hereof], plus all other attachments, accessories, accessions, additions, replacements, exchanges and substitutions now or hereafter made a part of the equipment or attached thereto; and any and all insurance and other proceeds thereof.

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Corporation Service Company 8008585294

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CORPORATION SERVICE COMPANY
2711 CENTERVILLE ROAD
SUITE 400
WILMINGTON DE 19808

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 11:16 AM 08/31/2010
INITIAL FILING # 5312791 8
AMENDMENT # 2010 3040262
SRV: 100872052

1a. INITIAL FINANCING STATEMENT FILE #
5312791 8

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.
Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.
 CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT
General Electric Capital Corporation

10. OPTIONAL FILER REFERENCE DATA
EFS Direct - Central - 2-549195783 [52522485]

Exhibit “W”

<u>Vendor Name</u>	<u>Service Provided</u>
American Express	Credit Card
Anchor Computer	IT Supplies
AT&T	Phone
Atlantic List Company	List Rental
Bancsource	Mail Plant
Bell Aliant	Call Center/IT for Entire Company
Bell Canada	Phone
Broadband Dynamics LLP	Phone
BSB Leasing	Mailing Machine - Leaf Financial
Canada Post Corporation	Postage
Cenveo	Fulfillment
Daydream Networks Inc.	Data base administrator
Data Pac Mailing Systems	Postage
Daybreak Communications	Program consultant
Dell	Server hardware
Federal Express	Courier CDN Mail Shipping
Fiserv	Mail Plant
Interactive Intelligence	Software License for i3 dialer system
Loomis	Cash Control
Mail Finance	Mailings
Mailwaukee	Mailings
Marsh Canada	Insurance
Marudas	Fulfillment
Mix Networks	Telecom
Neopost Canada Limited	Postage
Print N Press	Printing
Print Three Corporate Print	Printing
Purolator	Courier
Redberry	Publishing
Qixas	NAV support
Roger Telecom/Rogers Wireless	Cable/Wireless
RWAM Insurance	Health Benefits
Sensible Technologies	Mailing Machine - Same as above
Staples	Office Supplies
Telus Communications/Telus Mobility	Phone
Tension Envelope	Envelopes
TMA	Lists
Uluro	Mail Plant Software Management

United Healthcare
United Mailing Services Inc.
United Parcel Services
Verizon Wireless
Yvelo Mailing Services

US Healthcare Benefits
Mailing
Courier/postage
Phone
Mailing

Exhibit “X”

iMarketing Solutions Group Inc. and its Direct and Indirect Subsidiaries
 Projected Statement of Cash Flows ⁽¹⁾
 For the Period April 15, 2013 to August 2, 2013
 (\$CAD, Unaudited)

	For the Weeks Ending													Total			
	19-Apr	26-Apr	3-May	10-May	17-May	24-May	31-May	7-Jun	14-Jun	21-Jun	28-Jun	5-Jul	12-Jul		19-Jul	26-Jul	2-Aug
Cash Inflow from Operations	899,100	899,100	599,400	449,530	-	-	-	-	-	818,107	825,635	819,366	810,369	800,348	800,906	791,128	2,847,150
Collections from opening accounts receivable balance	-	-	599,912	399,647	1,267,112	851,052	844,815	876,550	781,590	818,107	825,635	819,366	810,369	800,348	800,906	791,128	10,786,597
Collections from new accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Inflows from Operations	899,100	899,100	699,312	849,197	1,267,112	851,052	844,815	876,550	781,590	818,107	825,635	819,366	810,369	800,348	800,906	791,128	13,633,747
Cash Outflow from Operations	270,250	270,250	270,250	282,000	282,000	282,000	293,750	293,750	293,750	293,750	293,750	293,750	293,750	293,750	293,750	293,750	4,594,250
Variable Costs:	38,462	38,462	38,462	38,462	38,462	38,462	38,462	38,462	38,462	38,462	38,462	38,462	38,462	38,462	38,462	38,462	615,385
Tele-fundraising	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	180,375
Direct mail	344,787	344,787	344,787	356,537	356,537	320,462	332,212	332,212	332,212	332,212	332,212	332,212	332,212	332,212	332,212	332,212	5,390,010
Direct voter contact	382,100	299,600	685,659	169,600	252,200	334,800	621,300	416,300	333,700	333,900	333,700	515,500	281,600	281,600	281,600	515,500	6,038,659
Total Variable Costs	726,887	644,387	1,030,446	526,137	608,737	655,262	953,512	748,512	665,912	666,112	665,912	847,712	613,812	613,812	613,812	847,712	11,428,609
Fixed and Other Operating Costs	172,213	254,713	(331,134)	323,061	658,376	195,790	(108,606)	128,039	115,679	152,055	159,723	(38,346)	196,557	186,536	197,095	(66,584)	2,205,078
Total Cash Outflows from Operations	442,463	919,063	700,114	609,067	967,113	850,472	844,906	876,550	881,590	818,162	825,635	819,366	810,369	800,348	800,906	791,128	11,428,609
Net Cash from Operations	456,637	(10,963)	(100,802)	240,130	300,000	(99,420)	(40,091)	(100,000)	(103,999)	(100,055)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	2,205,078
Restructuring and Other Costs	100,000	-	105,000	-	160,000	100,000	-	-	205,000	-	-	-	210,000	-	-	-	880,000
Professional fees	305,500	305,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	61,100
Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(549,900)
DIP loan fee and interest	-	-	-	-	75,000	-	-	25,000	-	-	-	25,000	-	-	-	-	125,000
Customer remittances	84,186	63,407	-	184,575	209,500	30,900	-	-	-	-	-	-	-	-	-	-	250,000
Past due Payroll withholdings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	572,568
State regulators	22,300	-	-	-	22,300	-	-	-	22,300	-	-	-	-	-	-	-	233,889
Sales taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	89,200
Total Restructuring and Other Costs	511,986	368,907	105,000	184,575	466,800	130,900	-	25,000	205,000	22,300	-	25,000	210,000	22,300	-	(191,011)	2,086,757
Net Cash Flow	(339,773)	(114,194)	(436,134)	138,486	191,576	64,890	(108,696)	103,039	(89,321)	129,755	159,723	(53,346)	(13,443)	164,236	187,095	134,127	118,321
DIP loan balance	-	(339,773)	(453,967)	(890,100)	(751,615)	(560,039)	(495,149)	(603,845)	(500,806)	(590,127)	(460,372)	(300,649)	(353,995)	(203,201)	(16,107)	(16,107)	(16,107)
(DIP Loan)End of Period Cash Balance	(339,773)	(453,967)	(890,100)	(751,615)	(560,039)	(495,149)	(603,845)	(500,806)	(590,127)	(460,372)	(300,649)	(353,995)	(203,201)	(16,107)	(16,107)	(16,107)	118,321

Notes to Projected Statement of Cash Flows

For the Period April 15, 2013 to August 2, 2013

(\$CAD, Unaudited)

Purpose and General Assumptions

1. The purpose of the projection is to present the forecast of the cash flow of iMarketing Solutions Group Inc. and its direct and indirect subsidiaries (collectively, the "Company") for the period April 15, 2013 to August 2, 2013 ("Period") in respect of its proceedings pursuant to the *Companies' Creditors Arrangement Act* and Chapter 15 of Title 11 of the *United States Code*.

The projected cash flow statement has been prepared based on hypothetical and most probable assumptions developed and prepared by the Company.

Specific Assumptions

2. Represents collection of accounts receivable balances from the pre-filing period, inclusive of sales taxes, and from revenues to be generated during the Period, net of sales taxes. Collections are based on historical patterns.
3. Represents variable costs associated with continued operation of the Company's fundraising, direct mail and direct voter contact businesses. Costs include direct labour and fulfillment costs (printing, postage, courier).
4. Includes fixed costs associated with continued operations, such as salaries, rent and utilities.
5. Represents the professional fees to be paid in the period related to the restructuring proceedings, including the fees of the Company's Canadian and US legal counsel, Monitor and its Canadian and US legal counsel.
6. Represents a contingency for unknown expenses, including, potentially, security deposits to critical vendors and a return of such deposits in the week ended August 2, 2013.
7. Relates to fees, costs and interest associated with the DIP loan facility.
8. Reflects payment to certain customers regarding pre-filing amounts collected.
9. Includes source deductions and withholding taxes immediately prior to the Period.
10. Reflects balances owing to certain State regulators in the United States.
11. Reflects pre-filing sales taxes owing.
12. Assumes an opening cash balance of nil as the CIBC line of credit is fully drawn.

Exhibit “Y”

DIP TERM SHEET

Dated as of April 11, 2013

WHEREAS the DIP Lender (as defined below) has agreed to provide funding in order to fund certain obligations of the Borrower (as defined below) and its affiliates in the context of their proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the **CCAA**) commenced before the Ontario Superior Court of Justice (Commercial List) (the **Canadian Court**) (the **CCAA Proceedings**) and their Recognition Proceedings (as defined below) in accordance with the terms set out herein;

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

DIP BORROWER: iMarketing Solutions Group Inc. (the **Borrower**)

DIP LENDER: Shotgun Fund Limited Partnership III (the **DIP Lender**)

GUARANTORS: GWE Consulting Group (USA) Inc. (**GWE**), Target Outreach Inc. (**Target**), and any existing or subsequently organized or acquired, direct or indirect, subsidiary of the Borrower (unless identified as inactive on the attached Schedule "A") shall be a guarantor under the DIP Facility (as defined below) (collectively the **Guarantors** and together with the Borrower, the **Credit Parties**), and shall absolutely and unconditionally guarantee all of the Borrower's obligations under the DIP Facility on a joint and several basis. A list of the Guarantors (other than the Borrower) is attached hereto as Schedule "A".

PURPOSE AND PERMITTED PAYMENTS:

To provide for the short-term liquidity needs of the Credit Parties pursuant to the Cash Flow Projections (as defined below) in connection with the Proceedings (as defined below) and as more fully set forth herein.

The Borrower shall use available funds under the DIP Facility solely for the following types of expenditures, to the extent permitted by applicable Court orders and provided for in the 16 Week Cash Flow (as defined below) (collectively, the **Permitted Payments**):

- (i) operating expenses of the Credit Parties incurred in the ordinary course of business;
- (ii) costs and expenses incurred by the Credit Parties in the administration of the Proceedings (as defined below) including, without limitation, the payment of fees and expenses of the Credit Parties' legal and financial advisors, the Monitor (as defined below) and the Monitor's legal advisors;
- (iii) payment of the expenses of the DIP Lender as provided for herein;
- (iv) payment of interest and other amounts payable under the DIP Facility in accordance with the terms herein (including without limitation, all fees payable to the DIP Lender); and

- (v) any other costs and expenses permitted in the applicable Court orders and specifically provided for in the Cash Flow Projections.

DIP FACILITY AND MAXIMUM AMOUNT

CDN\$1,000,000 (the **Maximum Amount**) super priority revolving credit facility (the **DIP Facility**), subject to the exceptions set out herein. Advances shall be deposited into the Borrower's current account with the Bank of Nova Scotia (the **Bank**) or such other Borrower's account with a financial institution approved by the DIP Lender (the **Borrower's Account**), and withdrawn by the Borrower in accordance with the terms hereof.

Advances under the DIP Facility will be made available to the Borrower in Canadian Dollars (the **DIP Advances**).

Initial Draw:

Upon the granting of the DIP Order (as defined below) (in form and substance acceptable to the DIP Lender in its sole and absolute discretion) and the satisfaction of the additional conditions precedent noted below, the Borrower shall be authorized to make an initial draw under the DIP Facility in the maximum amount of CDN\$650,000 (the **Initial Draw**). The Borrower shall not be authorized to make available to the US Credit Parties any funds under the US Credit Parties until issuance of the Provisional Order, as herein defined.

Subsequent Draw

Further advances shall be made to the Borrower from time to time under the DIP Facility by the DIP Lender up to the amounts permitted below entitled "*Availability under DIP Facility*" (the **Subsequent Draws**).

RESTRUCTURING PROCEEDINGS:

Each Credit Party shall at all times be, and remain, subject to: (i) the CCAA Proceedings (as the main proceedings) commenced under the CCAA in respect of the Credit Parties; and (b) an order or orders obtained in the United States Bankruptcy Court for the District of Delaware (the **US Court**) pursuant to Chapter 15 of the Bankruptcy Code (the **Recognition Proceedings**) recognizing, *inter alia*, (i) the CCAA Proceedings as the main proceedings and the Initial Order (as defined below), including the DIP Facility, the DIP Provisions (as defined below), and the Cash Management Provisions (as defined below); in each case on terms and conditions satisfactory to the DIP Lender, acting reasonably (the CCAA Proceedings and Recognition Proceedings shall be collectively referred to herein as the **Proceedings**).

All motions, pleadings, orders and other documents (the **Court Documents**) filed, proposed, sought, served and obtained by the Credit Parties in or in connection with the Proceedings shall be in form and substance satisfactory to the DIP Lender and copies of such Court Documents shall be provided to the DIP Lender as soon as practicable prior to any filing or service in the Proceedings.

FUNDING CONDITIONS UNDER THE DIP FACILITY:

After the Canadian Court enters an order approving the terms of the DIP Facility (the **DIP Provisions** which, for greater certainty may be within the **Initial Order**) and the satisfaction of the additional conditions precedent noted below, the DIP Lender shall fund the DIP Advances on the terms and conditions set out in this DIP Term Sheet (the **DIP Funding**), provided, however, that the DIP Lender shall not be obligated to provide any DIP Funding if any one or more of the following occurs: (i) the DIP Provisions or the Initial Order has been vacated, appealed, stayed or otherwise caused to become ineffective or is amended in a manner not acceptable to the DIP Lender; (ii) an Event of Default (as defined below) has occurred; or (iii) the Maturity Date (as defined below) has occurred and not been extended.

REPAYMENT:

The DIP Facility shall be repayable in full on the earlier of (i) the occurrence of any Event of Default hereunder which is continuing and has not been cured, and (ii) August 1, 2013 (the **Maturity Date**). The Maturity Date may be extended at the request of the Borrower and with the prior written consent of the DIP Lender for such period and on such terms and conditions as the Borrower and the DIP Lender may agree.

The commitment in respect of the DIP Facility shall expire on the Maturity Date and all amounts outstanding under the DIP Facility shall be repaid in full no later than the Maturity Date, without the DIP Lender being required to make demand upon the Borrower or to give notice that the DIP Facility has expired and the obligations are due and payable.

CASH FLOW PROJECTIONS:

The Borrower, with assistance of Duff & Phelps, in its capacity as the proposed court appointed monitor (the **Monitor**) in the CCAA Proceedings shall have provided to the DIP Lender prior to the execution of this DIP Term Sheet, the cash flow projections in Schedule "B" hereto, in form and substance satisfactory to the DIP Lender, reflecting the projected cash requirements of the Borrower from April 11, 2013 through the period ending August 1, 2013, calculated on a weekly basis (the **16 Week Cash Flow**).

The Borrower, with the assistance of the Monitor, shall keep the DIP Lender apprised on a weekly basis of its cash flow requirements by providing subsequent cash flow projections and a variance report, in form and substance satisfactory to the DIP Lender and the Monitor, in their reasonable discretion, on or before Wednesday of each week (individually, a **Cash Flow Projection** and together with the 16 Week Cash Flow, collectively, the **Cash Flow Projections**).

AVAILABILITY UNDER DIP FACILITY:

Provided that an Event of Default has not occurred, each DIP Advance shall be made by the DIP Lender to the Borrower within two (2) business days after satisfaction, as determined by DIP Lender in its reasonable discretion, of all of the conditions precedent set out in this DIP Term Sheet, including without limitation, the following:

- (a) Each DIP Advance must be no greater than the amount of DIP Advances shown to be required in the most recent Cash Flow Projections for that week; provided, however, that a DIP Advance in any week may exceed the amount shown by

\$100,000, subject always to the Maximum Amount;

- (b) Delivery to the DIP Lender of a drawdown certificate, in substantially the form set out in Schedule "C" hereto, executed by an officer on behalf of the Borrower, certifying, *inter alia*, that the drawdown is within the relevant Cash Flow Projections approved by the DIP Lender and the Monitor, and that the Borrower is in compliance with the DIP Credit Documentation (as defined below) and the Restructuring Court Orders (as defined below); and
- (c) there is no Event of Default which has occurred, nor will any such event occur as a result of the DIP Advance.

DIP Advances shall be available in multiple drawings of no less than CDN\$100,000 plus whole multiples of CDN\$50,000.

All proceeds of DIP Advances shall be deposited into the Borrower's Account.

Notwithstanding the foregoing, to the extent that an emergency cash need arises in the Borrower's business that is not contemplated in the Cash Flow Projections, the Borrower may request a DIP Advance from the DIP Lender by providing written particulars relating to such emergency cash need, which DIP Advance shall only be permitted with the prior written consent of the DIP Lender, in its sole and absolute discretion. If such requested emergency DIP Advance is so consented to by the DIP Lender, such DIP Advance shall be made from the DIP Facility and deposited into the Borrower's Account.

**ADDITIONAL CONDITIONS
PRECEDENT TO DIP FUNDING TO
THE BORROWER:**

Initial Draw

- (a) The DIP Lender shall have received the 16 Week Cash Flow, and the same shall be in form and substance satisfactory to the DIP Lender and the Monitor.
- (b) The DIP Lender shall be satisfied that the Credit Parties have complied with and are continuing to comply in all material respects with all applicable laws, regulations and policies in relation to their business, except as disclosed in Schedule "D".
- (c) The DIP Lender shall be satisfied that there are no liens, mortgages, deemed trusts, charges, encumbrances, hypothecs and security interests of any kind or nature whatsoever (collectively, Liens) ranking ahead of the DIP Lender Charge, except as provided for herein.
- (d) The DIP Lender shall have received this DIP Term Sheet and any other DIP Credit Documentation, duly executed by the Credit Parties.

- (e) All fees payable in accordance with this DIP Term Sheet and any other DIP Credit Documentation shall have been paid to the DIP Lender.
- (f) The DIP Lender shall be satisfied that no material adverse change in the financial condition, operation or prospects of the Credit Parties shall have occurred after the date of the issue of the Initial Order.
- (g) The entering into of, in form and substance satisfactory to the DIP Lender, guarantees (the **New Guarantees**) from each of the Guarantors, other than GWE and Target, guaranteeing the obligations of the Borrower under the DIP Term Sheet and the other DIP Credit Documentation (as defined below).
- (h) The entering into of, in form and substance satisfactory to the DIP Lender, confirmation of guarantee and security agreements from each of GWE and Target, confirming that the existing guarantees provided by each of them continue to guarantee the obligations of the Borrower under the DIP Term Sheet and other DIP Credit Documentation, as further assurance (the **Confirmations** together with the New Guarantees, the **Guarantees**).
- (i) The Credit Parties shall have obtained an initial order from the Canadian Court on or before April 12, 2013 (the **Initial Order**) in form and content satisfactory to the DIP Lender in its sole and absolute discretion and such Initial Order shall not have been reversed, modified, amended, stayed, vacated or appealed or subject to a stay pending appeal, unless otherwise consented to by the DIP Lender.
- (j) An order containing provisions approving the continuation of the cash management arrangements of the Credit Parties satisfactory to the DIP Lender (the **Cash Management Provisions**, which, for certainty, may be within the Initial Order) has been entered by the Canadian Court and shall be in full force and effect and shall be in form and substance satisfactory to the DIP Lender.
- (k) The Credit Parties shall have obtained a provisional order (the **Provisional Order**) of the US Court in form and content satisfactory to the DIP Lender in its sole and absolute discretion, which order, shall, amongst other things, reaffirm (i) that the Initial Order shall apply to the US Credit Parties and their assets, and (ii) the Guarantees, in each case under 1519(a)(3) of the Bankruptcy Code, and such order shall not have been reversed, modified, amended, stayed, vacated or appealed or subject to a stay pending appeal, unless otherwise consented to by the DIP Lender; provided, further, that the Credit Parties shall make best efforts to obtain recognition of the Initial Order in the Provisional Order on a provisional basis.

Subsequent Draws

- (l) All conditions precedent to the Initial Draw shall continue to be satisfied.
- (m) Weekly updates of the Borrower's cash flow requirements by providing subsequent Cash Flow Projections.
- (n) The DIP Lender shall be satisfied that the Borrower has complied with and is continuing to comply in all material respects with all applicable laws, regulations and policies in relation to their business, except as disclosed in Schedule "D".
- (o) (i) The Provisional Order will be in full force and effect and shall not (in whole or in part) have been reversed, modified, amended, stayed, vacated or appealed or subject to a stay pending appeal, unless otherwise consented to by the DIP Lender, (ii) or the Credit Parties shall have obtained entry by the US Court of an order (the **Recognition Order**) (x) recognizing the CCAA Proceedings as a "foreign main proceeding" as such term is defined under section 1502(4) of the Bankruptcy Code; (y) recognizing the Initial Order, including the Cash Management Provisions and the DIP Provisions; and (z) reaffirming (a) that the Initial Order shall apply to the US Credit Parties and their assets, and (b) the Guarantees, in each case, under 1521(a)(7) of the Bankruptcy Code; provided further that the Recognition Order shall be in form and substance satisfactory to the DIP Lender in its sole and absolute discretion.
- (p) In the event the Recognition Order has been obtained pursuant to (o)(ii), above, the Recognition Order shall be in full force and effect, and shall not (in whole or in part) have been reversed, modified, amended, stayed, vacated or appealed or subject to a stay pending appeal, unless otherwise consented to by the DIP Lender.
- (q) The Credit Parties shall be in compliance in all respects with the Recognition Order.
- (r) Each of the orders required under this DIP Term Sheet shall be in full force and effect, and shall not (in whole or in part) have been reversed, modified, amended, stayed, vacated, appealed or subject to any stay pending appeal or other challenged.

For greater certainty, the DIP Lender shall not be obligated to advance or otherwise make available any funds pursuant to this DIP Term Sheet unless and until all of the foregoing conditions have been satisfied and all the foregoing documentation and confirmations have been obtained, all by the times indicated herein, in a form and content satisfactory to the DIP Lender and its solicitors.

DISBURSEMENT ACCOUNT: The DIP Lender shall disburse funds to the Borrower from the bank account that the DIP Lender may designate from time to time.

PREPAYMENTS: The Borrower may prepay any amounts outstanding under the DIP Facility at any time prior to the Maturity Date.

INTEREST RATE: The DIP Advances will be provided at a rate of 5.0% per annum, compounded monthly, payable on the Maturity Date.

DIP LENDER FEE: As consideration for the DIP Lender extending the DIP Facility, the Borrower shall pay to the DIP Lender a facility fee in the amount of CDN\$100,000, which fee shall be fully earned in advance on the date of the DIP Order and shall be payable on the earlier of (a) the Maturity Date; or (b) the occurrence of an Event of Default.

DIP SECURITY: All obligations of the Credit Parties under or in connection with the DIP Facility and this DIP Term Sheet and any other documentation in respect of the DIP Facility that is requested by the DIP Lender, including the Guarantees (which shall be in form and substance satisfactory to the DIP Lender in its absolute discretion) (collectively, the **DIP Credit Documentation**) shall be secured by a super priority Court-ordered charge (the **DIP Lender Charge**), over all present and after-acquired property, assets and undertakings of the Credit Parties, and ranking in priority to all other creditors, interest holders, lien holders and claimants of any kind whatsoever except for (i) a court ordered administration charge to secure payment of professional fees in a maximum amount of CDN\$300,000 (the **Administration Charge**), (ii) priority ranking statutory liens, deemed trust, purchase money security interests, which, for greater certainty shall not include the Arrears (as set out in Schedule "D" hereto) and (iii) the lien registered in the *Personal Property Security Act* (Ontario) (or any registrations of the same nature in other Provinces of Canada) by the Canadian Imperial Bank of Commerce in all present and after acquired property of The Responsive Marketing Group Inc., an affiliate of the Borrower and a Credit Party, which may rank ahead of the DIP Lender by operation of law or contract (collectively, the **Priority Charges**).

For greater certainty, the DIP Lender Charge shall be senior to and have priority over all prior existing security of the Credit Parties, except the Priority Charges. All Credit Parties shall grant to the Borrower a lien that is a super-priority, first-ranking charge (subject only to the prior ranking charges specified in the Initial Order), on account of any loans advanced by the Borrower to any Credit Party after the commencement of the CCAA Proceedings, as permitted herein (the **Intercompany Liens**). For greater certainty, the DIP Lender Charge shall apply to the Intercompany Liens.

The DIP Lender Charge shall be approved by the Canadian Court and the US Court in the Proceedings, in a manner, and on the terms and conditions, satisfactory to the DIP Lender in its sole and absolute discretion.

MANDATORY REPAYMENTS: Asset Sales

Unless otherwise consented to in writing by the DIP Lender, and

provided the Monitor is satisfied that there is sufficient collateral value in the Credit Parties to satisfy amounts secured by the Priority Charges, DIP Advances to the Borrower shall be forthwith repaid and the Maximum Amount shall be permanently reduced upon a sale of any of the property, assets or undertakings of the Borrower out of the ordinary course of business with net proceeds greater than \$50,000, in an amount equal to the net cash proceeds (for greater certainty, net of reasonable costs and closing adjustments).

CASH MANAGEMENT:

The cash management and administration standards and practices of the Credit Parties shall in all material respects be satisfactory to the DIP Lender.

All receipts and collections of the Credit Parties shall be immediately deposited into operating accounts disclosed to the Lender, and shall be subject to the Excess Cash Sweep. The Credit Parties shall provide timely and accurate reporting in accordance with this DIP Term Sheet to the DIP Lender and the Monitor of their cash management activities including, without limitation, cash-on-hand balances.

The Credit Parties shall not hold or use any operating accounts other than as may be disclosed to the DIP Lender and the Monitor. The Credit Parties may open new client bank accounts in the ordinary course of business provided same are disclosed forthwith to the DIP Lender and the Monitor.

The Credit Parties shall not make any transfer of cash from a Canadian entity to any US entity until entry of the Provisional Order by the US Court, and the satisfaction of the other applicable conditions precedent set out herein.

REPRESENTATIONS AND WARRANTIES:

Each Credit Party represents and warrants to the DIP Lender, upon which the DIP Lender relies in entering into this DIP Term Sheet and the other DIP Credit Documentation, that:

- (a) The transactions contemplated by this DIP Term Sheet and other DIP Credit Documentation:
 - (i) are within the powers of the Credit Party;
 - (ii) have been duly authorized by all necessary corporate and, if required, shareholder approval;
 - (iii) have been duly executed and delivered by or on behalf of the Borrower;
 - (iv) upon the granting of the DIP Order, constitute legal, valid and binding obligations of the Credit Party;
 - (v) upon the granting of the DIP Order, do not require the consent or approval of, registration or filing with, or any other action by, any governmental authority, other than filings which may be made to register or

otherwise record the DIP Lender Charge.

- (b) The business operations of the Credit Party have been and will continue to be conducted in compliance with all laws of each jurisdiction in which business has been or is being carried on, except as disclosed in Schedule "D".
- (c) The Credit Party has obtained all licenses and permits required for the operation of its business, which licenses and permits remain in full force and effect. No proceedings have been commenced or threatened to revoke or amend any of such licenses or permits.
- (d) The Credit Party has have maintained its obligations for payroll, source deductions, retail sales tax and Harmonized Sales Tax/Goods and Services tax, and is not in arrears in respect of these obligations except as set out in Schedule "D" hereto.
- (e) The Credit Parties have no pension plans.
- (f) All representations and warranties made by the Credit Parties in the DIP Credit Documentation (other than this DIP Term Sheet) are true and correct in all material respects as of the time such representations and warranties were made.
- (g) All factual information provided by or on behalf of the Credit Parties to the DIP Lender for the purposes of or in connection with this DIP Term Sheet or any transaction contemplated herein, is true and accurate in all material respects on the date as of which such information is dated or certified and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided.

AFFIRMATIVE COVENANTS:

The Borrower covenants and agrees to do the following:

- (a) Allow, or cause each Credit Party to allow, the DIP Lender or its agents and advisors on reasonable notice during regular business hours to enter on and inspect each of its assets and properties, and provide the DIP Lender and its agents or advisors on reasonable notice and during normal business hours full access to the books and records of the Credit Parties and cause management thereof to fully co-operate with the DIP Lender, its agents and advisors accordingly.
- (b) Use reasonable efforts to keep the DIP Lender apprised on a timely basis of all material developments with respect to the business and affairs of the Credit Parties.
- (c) Deliver to the DIP Lender the Cash Flow Projections as set out herein, and such other reporting and other information from time to time reasonably requested by the DIP Lender (including, without limitation, summaries of sales and

accounts receivable at the reasonable times requested and in form and substance satisfactory to the DIP Lender)

- (d) Use the proceeds of the DIP Facility only for the purposes of the short-term liquidity needs of the Credit Parties in a manner consistent with the restrictions set out herein and the Cash Flow Projections.
- (e) At all times remain and take all actions necessary or available to ensure that the other Credit Parties remain in compliance with the provisions of the Court orders made in connection with the Proceedings (collectively, the **Restructuring Court Orders** and each a **Restructuring Court Order**); provided that if any such Restructuring Court Order contravenes this DIP Term Sheet or the DIP Credit Documentation in a manner detrimental to the DIP Lender, the same shall be an Event of Default hereunder.
- (f) Take all actions necessary or available to defend the Restructuring Court Orders from any appeal, reversal, modifications, amendment, stay or vacating not expressly consented to in advance by the DIP Lender.
- (g) Preserve, renew and keep, and cause each Credit Party to preserve, renew and keep in full force its respective corporate existence and material licenses, permits, approvals, etc. required in respect of their business, properties, assets or any activities or operations carried out therein.
- (h) Maintain the insurance, in existence as of the date hereof, with respect to the collateral subject to the DIP Lender Charge.
- (i) Maintain the directors and officers insurance, in existence as of the date hereof.
- (j) Use reasonable commercial efforts to conduct all activities and make all payments, such that the Credit Parties' cash flow conforms with the Cash Flow Projections previously approved by the DIP Lender and reviewed by the Monitor and the credit limits established under the DIP Facility as set out hereunder; provided, however, that there may be a CDN\$100,000 variance showing in the "Net Cash Flow After Priority Payments" line in any week.
- (k) Forthwith notify the DIP Lender of the occurrence of any Event of Default, or of any event or circumstance that may constitute an Event of Default or a material adverse change from the Cash Flow Projections.
- (l) Subject to the Restructuring Court Orders, comply in all material respects with all applicable laws, rules and regulations applicable to their businesses, including, without limitation, environmental laws.

- (m) Pay promptly when due all documented out-of-pocket expenses of the DIP Lender in connection with this DIP Term Sheet, including, without limitation, all legal fees, upon receipt of invoice, related thereto.
- (n) Any advances or repayments from or to any Credit Party shall be recorded within the books and records of the applicable Credit Party.

REPORTING REQUIREMENTS:

The Credit Parties will provide the DIP Lender with such information about the financial condition of the Credit Parties, the Proceedings, any sales process conducted in the Proceedings, and any other information that the DIP Lender may request from time to time.

Representatives of the DIP Lender and the Monitor will attend, and the Borrower will continue to hold, weekly management meetings of the Borrower, to discuss, among other things, the status of the Credit Parties' financial condition and any reports available from the Monitor at that time.

These requirements are supplemental to and not in *lieu* of the requirements set out in "*Cash Flow Projections*".

NEGATIVE COVENANTS:

The Borrower covenants and agrees, and covenants and agrees to cause the Credit Parties, not to do the following, other than with the prior written consent of the DIP Lender:

- (a) Transfer, lease or otherwise dispose of all or any part of its property, assets or undertaking over CDN\$50,000 at any one time or through a series of related transactions, or more than CDN\$100,000 in the aggregate, on a consolidated basis, during the period of the DIP Facility (excluding dispositions in the ordinary course of business), without the prior written consent of the Monitor, the DIP Lender and the Court. For greater certainty, in the case of any transfer, lease or disposition of any property, assets or undertaking of the Borrower, or any affiliates or subsidiaries thereof, all proceeds of such transfer, lease or disposition sale shall be subject to the provisions herein under the paragraph entitled "**Mandatory Repayments**" to the extent applicable.
- (b) Make any payment of principal or interest in respect of existing (pre-filing) debt or obligation other than any payments of pre-filing obligations disclosed in any Cash Flow Projection approved by the DIP Lender or as may be permitted by a Restructuring Court Order and consented to in writing by the DIP Lender.
- (c) Create or permit to exist indebtedness for borrowed money other than existing (pre-filing) debt, debt contemplated by this DIP Facility and post-filing trade payables in the ordinary course of business.
- (d) Make any payments outside the ordinary course of business, subject always to the Cash Flow Projections delivered

hereunder and the maximum availability under the DIP Facility. For greater certainty, no payments shall be used to reduce any existing (pre-filing) indebtedness or trade or unsecured liabilities of the Borrower (other than as permitted in the Restructuring Court Orders).

- (e) Except as consented to by the DIP Lender, permit any new Liens to exist on any of its properties or assets other than the Liens in favour of the DIP Lender as contemplated by this DIP Term Sheet and other DIP Credit Documentation and inchoate or statutory Liens.
- (f) Create or permit to exist any other Lien which is senior to or pari passu with the DIP Lender Charge, other than the Priority Charges.
- (g) Change its name, amalgamate, consolidate with or merge into, or enter into any similar transaction with any other entity.

The negative covenants shall not restrict any expenditure, transaction or activity specifically provided for in the 16 Week Cash Flow, including the Permitted Payments, or otherwise consented to by the DIP Lender upon the recommendation and approval of the Monitor.

INDEMNITY AND RELEASE:

The Borrower and each Credit Party agrees, on a joint and several basis, to indemnify and hold harmless the DIP Lender and each of its directors, officers, employees, agents, attorneys, advisors and affiliates (all such persons and entities being referred to hereafter as **Indemnified Persons**) from and against any and all actions, suits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever which may be incurred by or asserted against or involve any Indemnified Person as a result of or arising out of or in any way related to or resulting from any bankruptcy or insolvency proceedings, this DIP Term Sheet or any other DIP Credit Documentation and, upon demand, to pay and reimburse any Indemnified Person for any legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding (including, without limitation, any inquiry or investigation) or claim (whether or not any Indemnified Person is a party to any action or proceeding out of which any such expenses arise); provided, however, neither the Borrower nor any Credit Party shall be obligated to indemnify pursuant to this paragraph any Indemnified Person against any loss, claim, damage, expense or liability to the extent it resulted from the gross negligence or wilful misconduct of such Indemnified Person as finally determined by a court of competent jurisdiction.

The indemnities granted under this DIP Term Sheet shall survive any termination of the DIP Facility.

EVENTS OF DEFAULT:

The occurrence of any one or more of the following events shall constitute an event of default (**Event of Default**) under this DIP Term Sheet:

- (a) The issuance of an order dismissing the Proceedings or lifting the stay in the Proceedings to permit the enforcement of any security against the Borrower or any other Credit Party, or the appointment of a receiver and manager, receiver, interim receiver, a trustee in bankruptcy or similar official in Canada or the United States;
- (b) The issuance of an order of a Canadian Court or US Court granting a Lien equal or superior in status to that of the DIP Lender Charge, other than the Administration Charge;
- (c) The issuance of an order staying, reversing, vacating or otherwise modifying the DIP Credit Documentation, any Restructuring Court Order, the issuance of an order by the Court adversely impacting the rights and interests of the DIP Lender, without the prior written consent of the DIP Lender;
- (d) Failure of the Borrower to pay any amounts when due and owing hereunder;
- (e) Failure of the Borrower to comply with any covenants in this DIP Term Sheet;
- (f) The Borrower or any other Credit Party ceases or threatens to cease to carry on business in the ordinary course as it is carried on as of the date hereof, except where such cessation is consented to in writing by the DIP Lender;
- (g) The Cash Flow Projections are not acceptable to the DIP Lender, acting reasonably, or are not delivered to the DIP Lender within one business day of a written notice of failure to deliver any Cash Flow Projection from the DIP Lender to the Borrower;
- (h) Any representation or warranty by the Credit Parties herein or in any DIP Credit Documentation shall be incorrect or misleading in any material respect when made;
- (i) Any representation or warranty made by any Credit Party in the Guarantees or other DIP Credit Documentation shall be incorrect or misleading in any material respect when made;
- (j) The filing of any pleading by any Credit Party seeking any of the matters set forth in clauses (a) through (c) without the prior consent of the DIP Lender;
- (k) A Court order is made, a liability arises or an event occurs, including any change in the business, assets, or conditions, financial or otherwise, of any Credit Party, that will in the DIP Lender's judgment, acting reasonably, materially further impair the Credit Party's financial condition, operations or ability to comply with their obligations under this DIP Term Sheet, any DIP Credit Documentation or any Restructuring Court Order;

- (l) Any material violation or breach of any Restructuring Court Order upon receipt by the Borrower of notice from the DIP Lender of such violation or breach;
- (m) An event of default has occurred under any of the DIP Credit Documentation;
- (n) Failure of the Credit Parties to perform or comply with any other term or covenant under this DIP Term Sheet and any other DIP Credit Documentation, and such default shall continue unremedied for a period of three (3) business days after written notice from the DIP Lender to the Borrower;
- (o) The termination or non-renewal of the Provisional Order or Recognition Order; or
- (p) The conversion of any Chapter 15 Case to a Chapter 7 Case or a Chapter 11 Case under the US Bankruptcy Code.

REMEDIES:

Upon the occurrence of an Event of Default, and subject to the Restructuring Court Orders, the DIP Lender may:

- (a) declare the obligations in respect of the DIP Credit Documentation to be immediately due and payable and cease making any further DIP Advances;
- (b) apply to a court for the appointment of a receiver, an interim receiver or a receiver and manager of the undertaking, property and assets of the Credit Parties, or remedies of similar effect under other applicable laws;
- (c) set-off or combine any amounts then owing by the DIP Lender to a Credit Party against the obligations of such Credit Party to the DIP Lender;
- (d) apply to the court for an order, on terms satisfactory to the Monitor and the DIP Lender, providing the Monitor with the power, in the name of and on behalf of the Credit Parties, to take all necessary steps in the CCAA Proceedings;
- (e) apply to the Court to allow the exercise of the powers and rights of a secured party under the *Personal Property Security Act* (Ontario), the *Uniform Commercial Code*, or any legislation of similar effect including the Civil Code of Quebec; and
- (f) apply to the Court for an order exercise all such other rights and remedies under the DIP Credit Documentation, the Restructuring Court Orders and applicable law.

DIP LENDER APPROVALS:

Any consent, approval, instruction or other expression of the DIP Lender to be delivered in writing may be delivered by any written instrument, including by way of electronic mail, by the DIP Lender pursuant to the terms hereof.

TAXES:

All payments by the Borrower and the Other Credit Parties under the DIP Credit Documentation to the DIP Lender, including any payments required to be made from and after the exercise of any remedies available to the DIP Lender upon an Event of Default, shall be made free and clear of, and without reduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision of any country, but excluding any reduction for any amount required to be paid by the Borrower under subsection 224(1.2) of the *Income Tax Act* (Canada) or a similar provision of that or any other taxation statute (collectively **Taxes**); provided, however, that if any Taxes (other than based on the net income of the DIP Lender) are required by applicable law to be deducted, withheld or paid to a governmental authority (**Withholding Taxes**) from any amount payable to the DIP Lender under any DIP Credit Documentation, the amount so payable to the DIP Lender shall be increased to the extent necessary to yield to the DIP Lender on a net basis after deduction, withholding or payment of all Withholding Taxes, the amount payable under such DIP Credit Documentation at the rate or in the amount specified in such DIP Credit Documentation and the Borrower or the other Credit Parties, as the case may be, shall provide evidence satisfactory to the DIP Lender that the Withholding Taxes have been so paid.

The Borrower and the other Credit Parties shall indemnify and hold harmless the DIP Lender for the full amount of Taxes or Withholding Taxes imposed on or paid by the DIP Lender and any liability (including penalties, interest and expenses) arising from or with respect to such Taxes or Withholding Taxes, whether or not they were correctly or legally asserted.

FURTHER ASSURANCES:

The Borrower shall, at its expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the DIP Lender may reasonably request for the purpose of giving effect to this DIP Term Sheet.

ENTIRE AGREEMENT; CONFLICT:

This DIP Term Sheet, including the schedules hereto, the DIP Credit Documentation, constitutes the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this DIP Term Sheet and any of the other DIP Credit Documentation, this DIP Term Sheet shall govern.

AMENDMENTS, WAIVERS, ETC.:

No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder or under any other DIP Credit Documentation will operate as a waiver hereof or thereof unless made in writing and delivered in accordance with the terms of this DIP Term Sheet.

ASSIGNMENT:

The DIP Lender may assign this DIP Term Sheet and its rights and obligations hereunder, in whole or in part, to any party acceptable to the DIP Lender in its sole and absolute discretion (subject to providing the Monitor with reasonable evidence that such assignee

has the financial capacity to fulfill the obligations of the DIP Lender hereunder). Neither this DIP Term Sheet nor any right or obligation hereunder may be assigned by the Credit Parties

SEVERABILITY:

Any provision in any DIP Credit Documentation which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

COUNTERPARTS AND FACSIMILE SIGNATURES:

This DIP Term Sheet may be executed in any number of counterparts and by facsimile or other electronic transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this DIP Term Sheet by signing any counterpart of it.

NOTICES

Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by fax or electronic mail to the attention of the person as set forth below:

In the case of Shotgun Fund Limited Partnership III:

141 Adelaide Street West
Suite 760
Toronto, ON
M5H 3L5

Attention: Richard Reid
Fax: (416) 367-3895

With a copy to:

Norton Rose Canada LLP
Royal Bank Plaza, South Tower
200 Bay Street, Suite 3800
P.O. Box 84
Toronto, Ontario M5J 2Z4

Attention: Virginie Gauthier
Fax: (416) 216-3930
Email: virginie.gauthier@nortonrose.com

In the case of iMarketing Solutions Group Inc.:

481 University Avenue, 6th Floor
Toronto, ON
M5G 2E9

Attention: Upkar Arora
Email: upkar.arora@imkgp.com

With a copy to:

Thornton Grout Finnigan LLP
Suite 3200, 100 Wellington Street West
P.O. Box 329
Toronto-Dominion Centre
Toronto, ON M5K 1K7

Attention: Robert I. Thornton
Fax: (416) 304-1313
E-mail: rthornton@tgf.ca

In either case, with a copy to the Monitor:

Duff & Phelps
Bay Adelaide Centre
333 Bay Street
14th Floor
Toronto, Ontario M5H 2R2

Attention: Robert Kofman
Email: bobby.kofman@duffandphelps.com

And a copy to:

Lax O'Sullivan Scott Lisus LLP
145 King Street West
Suite 1920
Toronto, ON M5H 1J8

Attention: Matthew Gottlieb
Fax: (416) 598-3730
Email: mgottlieb@counsel-toronto.com

Any such notice shall be deemed to be given and received, when received, unless received after 5:00 EST or on a day other than a business day, in which case the notice shall be deemed to be received the next business day.

**GOVERNING LAW AND
JURISDICTION:**

This DIP Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS HEREOF, the parties hereby execute this DIP Term Sheet as at the date first above mentioned.

Borrower:

IMARKETING SOLUTIONS GROUP INC.

Per: _____
Name:
Title:

DIP Lender:

SHOTGUN FUND LIMITED PARTNERSHIP III, by
its general partner SF FUND MANAGEMENT III
INC.

Per:

Name:

Title:


J. Ambro
VP

We have read the foregoing and agree to be bound by the terms hereto, to the extent applicable to the undersigned.

TARGET OUTREACH CANADA INC.

Per: _____
Name:
Title:

ENGAGE INTERACTIVE INC.

Per: _____
Name:
Title:

FRONT LINE SUPPORT INC.

Per: _____
Name:
Title:

IMARK EVENTS INC.

Per: _____
Name:
Title:

DIRECT CONTACT STRATEGIES INC.

Per: _____
Name:
Title:

CABOT CALL CENTRE INC.

Per: _____
Name:
Title:

RMG GENERAL PARTNER INC. by its general partner RMG GENERAL PARTNER INC.

Per: _____
Name:
Title:

RMG SMITHS FALLS, LP by its general partner RMG GENERAL PARTNER INC.

Per: _____
Name:
Title:

RMG THUNDER BAY, LP by its general partner RMG GENERAL PARTNER INC.

Per: _____
Name:
Title:

THE RESPONSIVE MARKETING GROUP INC.

Per: _____
Name:
Title:

GWE CONSULTING GROUP (USA) INC.

Per: _____
Name: Name
Title: Title

TARGET OUTREACH INC.

Per: _____
Name: Name
Title: Title

XENTEL INC.

Per: _____
Name:
Title:

WELLESLEY CORPORATION INC.

Per: _____
Name:
Title:

US BILLING INC.

Per: _____
Name:
Title:

AMERICAN GRAPHICS & DESIGN INC.

Per:

Name:

Title:

COURTESY HEALTH WATCH INC.

Per:

Name:

Title:

ENGAGE FUNDING INC.

Per:

Name:

Title:

SCHEDULE "A"

The Canadian Credit Parties

Direct Contact Strategies Inc.
Engage Interactive Inc.
Front Line Support Inc.
iMark Events Inc.
iMarketing Solutions Group Inc.
Cabot Call Centre Inc.
RMG General Partner Inc.
RMG Smiths Falls, LP
RMG Thunder Bay, LP
The Responsive Marketing Group Inc.

The US Credit Parties

GWE Consulting Group (USA) Inc.
Target Outreach Inc.
Xentel Inc.
Wellesley Corporation Inc.
US Billing Inc.
American Graphics & Design Inc.
Courtesy Health Watch Inc.
Engage Funding Inc.

Inactive Subsidiaries

Advanced Communications Inc.
Professionally Speaking Inc.
RMG Quebec Inc.
Special Projects Unit Call Centre Inc.
MLHL Marketing. LP

SCHEDULE "B"

16 Week Cash Flow

(Begins on the next page)

iMarketing Solutions Group Inc. and its Direct and Indirect Subsidiaries
 Projected Statement of Cash Flows (1)
 For the Period April 15, 2013 to August 2, 2013
 (\$CAD, Unaudited)

	For the Weeks Ending													Total		
	19-Apr	26-Apr	3-May	10-May	17-May	24-May	31-May	7-Jun	14-Jun	21-Jun	28-Jun	5-Jul	12-Jul		19-Jul	26-Jul
Cash Inflow from Operations																
Collections from opening accounts receivable balance	899,100	899,100	599,400	449,550	-	-	-	-	-	-	-	-	-	-	-	-
Collections from new accounts receivable	-	-	99,912	399,647	1,267,112	851,052	844,815	876,550	781,590	818,167	823,635	819,366	810,369	810,348	800,906	791,128
Total Cash Inflows from Operations	899,100	899,100	699,312	849,197	1,267,112	851,052	844,815	876,550	781,590	818,167	823,635	819,366	810,369	810,348	800,906	791,128
Cash Outflow from Operations																
Variable Costs:																
Tele-fundraising	270,250	270,230	270,250	282,000	282,000	282,000	293,750	293,750	293,750	293,750	293,750	293,750	293,750	293,750	293,750	293,750
Direct mail	38,462	38,462	38,462	38,462	38,462	38,462	38,462	38,462	38,462	38,462	38,462	38,462	38,462	38,462	38,462	38,462
Direct voter contact	36,075	36,075	36,075	36,075	36,075	-	-	-	-	-	-	-	-	-	-	-
Total Variable Costs	344,787	344,787	344,787	356,537	356,537	320,462	332,212	332,212	332,212	332,212	332,212	332,212	332,212	332,212	332,212	332,212
Fixed and Other Operating Costs	382,100	299,600	685,659	109,600	252,200	334,800	621,300	416,300	333,700	333,900	333,700	515,500	281,600	281,600	281,600	515,500
Total Cash Outflows from Operations	726,887	644,387	1,030,446	526,137	608,737	655,262	953,512	748,512	665,912	666,112	665,912	817,712	613,812	613,812	613,812	817,712
Net Cash from Operations	172,213	254,713	(331,134)	323,061	658,376	195,790	(108,696)	138,039	115,679	152,055	159,723	(23,346)	196,557	186,536	187,095	(56,584)
Restructuring and Other Costs																
Professional fees	100,000	-	105,900	-	160,000	100,000	-	-	205,000	-	-	-	210,000	-	-	-
Contingency	305,500	305,500	-	-	-	-	-	-	-	-	-	-	-	-	-	(549,900)
DIP loan fee and interest	-	-	-	-	75,600	-	-	25,000	-	-	-	25,000	-	-	-	125,000
Customer remittances	84,186	63,407	-	184,575	209,500	30,900	-	-	-	-	-	-	-	-	-	-
Past due Payroll withholdings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	233,889
State regulators	22,300	-	-	-	22,300	-	-	-	22,300	-	-	-	-	22,300	-	-
Sales taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Restructuring and Other Costs	511,986	368,907	105,000	184,575	466,800	130,900	-	25,000	205,000	22,300	-	25,000	210,000	22,300	-	(191,011)
Net Cash Flow	(339,773)	(114,194)	(436,134)	138,486	191,576	64,890	(108,696)	103,039	(89,321)	129,755	159,723	(53,346)	(13,443)	164,236	187,095	134,427
DIP loan balance	-	(339,773)	(435,967)	(890,100)	(751,615)	(560,039)	(495,149)	(603,845)	(500,806)	(590,127)	(460,372)	(306,649)	(353,995)	(367,438)	(203,201)	(16,107)
(DIP Loan)/End of Period Cash Balance	(339,773)	(453,967)	(890,100)	(751,615)	(560,039)	(495,149)	(603,845)	(560,806)	(590,127)	(460,372)	(300,649)	(353,995)	(367,438)	(203,201)	(16,107)	118,321

(12)

iMarketing Solutions Group Inc. and its Direct and Indirect Subsidiaries

Notes to Projected Statement of Cash Flows

For the Period April 15, 2013 to August 2, 2013

(\$CAD, Unaudited)

Purpose and General Assumptions

1. The purpose of the projection is to present the forecast of the cash flow of iMarketing Solutions Group Inc. and its direct and indirect subsidiaries (collectively, the "Company") for the period April 15, 2013 to August 2, 2013 ("Period") in respect of its proceedings pursuant to the *Companies' Creditors Arrangement Act* and Chapter 15 of Title 11 of the *United States Code*.

The projected cash flow statement has been prepared based on hypothetical and most probable assumptions developed and prepared by the Company.

Specific Assumptions

2. Represents collection of accounts receivable balances from the pre-filing period, inclusive of sales taxes, and from revenues to be generated during the Period, net of sales taxes. Collections are based on historical patterns.
3. Represents variable costs associated with continued operation of the Company's fundraising, direct mail and direct voter contact businesses. Costs include direct labour and fulfillment costs (printing, postage, courier).
4. Includes fixed costs associated with continued operations, such as salaries, rent and utilities.
5. Represents the professional fees to be paid in the period related to the restructuring proceedings, including the fees of the Company's Canadian and US legal counsel, Monitor and its Canadian and US legal counsel.
6. Represents a contingency for unknown expenses, including, potentially, security deposits to critical vendors and a return of such deposits in the week ended August 2, 2013.
7. Relates to fees, costs and interest associated with the DIP loan facility.
8. Reflects payment to certain customers regarding pre-filing amounts collected.
9. Includes source deductions and withholding taxes immediately prior to the Period.
10. Reflects balances owing to certain State regulators in the United States.
11. Reflects pre-filing sales taxes owing.
12. Assumes an opening cash balance of nil as the CIBC line of credit is fully drawn.

SCHEDULE "C"

Form of Drawdown Certificate

DRAWDOWN CERTIFICATE

TO: Shotgun Fund Limited Partnership III (the **DIP Lender**)

FROM: iMarketing Solutions Group Inc. (the **Borrower**)

DATE:

- 1 This certificate is delivered to you, as DIP Lender, in connection with a request for a DIP Advance pursuant to the term sheet made as of April ●, 2013 between, *inter alia*, the Borrower and the DIP Lender, as amended, supplemented, restated or replaced from time to time (the **DIP Term Sheet**). All defined terms used but not otherwise defined in this certificate shall have the respective meanings set forth in the DIP Term Sheet, unless the context requires otherwise.
- 2 The Borrower hereby requests a DIP Advance as follows:
 - (a) Date of DIP Advance: _____
 - (b) Aggregate amount of DIP Advance (CDN\$): _____
- 3 All of the representations and warranties of the Credit Parties as set forth in the DIP Term Sheet are true and accurate as at the date hereof, as though made on and as of the date hereof.
- 4 All of the covenants of the Borrower contained in the DIP Term Sheet together with all of the conditions precedent to the DIP Advance hereby requested and contained in the DIP Term Sheet, and all other terms and conditions contained in the DIP Term Sheet to be complied with by the Borrower and the other Credit Parties, not properly waived in writing by or on behalf of the DIP Lender, have been fully complied with.
- 5 In addition to the foregoing, the Credit Parties are in compliance with the DIP Credit Documentation, including, without limitation, the Restructuring Court Orders.
- 6 The DIP Advance hereby requested is within the relevant Cash Flow Projections approved by the DIP Lender and reviewed by the Monitor.
- 7 No Default or Event of Default has occurred nor will any such event occur as a result of the DIP Advance hereby requested.

IMARKETING SOLUTIONS GROUP INC.

Per: _____

Name:

Title:

SCHEDULE "D"

Arrears

Canadian Statutory Liabilities					
Entity	Liability	Description	HST	Stat Withholdings	Total
Engage	CRA - HST	Monthly Returns	338,879		
iMark Events	CRA - HST	Monthly Returns	191,031		
iMark Events	CRA - HST	Monthly Returns	(114,368)		
Front Line Support	CRA - HST	Annual Return	37,400		
iMark (on behalf of TZ)	CRA - HST	Annual Return	66,999		
Engage	CRA - HST	Monthly Return	103,798		
RMG	CRA - HST	Monthly Return	56,748		
Direct Contact	CRA - HST	Monthly Return	1,254		
iMark Events	CRA - HST	Monthly Return	731		
Front Line Support	CRA - HST	Annual Return	9,348		
Subtotal HST			691,820		
iMark Connect	Receiver General	Withholding Taxes		63,591	
iMSG	Garnishments			2,775	
iMark Connect	Receiver General	Withholding Taxes		64,952	
iMSG	Receiver General	Withholding Taxes		78,111	
iMark Connect	ON Health Tax	Health Tax		11,478	
iMSG	ON Health Tax	Health Tax		5,069	
iMark Connect	Manitoba Health	Health Tax		5,309	
iMSG	Manitoba Health	Health Tax		326	
iMark Connect	Quebec Minister of Revenue	Withholding Taxes		2,006	
Subtotal Statutory Withholdings				233,617	
Total Statutory Obligations Owing			691,820	233,617	925,437

US Statutory Liabilities

<u>Entity</u>	<u>Liability</u>	<u>Description</u>	<u>Period</u>	<u>Payable</u>	<u>Amount</u>
TOI	IRS	Withholding Taxes	March 2013	April, 2013	8,283
USB	IRS	Withholding Taxes	March 2013	April, 2013	2,611
XI	IRS	Withholding Taxes	March 2013	April, 2013	39,722
AGD	IRS	Withholding Taxes	March 2013	April, 2013	1,912
CHW	IRS	Withholding Taxes	March 2013	April, 2013	8,457
TOI	IRS	Withholding Taxes	March 2013	April, 2013	7,687
USB	IRS	Withholding Taxes	March 2013	April, 2013	2,719
XI	IRS	Withholding Taxes	March 2013	April, 2013	43,827
AGD	IRS	Withholding Taxes	March 2013	April, 2013	1,813
CHW	IRS	Withholding Taxes	March 2013	April, 2013	8,651
Miscellaneous		Garnishee/State Tax	March 2013	April, 2013	5,506
To be Allocated by Entity			April 2013		77,468
Total Statutory Amounts Owing for US					208,657
Less: To be Paid Prior to DIP Funding					(208,657)
Total Statutory Amounts Owing for US					-

Exhibit “Z”



Illumina Partners Inc.
Suite 800, 357 Bay Street
Toronto, Ontario
M5H 2T7

April 11, 2013

iMarketing Solutions Group Inc.
6th Floor, 481 University Avenue,
Toronto, ON M5G 2E9

Attn: Andrew Langhorne, CEO

Dear Mr. Langhorne:

Re: Appointment of Chief Restructuring Officer

On April 11, 2013, iMarketing Solutions Group Inc. and those related companies noted on Schedule "A" (collectively referred as the "Company") filed for protection from their creditors pursuant to *Companies' Creditors Arrangement Act* (Canada) ("CCAA").

The Company has brought a motion for the appointment of Duff & Phelps Canada Restructuring Inc. as the Monitor under the CCAA (the "Monitor") of the Company. The Company wishes to retain Illumina Partners Inc. ("Illumina") who will provide the services of Upkar Arora ("Arora") to manage the day-to-day operations of the Company in the capacity of Chief Restructuring Officer ("CRO"). The Company has also brought a motion confirming and approving the appointment of Illumina as CRO of the Company.

The Engagement

Illumina will act as an independent contractor and provide the services of Arora as the CRO of the Company and as an officer of the Court in accordance with the terms of the Order in respect thereof (the "CRO Appointment Order").

Illumina will have the powers and duties of the CRO of the Company, including completing and implementing a restructuring plan for the Company, cash management

and financial reporting in conjunction with the Monitor. Furthermore, Illumina shall (i) comply with all applicable laws, rules and regulations, and all requirements of all applicable regulatory, self-regulatory and administrative bodies; and (ii) comply with orders of the Court in connection with the Company's proceedings under the CCAA. As an officer of the Court, the CRO may apply to the Court for advice and directions in the discharge of its powers and duties, and may report to the Court as it sees fit or as requested by the Court.

Commencing on the date of the CRO Appointment Order, the CRO will have the following specific duties, all of which will be carried out for, on behalf of and in the name of the Company:

- (a) The direction of the day-to-day operations of the Company and carriage of the business of the Company, as the CRO deems necessary or advisable;
- (b) The preservation and protection of the property, assets and undertaking of the Company (the "Property");
- (c) The establishment of a plan or plans for the restructuring of the Company and reporting on its progress, timeframe and issues related thereto;
- (d) The implementation of the restructuring plan or plans and coordinating and participating in communications to the Company, creditors and other stakeholders;
- (e) The management of receipts and disbursements consistent with the cash flows filed in the proceedings and arising out of the operations of the Company (and the obligation to forthwith bring any and all issues related thereto to the attention of the Company and the Monitor);
- (f) The power to evaluate all potential sale or investment transactions and negotiate on behalf of the Company with respect to the sale of or transfer of the Property or an investment in the Company; and
- (g) The power to provide information to the Company, the Monitor and the secured lenders (and each of their advisors) regarding the business and affairs of the Company, on a basis consistent with the Orders issued in these proceedings.

(collectively, the "Engagement").

For greater certainty, the Engagement and all aspects related thereto shall be subject to the review by the Monitor. The CRO shall advise the Company and the Monitor as to the status of the Engagement and the overall business and affairs of the Company as and how requested.

The CRO will continue the Engagement until the appointment of the CRO is terminated by Order of the Court or pursuant to the terms of this Agreement.

Fees and Indemnity

Provided that the CRO shall not have ceased to perform its duties and responsibilities diligently, faithfully and honestly, the Company will provide the following consideration to Illumina for the Engagement hereunder:

- (a) **Monthly Fees.** C\$75,000 per month (the "Monthly Fees"), payable bi-weekly in arrears, plus any applicable taxes.
- (b) **Expenses.** The Company shall reimburse Illumina for all reasonable out-of-pocket expenses incurred by it (including any applicable taxes) in connection with the Engagement upon submission of invoices therefor. Illumina's reasonable legal expenses in connection with this Agreement or any modification thereto shall be paid by the Company upon submission of an invoice or invoices for such expenses.
- (c) **Success Fee.**
 - (i) For purposes hereof, the "Success Event" will have occurred upon the permanent repayment of (a) all Crown liabilities which are capable of ranking ahead of the claims of secured creditors; (b) any indebtedness owing by the Company to CIBC; and (c) any amount outstanding in respect of any debtor in possession financing.
 - (ii) If the Success Event occurs within the term of this Agreement or within six (6) months thereafter, then the Company shall pay to Illumina the Success Fee as set forth in Schedule "B".
 - (iii) The Success Fee will be paid promptly following the occurrence of the Success Event.

The Company shall indemnify and hold harmless the CRO against and from any obligations and liabilities that they both or either of them may incur as CRO and the Company after the commencement of the CCAA proceedings, except in the event that

the obligation or liability was incurred as a direct result of the CRO's gross negligence or willful misconduct.

Role of CRO

The CRO shall provide the services of Arora who has particular knowledge and expertise applicable to the activities and affairs of the Company, to act in such capacity and perform the services required herein on and subject to the terms and conditions contained herein. It is acknowledged and agreed that Arora shall be the only individual who performs the services required by this engagement.

Termination

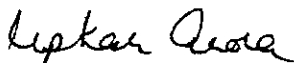
Subject to the CRO's right to terminate set forth below, this agreement terminates on the earlier of: (a) the closing of the sale of the Property or investment in the Company resulting from the sale and investment solicitation process to be undertaken in the CCAA proceedings; (b) the appointment of a trustee in bankruptcy of the Company and the discharge of the Monitor; and (c) September 10, 2013.

It is understood that the CRO may terminate this agreement and that the CRO shall end its engagement hereunder, on fourteen (14) calendar days written notice to the Company and the Monitor; provided that in the event that the CRO terminates this agreement, it shall forfeit any further Success Fee otherwise falling due to it thereafter. Notice shall be sent by way of email to counsel to the Monitor and the secured lender.

If this letter meets with your approval and reflects your understanding of our role and responsibilities, please sign the enclosed duplicate copy and return it to me.

Yours very truly,

Illumina Partners Inc.



Upkar Arora, CA, ICD.D

UA

We confirm our agreement to retain Illumina Partners Inc. as CRO on the terms described in this letter.

Dated at Toronto, this 11th day of April, 2013.

iMarketing Solutions Group Inc.

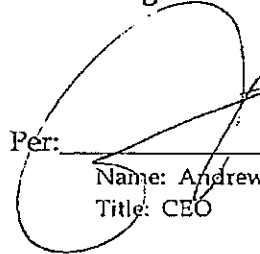
Per:  _____
Name: Andrew Langhorne
Title: CEO

Exhibit “AA”

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF **iMARKETING SOLUTIONS INC.** and
the Companies referred to in Schedule "A"(the "Applicants")

CONSENT

Duff & Phelps Canada Restructuring Inc. hereby consents to act as Court-appointed monitor of the Applicants in respect of these proceedings.

Duff & Phelps Canada Restructuring Inc.

Per: 

Name: Bobby Kofman

Title: Managing Director, Restructuring

Schedule A

List of Applicants

iMarketing Solutions Group Inc.

The Responsive Marketing Group Inc.

GWE Consulting Group (USA) Inc.

Direct Contact Strategies Inc.

Front Line Support Inc.

iMark Events Inc.

RMG General Partner Inc.

Cabot Call Centre Inc.

Special Projects Unit Call Centre Inc.

Engage Interactive Inc.

MLHL Marketing Inc.

RMG Smith Falls. LLP.

RMG Thunder Bay LLP

RMG Quebec LLP

Xentel Inc. (Delaware)

Wellesley Corporation Inc. (Delaware)

US Billing Inc. (Delaware)

American Graphics & Design Inc. (Wisconsin)

Advanced Communications Inc. (Wisconsin)

Professionally Speaking Inc. (Wisconsin)

Courtesy Health Watch Inc. (Delaware)

Target Outreach Inc. (Nevada)

Engage Funding Inc. (Delaware)

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF iMARKETING GROUP SOLUTIONS
INC. and those Companies referred to on Schedule "A"

Court File No.:

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

Proceedings commenced at **Toronto**

AFFIDAVIT OF ANDREW LANGHORNE

Thornton Grout Finnigan LLP
Barristers and Solicitors
100 Wellington Street West
Suite 3200
Toronto, Ontario M5K 1K7

Robert I. Thornton (LSUC# 24266B)
Danny M. Nunes (LSUC# 53802D)
Sandra Reid (LSUC# 62351A)

Tel: 416-304-1616
Fax: 416-304-1313

Lawyers for the Applicants

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) FRIDAY, THE 12TH
)
JUSTICE NEWBOULD) DAY OF APRIL, 2013

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF **iMARKETING SOLUTIONS GROUP
INC.** and the Companies referred to in Schedule "A"(the
"Applicants")

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Andrew Langhorne sworn April 11, 2013 and the Exhibits thereto (the "**Langhorne Affidavit**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and counsel for the DIP Lender (as defined herein), no one appearing for ▶ although duly served as appears from the affidavit of service of ▶ sworn April 11, 2013 and on reading the consent of Duff & Phelps Canada Restructuring Inc. to act as the Monitor.

SERVICE

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

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies. Although not Applicants, the limited partnerships listed in Schedule “**B**” to this Order (the “**LPs**”) shall enjoy the benefits of and the protections provided to the Applicants by this Order. (The Applicants and the LPs are hereinafter referred to collectively as “**IMSG Parties**”).

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the IMSG Parties shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the IMSG Parties shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the IMSG Parties shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property. The IMSG Parties shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively

“**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the IMMSG Parties shall be entitled to continue to utilize the central cash management system currently in place as described in the Langhorne Affidavit (the “**Cash Management System**”) and that any bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the IMMSG Parties of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the IMMSG Parties, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **THIS COURT ORDERS** that the IMMSG Parties shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

- (b) the fees and disbursements of any Assistants retained or employed by the IMSG Parties in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the IMSG Parties shall be entitled but not required to pay all reasonable expenses incurred by the IMSG Parties in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the IMSG Parties following the date of this Order.

8. **THIS COURT ORDERS** that the IMSG Parties shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or payable in any other jurisdiction or any other taxation authority which are required to be deducted from employees' wages on or after the date hereof, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the IMSG Parties in connection with the sale of goods and services by the IMSG Parties, but only where such Sales Taxes are accrued or

collected after the date of this Order or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

- (c) any amount payable to the Crown in right of Canada or payable in any other jurisdiction or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the IMSG Parties.

9. **THIS COURT ORDERS** that until a real property lease (where the leased premises are occupied by the IMSG Parties or any of them as of the date hereof) is disclaimed or resiliated in accordance with the CCAA, the IMSG Parties shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the IMSG Parties and the landlords from time to time (“**Rent**”), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the IMSG Parties are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the IMSG Parties to any of their

creditors as of this date, except as contemplated in the DIP Credit Documentation, as herein defined; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property, except as permitted hereunder; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business or as permitted hereunder.

CRITICAL SUPPLIER PAYMENTS

11. **THIS COURT ORDERS** that the IMMSG Parties shall be permitted to make such payments to customers to which the IMMSG Parties are indebted and to those suppliers of goods and services as the IMMSG Parties, always in consultation with the Monitor and only as permitted under the DIP Credit Documentation (as hereinafter defined), determine to be necessary to permit the IMMSG Parties to proceed with the Restructuring (as defined below).

RESTRUCTURING

12. **THIS COURT ORDERS** that the IMMSG Parties shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the DIP Credit Documentation, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations and to dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$100,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and

- (c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the IMSG Parties to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

13. **THIS COURT ORDERS** that the IMSG Parties shall provide each of the relevant landlords with notice of the IMSG Parties’ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the IMSG Parties’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the IMSG Parties, or by further Order of this Court upon application by the IMSG Parties on at least two (2) days notice to such landlord and any such secured creditors. If the IMSG Parties disclaim or resiliate the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to the IMSG Parties’ claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer or resiliation is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to

prospective tenants during normal business hours, on giving the IMMSG Parties and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the IMMSG Parties in respect of such lease or leased premises and such landlord shall be entitled to notify the IMMSG Parties of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE IMMSG PARTIES OR THE PROPERTY

15. **THIS COURT ORDERS** that until and including May 11, 2013, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the IMMSG Parties, the CRO, as herein defined, or the Monitor, or affecting the Business or the Property, except with the written consent of the IMMSG Parties and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the IMMSG Parties or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the

IMSG Parties or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the IMSG Parties and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the IMSG Parties to carry on any business which the IMSG Parties are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

17. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the IMSG Parties, except with the written consent of the IMSG Parties and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the IMSG Parties or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the IMSG Parties, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the IMSG Parties, and that the IMSG Parties shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for

all such goods or services received after the date of this Order are paid by the IMSG Parties in accordance with normal payment practices of the IMSG Parties or such other practices as may be agreed upon by the supplier or service provider and each of the IMSG Parties and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the IMSG Parties. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the IMSG Parties with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the IMSG Parties whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the IMSG Parties, if one is filed, is sanctioned by this Court or is refused by the creditors of the IMSG Parties or this Court.

CHIEF RESTRUCTURING OFFICER

21. **THIS COURT ORDERS** that the appointment of Illumina Partners Inc. using the services of Upkar Arora thereof, as chief restructuring officer of the IMMSG Parties (the “**CRO**”) and as an officer of this Court is hereby confirmed and approved and the CRO is hereby authorized and empowered to operate and manage the affairs of the IMMSG Parties during the pendency of these CCAA proceedings.

22. **THIS COURT ORDERS** that the IMMSG Parties shall pay the CRO his fees and disbursements, including the fees and disbursements of the CRO’s counsel, if any, in accordance with the CRO’s retention agreement with the IMMSG Parties dated April 11, 2013, annexed as **Exhibit “Z”** to the Langhorne Affidavit save and except that any payment of a success fee thereunder shall be subject to further Order of this Court.

23. **THIS COURT ORDERS** that the CRO shall incur no liability or obligation as a result of his appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on his part.

DIRECTORS’ AND OFFICERS’ INDEMNIFICATION AND CHARGE

24. **THIS COURT ORDERS** that the IMMSG Parties shall indemnify their directors and officers, including the CRO, against obligations and liabilities that they may incur as directors or officers of the IMMSG Parties after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

25. **THIS COURT ORDERS** that the directors and officers of the IMSG Parties, including the CRO, shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$1,300,000, as security for the indemnity provided in paragraph 24 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 44 and 46 herein.

26. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors’ Charge, and (b) the IMSG Parties’ directors and officers shall only be entitled to the benefit of the Directors’ Charge to the extent that they do not have coverage under any directors’ and officers’ insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 24 of this Order.

APPOINTMENT OF MONITOR

27. **THIS COURT ORDERS** that Duff & Phelps Canada Restructuring Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the IMSG Parties with the powers and obligations set out in the CCAA or set forth herein and that the IMSG Parties and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the IMSG Parties pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

28. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby authorized and empowered to:

- (a) monitor the IMSG Parties' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the IMSG Parties, to the extent required by the IMSG Parties, in their dissemination, to the DIP Lender (as herein defined) and its counsel of financial and other information as agreed to between the IMSG Parties and the DIP Lender which may be used in these proceedings including reporting on the basis agreed with the DIP Lender in the DIP Credit Documentation;
- (d) advise the IMSG Parties in their preparation of the IMSG Parties' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, as agreed to by the DIP Lender in the DIP Credit Documentation;
- (e) advise the IMSG Parties in their development of the Plan and any amendments to the Plan;
- (f) assist the IMSG Parties, to the extent required by the IMSG Parties, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the IMSG Parties, to the extent that is necessary to adequately assess the IMSG

Parties' business and financial affairs or to perform its duties arising under this Order;

- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

29. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

30. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable

Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

31. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the IMMSG Parties and the DIP Lender with information provided by the IMMSG Parties in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the IMMSG Parties is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the IMMSG Parties may agree.

32. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

33. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor (including U.S. counsel), the CRO and counsel (including U.S. counsel) to the IMMSG Parties shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the IMMSG Parties as part of the costs of these proceedings subject to the passing of their accounts. The IMMSG Parties are hereby authorized and directed to pay the accounts of the Monitor, counsel for

the Monitor, the CRO and counsel for the IMSG Parties at regular intervals at such time as each of them may agree with the IMSG Parties and, in addition, the IMSG Parties are hereby authorized to pay to the Monitor, counsel to the Monitor, the CRO and counsel to the IMSG Parties, retainers in such amount as may be agreed with each of them to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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

35. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, the CRO and counsel to the IMSG Parties shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$300,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 44 and 46 hereof.

INTER-COMPANY CHARGE

36. **THIS COURT ORDERS** that, subject to the terms of the DIP Term Sheet (as defined herein) and the DIP Credit Documentation:

- (a) iMarketing Solutions Group Inc. (“**IMSG**”) is authorized to make loans, advances or transfers of funds to any of the other Applicants or LPs (each an “**IMG Subsidiary**” and collectively, the “**IMSG Subsidiaries**”) from time to time in

accordance with the Cash Management System and the DIP Credit Documentation;

- (b) the IMMSG Subsidiaries are hereby authorized to repay funds previously advanced to the IMMSG Subsidiaries by IMMSG from time to time in accordance with the Cash Management System and the DIP Credit Documentation; and
- (c) for greater certainty, the IMMSG Parties shall not be entitled to transfer funds to any direct or indirect subsidiary, affiliate or associate of IMMSG or an IMMSG Subsidiary that is not a Credit Party under the DIP Term Sheet (as defined therein) without prior consent of the DIP Lender, or Order of this Court.

37. **THIS COURT ORDERS** that IMMSG shall be entitled to the benefits of, and is hereby granted, a charge (the “**Inter-Company Charge**”) on the Property of the IMMSG Subsidiaries in an amount equal to but not exceeding the aggregate amounts outstanding at any given time based on advances made by IMMSG Subsidiaries pursuant to the authorization granted under subparagraph 36 herein from and after the date of this Order. The Inter-Company Charge shall have the priority set out in paragraphs 44 and 46 hereof.

DIP FINANCING

38. **THIS COURT ORDERS** that IMMSG is hereby authorized and empowered to obtain and borrow under a credit facility (the “**DIP Loan**”) from Shotgun Fund Limited Partnership III (the “**DIP Lender**”) for the purposes set out in the DIP Term Sheet, provided that borrowings under such credit facility shall not exceed a total of CAD \$1,000,000 unless agreed to by the DIP Lender and permitted by further Order of this Court.

39. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the term sheet amongst IMSG, as borrower, the IMSG Subsidiaries, as guarantors, and the DIP Lender dated as of April 11, 2013 (the “**DIP Term Sheet**”), filed.

40. **THIS COURT ORDERS** that the IMSG Parties are hereby authorized and empowered to execute and deliver the DIP Term Sheet and such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**DIP Credit Documentation**”), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the IMSG Parties are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the DIP Credit Documentation for the benefit of the DIP Lender as and when the same become due and are to be performed, notwithstanding any other provision of this Order. For greater certainty, the IMSG Subsidiaries are hereby authorized and directed to execute and deliver the Confirmations (as defined in the DIP Term Sheet), and the New Guarantees (as defined in the DIP Term Sheet), as applicable.

41. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, to secure the repayment and the payment of all amounts owing by the IMSG Parties to the DIP Lender, including all principal, interest, fees, liabilities and obligations under the DIP Credit Documentation, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 44 and 46 hereof. For greater certainty, the DIP Lender’s Charge shall apply to the Inter-Company Charge.

42. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the DIP Credit Documentation;
- (b) upon the occurrence of an event of default under the DIP Term Sheet, the DIP Credit Documentation or the DIP Lender's Charge, the DIP Lender, upon two (2) days notice to IMMSG and the Monitor, and subject to the prior approval of this Court, may exercise any and all of its rights and remedies against the IMMSG Parties, the Guarantors, or the Property under or pursuant to the DIP Term Sheet, the DIP Credit Documentation and the DIP Lender's Charge; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the IMMSG Parties or the Property.

43. **THIS COURT ORDERS AND DECLARES** that the claims of the DIP Lender in relation to the DIP Loan are not claims that may be compromised pursuant to the Plan, and shall be treated as unaffected in any Plan, any proposal under the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") or any other restructuring and no such Plan, proposal or restructuring shall be approved that does not provide for the payment of all amounts due to the DIP Lender pursuant to the terms of the DIP Term Sheet and the DIP Credit Documentation.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

44. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge, the DIP Lender's Charge and the Inter-Company Charge, as among them, shall be as follows for all IMSG Parties except The Responsive Marketing Group Inc. ("**RMG**"):

First – Administration Charge (to the maximum amount of \$300,000);

Second – DIP Lender's Charge (to the maximum amount of \$1,400,000);

Third – Inter-Company Charge; and

Fourth – Directors' Charge (to the maximum amount of \$1,300,000);

and, solely in respect of the Applicant, RMG, the priorities of the Directors' Charge, the Administration Charge, the DIP Lender's Charge and the Inter-Company Charge, as among them, shall be as follows:

First – The security interest of Canadian Imperial Bank of Commerce ("**CIBC**") to the extent such charge is properly perfected against the assets of RMG;

Second – Administration Charge (to the maximum amount of \$300,000);

Third – DIP Lender's Charge (to the maximum amount of \$1,400,000);

Fourth – Inter-Company Charge; and

Fifth – Directors' Charge (to the maximum amount of \$1,300,000).

45. **THIS COURT ORDERS** that the filing, registration or perfection of the Directors' Charge, the Administration Charge, the DIP Lender's Charge or the Inter-Company Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

46. **THIS COURT ORDERS** that each of the Directors' Charge, the Administration Charge, the Inter-Company Charge and the DIP Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except solely in relation to the assets of RMG, the security interest of CIBC and any Encumbrances that have priority over the security interest of CIBC.

47. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the IMMSG Parties shall not grant any Encumbrances over any Property that rank in priority to, or pari passu with, any of the Directors' Charge, the Administration Charge or the DIP Lender's Charge, unless the IMMSG Parties also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

48. **THIS COURT ORDERS** that the Directors' Charge, the Administration Charge, the DIP Term Sheet, the DIP Credit Documentation and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained

in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the IMSG Parties, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the DIP Credit Documentation shall create or be deemed to constitute a breach by the IMSG Parties of any Agreement to which they are parties;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the IMSG Parties entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the DIP Credit Documentation; and
- (c) the payments made by the IMSG Parties pursuant to this Order, the DIP Term Sheet or the DIP Credit Documentation, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

49. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the IMSG Parties’ interest in such real property leases.

SERVICE AND NOTICE

50. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii)

within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the IMMSG Parties of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

51. **THIS COURT ORDERS** that the IMMSG Parties and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the IMMSG Parties' creditors or other interested parties at their respective addresses as last shown on the records of the IMMSG Parties and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

52. **THIS COURT ORDERS** that the IMMSG Parties, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at <http://www.duffandphelps.com/services/restructuring/Pages/RestructuringCases.aspx>.

GENERAL

53. **THIS COURT ORDERS** that the IMSG Parties or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

54. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the IMSG Parties, the Business or the Property.

55. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the IMSG Parties, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the IMSG Parties and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor or iMarketing Solutions Group Inc. in any foreign proceeding, or to assist the IMSG Parties and the Monitor and their respective agents in carrying out the terms of this Order.

56. **THIS COURT ORDERS** that each of the IMSG Parties and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that iMarketing Solutions Group Inc. is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

57. **THIS COURT ORDERS** that any interested party (including the IMSEG Parties and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

58. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

Schedule "A"

List of Applicants

iMarketing Solutions Group Inc.

The Responsive Marketing Group Inc.

GWE Consulting Group (USA) Inc.

Direct Contact Strategies Inc.

Front Line Support Inc.

iMark Events Inc.

RMG General Partner Inc.

Cabot Call Centre Inc.

Engage Interactive Inc.

RMG Smiths Falls LP.

RMG Thunder Bay LP

Xentel Inc. (Delaware)

Wellesley Corporation Inc. (Delaware)

US Billing Inc. (Delaware)

American Graphics & Design Inc. (Wisconsin)

Courtesy Health Watch Inc. (Delaware)

Target Outreach Inc. (Nevada)

Engage Funding Inc. (Delaware)

Schedule "B"

List of Limited Partnerships

RMG Smiths Falls LP

RMG Thunder Bay LP

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE _____³MR.⁴)
_____DAY⁵FRIDAY⁶, THE _____⁷12TH⁸)
JUSTICE _____⁹NEWBOULD¹⁰) DAY OF
_____, 20__¹¹APRIL, 2013¹²

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF [APPLICANT'S NAME] (the
"Applicant"¹³ iMARKETING SOLUTIONS GROUP INC. and
the Companies referred to in Schedule "A" (the "Applicants"¹⁴))

INITIAL ORDER

THIS APPLICATION, made by the Applicant¹⁵ Applicants¹⁶, pursuant to the *Companies'
Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"¹⁷) was heard this
day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of [NAME]¹⁸ Andrew Langhorne¹⁹ sworn [DATE]²⁰ April 11,
2013²¹ and the Exhibits thereto (the "Langhorne Affidavit")²², and on being advised that the
secured creditors who are likely to be affected by the charges created herein were given notice,
and on hearing the submissions of counsel for [NAMES]²³ the Applicants and counsel for the DIP
Lender (as defined herein)²⁴, no one appearing for [NAME]²⁵ ▶²⁶ although duly served as
appears from the affidavit of service of [NAME]²⁷ ▶²⁸ sworn [DATE]²⁹ April 11, 2013³⁰ and on

reading the consent of [~~MONITOR'S NAME~~]³¹ Duff & Phelps Canada Restructuring Inc.³² to act as the Monitor,^{33 34}

SERVICE

1. THIS COURT ORDERS³⁵ that the time for service of the Notice of Application and the Application Record is hereby abridged and validated²³⁶ so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES³⁷ that the Applicant is a company³⁸ Applicants are companies³⁹ to which the CCAA applies. Although not Applicants, the limited partnerships listed in Schedule "B" to this Order (the "LPs") shall enjoy the benefits of and the protections provided to the Applicants by this Order. (The Applicants and the LPs are hereinafter referred to collectively as "IMSG Parties")⁴⁰

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS⁴¹ that the Applicant⁴² IMSG Parties⁴³ shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan"⁴⁴).

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS⁴⁵ that the Applicant⁴⁶ IMSG Parties⁴⁷ shall remain in possession and control of its⁴⁸ their⁴⁹ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “Property⁵⁰”). Subject to further Order of this Court, the Applicant⁵¹ IMSG Parties⁵² shall continue to carry on business in a manner consistent with the preservation of its⁵³ their⁵⁴ business (the “Business⁵⁵”) and Property. The Applicant⁵⁶ IMSG Parties⁵⁷ shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “Assistants⁵⁸”) currently retained or employed by it⁵⁹ them⁶⁰, with liberty to retain such further Assistants as it ~~deems~~⁶¹ they deem⁶² reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. ~~[~~⁶³THIS COURT ORDERS⁶⁴ that the Applicant⁶⁵ IMSG Parties⁶⁶ shall be entitled to continue to utilize the central cash management system⁶⁷ currently in place as described in the Langhorne⁶⁸ Affidavit of [NAME] sworn [DATE] or replace it with another substantially similar central cash management system⁶⁹ (the “Cash Management System⁷⁰”) and that any ~~present or~~ future⁷¹ bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant⁷² IMSG Parties⁷³ of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the

Applicant⁷⁴IMSG Parties⁷⁵, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.⁷⁶

6. **THIS COURT ORDERS**⁷⁷ that the Applicant⁷⁸IMSG Parties⁷⁹ shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension⁸⁰ benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant⁸¹IMSG Parties⁸² in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS**⁸³ that, except as otherwise provided to the contrary herein, the Applicant⁸⁴IMSG Parties⁸⁵ shall be entitled but not required to pay all reasonable expenses incurred by the Applicant⁸⁶IMSG Parties⁸⁷ in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of

insurance (including directors and officers insurance), maintenance and security services; and

- (b) payment for goods or services actually supplied to the Applicant⁸⁸ IMSG Parties⁸⁹ following the date of this Order.

8. **THIS COURT ORDERS**⁹⁰ that the Applicant⁹¹ IMSG Parties⁹² shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of⁹³ payable in⁹⁴ any Province thereof⁹⁵ other jurisdiction⁹⁶ or any other taxation authority which are required to be deducted from employees' wages on or after the date hereof⁹⁷, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes⁹⁸") required to be remitted by the Applicant⁹⁹ IMSG Parties¹⁰⁰ in connection with the sale of goods and services by the Applicant¹⁰¹ IMSG Parties¹⁰², but only where such Sales Taxes are accrued or collected after the date of this Order;¹⁰³ or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of¹⁰⁴ payable in¹⁰⁵ any Province thereof¹⁰⁶ other jurisdiction¹⁰⁷ or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other

taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant¹⁰⁸ IMSG Parties¹⁰⁹.

9. **THIS COURT ORDERS**¹¹⁰ that until a real property lease (where the leased premises are occupied by the IMSG Parties or any of them as of the date hereof)¹¹¹ is disclaimed [¹¹²or resiliated]¹¹³ in accordance with the CCAA, the Applicant¹¹⁴ IMSG Parties¹¹⁵ shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant¹¹⁶ IMSG Parties¹¹⁷ and the ~~landlord~~¹¹⁸ landlords¹¹⁹ from time to time (“Rent¹²⁰”), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS**¹²¹ that, except as specifically permitted herein, the Applicant-~~is~~¹²² IMSG Parties are¹²³ hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant¹²⁴ IMSG Parties¹²⁵ to any of its¹²⁶ their¹²⁷ creditors as of this date, except as contemplated in the DIP Credit Documentation, as herein defined¹²⁸; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its¹²⁹ their¹³⁰ Property, except as permitted hereunder¹³¹; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business or as permitted hereunder¹³².

CRITICAL SUPPLIER PAYMENTS¹³³

11. ¹³⁴**THIS COURT ORDERS** that the IMSG Parties shall be permitted to make such payments to customers to which the IMSG Parties are indebted and to those suppliers of goods and services as the IMSG Parties, always in consultation with the Monitor and only as permitted under the DIP Credit Documentation (as hereinafter defined), determine to be necessary to permit the IMSG Parties to proceed with the Restructuring (as defined below).¹³⁵

RESTRUCTURING

12. ~~11.~~¹³⁶**THIS COURT ORDERS**¹³⁷ that the Applicant¹³⁸ IMSG Parties¹³⁹ shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the ~~Definitive Documents (as hereinafter defined)~~¹⁴⁰ DIP Credit Documentation¹⁴¹, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its¹⁴² their¹⁴³ business or operations,¹⁴⁴ and to dispose of redundant or non-material assets not exceeding \$¹⁴⁵ ~~50,000~~¹⁴⁶ 50,000¹⁴⁷ in any one transaction or \$¹⁴⁸ ~~100,000~~¹⁴⁹ 100,000¹⁵⁰ in the aggregate¹⁵¹ ~~152~~¹⁵³

- (b) ~~it~~¹⁵⁴ terminate the employment of such of ~~its~~¹⁵⁵ ~~their~~¹⁵⁶ employees or temporarily lay off such of ~~its~~¹⁵⁸ ~~their~~¹⁵⁹ employees as ~~it deems~~¹⁶¹ ~~they deem~~¹⁶² appropriate¹⁶⁴ ~~it~~¹⁶⁵; ~~and~~¹⁶⁶ and
- (c) pursue all avenues of refinancing of ~~its~~¹⁶⁷ ~~their~~¹⁶⁸ Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicant¹⁶⁹ IMSG Parties¹⁷⁰ to proceed with an orderly restructuring of the Business (the “Restructuring¹⁷¹”).

13. ~~12.~~¹⁷² **THIS COURT ORDERS**¹⁷³ that the Applicant¹⁷⁴ IMSG Parties¹⁷⁵ shall provide each of the relevant landlords with notice of the Applicant’s¹⁷⁶ IMSG Parties¹⁷⁷ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant’s¹⁷⁸ IMSG Parties¹⁷⁹ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant¹⁸⁰ IMSG Parties¹⁸¹, or by further Order of this Court upon application by the Applicant¹⁸² IMSG Parties¹⁸³ on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant ~~disclaims [or resiliates]~~¹⁸⁴ IMSG Parties ~~disclaim or resiliate~~¹⁸⁵ the lease governing such leased premises in accordance with Section 32 of the CCAA, ~~it~~¹⁸⁶ ~~they~~¹⁸⁷ shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of

the CCAA), and the disclaimer [¹⁸⁸or resiliation]¹⁸⁹ of the lease shall be without prejudice to the Applicant's IMSG Parties¹⁹¹ claim to the fixtures in dispute.

14. ~~13.~~¹⁹² **THIS COURT ORDERS**¹⁹³ that if a notice of disclaimer [¹⁹⁴or resiliation]¹⁹⁵ is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer [¹⁹⁶or resiliation]¹⁹⁷, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant¹⁹⁸ IMSG Parties¹⁹⁹ and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer [²⁰⁰or resiliation]²⁰¹, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant²⁰² IMSG Parties²⁰³ in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant²⁰⁴ IMSG Parties²⁰⁵ of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT²⁰⁶ IMSG PARTIES²⁰⁷ OR THE PROPERTY

15. ~~14.~~²⁰⁸ **THIS COURT ORDERS**²⁰⁹ that until and including [~~DATE~~—~~MAX. 30~~ ~~DAYS~~]²¹⁰ May 11, 2013²¹¹ or such later date as this Court may order (the “Stay Period²¹²”), no proceeding or enforcement process in any court or tribunal (each, a “Proceeding²¹³”) shall be commenced or continued against or in respect of the Applicant²¹⁴ IMSG Parties, the CRO, as herein defined²¹⁵ or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant²¹⁶ IMSG Parties²¹⁷ and the Monitor, or with leave of this Court,

and any and all Proceedings currently under way against or in respect of the Applicant²¹⁸ IMSG Parties²¹⁹ or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. ~~15.~~²²⁰ THIS COURT ORDERS²²¹ that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “Persons²²²” and each being a “Person²²³”) against or in respect of the Applicant²²⁴ IMSG Parties²²⁵ or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant²²⁶ IMSG Parties²²⁷ and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant²²⁸ IMSG Parties²²⁹ to carry on any business which the Applicant²³⁰ IMSG Parties are²³¹ not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

17. ~~16.~~²³² THIS COURT ORDERS²³³ that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant²³⁴ IMSG Parties²³⁵, except with the written consent of the Applicant²³⁶ IMSG Parties²³⁷ and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. ~~17.~~²³⁸ THIS COURT ORDERS²³⁹ that during the Stay Period, all Persons having oral or written agreements with the Applicant²⁴⁰ IMSG Parties²⁴¹ or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant²⁴² IMSG Parties²⁴³, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant²⁴⁴ IMSG Parties²⁴⁵, and that the Applicant²⁴⁶ IMSG Parties²⁴⁷ shall be entitled to the continued use of its²⁴⁸ their²⁴⁹ current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant²⁵⁰ IMSG Parties²⁵¹ in accordance with normal payment practices of the Applicant²⁵² IMSG Parties²⁵³ or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant²⁵⁴ IMSG Parties²⁵⁵ and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. ~~18.~~²⁵⁶ THIS COURT ORDERS²⁵⁷ that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant²⁵⁸ IMSG Parties²⁵⁹.

Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁷²⁶⁰

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. ~~19.~~²⁶¹ **THIS COURT ORDERS**²⁶² that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant²⁶³ IMSG Parties²⁶⁴ with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant²⁶⁵ IMSG Parties²⁶⁶ whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant²⁶⁷ IMSG Parties²⁶⁸, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant²⁶⁹ IMSG Parties²⁷⁰ or this Court.

CHIEF RESTRUCTURING OFFICER²⁷¹

21. ²⁷² **THIS COURT ORDERS** that the appointment of Illumina Partners Inc. using the services of Upkar Arora thereof, as chief restructuring officer of the IMSG Parties (the “CRO”) and as an officer of this Court is hereby confirmed and approved and the CRO is hereby authorized and empowered to operate and manage the affairs of the IMSG Parties during the pendency of these CCAA proceedings.²⁷³

22. ²⁷⁴ **THIS COURT ORDERS** that the IMSG Parties shall pay the CRO his fees and disbursements, including the fees and disbursements of the CRO’s counsel, if any, in accordance

with the CRO's retention agreement with the IMMSG Parties dated April 11, 2013, annexed as Exhibit "Z" to the Langhorne Affidavit save and except that any payment of a success fee thereunder shall be subject to further Order of this Court.²⁷⁵

23. ²⁷⁶THIS COURT ORDERS that the CRO shall incur no liability or obligation as a result of his appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on his part.²⁷⁷

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

24. ~~20.~~²⁷⁸THIS COURT ORDERS²⁷⁹ that the Applicant²⁸⁰ IMMSG Parties²⁸¹ shall indemnify its²⁸² their²⁸³ directors and officers, including the CRO,²⁸⁴ against obligations and liabilities that they may incur as directors or officers of the Applicant²⁸⁵ IMMSG Parties²⁸⁶ after the commencement of the within proceedings,⁸²⁸⁷ except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

25. ~~21.~~²⁸⁸THIS COURT ORDERS²⁸⁹ that the directors and officers of the Applicant²⁹⁰ IMMSG Parties, including the CRO,²⁹¹ shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge²⁹²")⁹²⁹³ on the Property, which charge shall not exceed an aggregate amount of \$~~•,~~²⁹⁴ 1,300,000.²⁹⁵ as security for the indemnity provided in paragraph ~~{20}~~²⁹⁶ 24²⁹⁷ of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~{38}~~²⁹⁸ 44²⁹⁹ and ~~{40}~~³⁰⁰ 46³⁰¹ herein.

26. ~~22.~~³⁰²THIS COURT ORDERS³⁰³ that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the

benefit of the Directors' Charge, and (b) the Applicant's³⁰⁴ IMSG Parties³⁰⁵ directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~20~~³⁰⁶ 24³⁰⁷ of this Order.

APPOINTMENT OF MONITOR

27. ~~23.~~³⁰⁸ THIS COURT ORDERS³⁰⁹ that ~~[MONITOR'S NAME]~~³¹⁰ Duff & Phelps Canada Restructuring Inc.³¹¹ is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant³¹² IMSG Parties³¹³ with the powers and obligations set out in the CCAA or set forth herein and that the Applicant³¹⁴ IMSG Parties³¹⁵ and its³¹⁶ their³¹⁷ shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant³¹⁸ IMSG Parties³¹⁹ pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

28. ~~24.~~³²⁰ THIS COURT ORDERS³²¹ that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby ~~directed~~³²² authorized³²³ and empowered to:

- (a) monitor the Applicant's³²⁴ IMSG Parties³²⁵ receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

- (c) assist the Applicant³²⁶ IMSG Parties³²⁷, to the extent required by the Applicant³²⁸ IMSG Parties³²⁹, in its³³⁰ their³³¹ dissemination, to the DIP Lender (as herein defined)³³² and its counsel on a ~~[TIME INTERVAL]~~ basis³³³ of financial and other information as agreed to between the Applicant³³⁴ IMSG Parties³³⁵ and the DIP Lender which may be used in these proceedings including reporting on a ~~the~~³³⁷ basis ~~to be~~³³⁸ agreed with the DIP Lender in the DIP Credit Documentation³³⁹;
- (d) advise the Applicant³⁴⁰ IMSG Parties³⁴¹ in its³⁴² their³⁴³ preparation of the Applicant's³⁴⁴ IMSG Parties³⁴⁵ cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but ~~not less than [TIME INTERVAL], or as otherwise~~³⁴⁶ as³⁴⁷ agreed to by the DIP Lender in the DIP Credit Documentation³⁴⁸;
- (e) advise the Applicant³⁴⁹ IMSG Parties³⁵⁰ in its³⁵¹ their³⁵² development of the Plan and any amendments to the Plan;
- (f) assist the Applicant³⁵³ IMSG Parties³⁵⁴, to the extent required by the Applicant³⁵⁵ IMSG Parties³⁵⁶, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant³⁵⁷ IMSG Parties³⁵⁸, to the extent that is necessary to adequately

assess the Applicant's³⁵⁹ IMSG Parties³⁶⁰ business and financial affairs or to perform its duties arising under this Order;

- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

29. ~~25.~~³⁶¹ **THIS COURT ORDERS**³⁶² that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

30. ~~26.~~³⁶³ **THIS COURT ORDERS**³⁶⁴ that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession"³⁶⁵) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"³⁶⁶), provided however that nothing herein shall

exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

31. ~~27.~~³⁶⁷ THIS COURT ORDERS³⁶⁸ that that the Monitor shall provide any creditor of the Applicant³⁶⁹ IMSG Parties³⁷⁰ and the DIP Lender with information provided by the Applicant³⁷¹ IMSG Parties³⁷² in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised³⁷³ by the Applicant³⁷³ IMSG Parties³⁷⁴ is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant³⁷⁵ IMSG Parties³⁷⁶ may agree.

32. ~~28.~~³⁷⁷ THIS COURT ORDERS³⁷⁸ that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

33. ~~29.~~³⁷⁹ THIS COURT ORDERS³⁸⁰ that the Monitor, counsel to the Monitor (including U.S. counsel), the CRO³⁸¹ and counsel (including U.S. counsel)³⁸² to the Applicant³⁸³ IMSG Parties³⁸⁴ shall be paid their reasonable fees and disbursements, in each case at their standard

rates and charges, by the Applicant³⁸⁵ IMSG Parties³⁸⁶ as part of the costs of these proceedings, subject to the passing of their accounts³⁸⁷. The Applicant³⁸⁸ IMSG Parties are³⁸⁹ hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, the CRO³⁹⁰ and counsel for the Applicant on a [TIME INTERVAL] basis³⁹¹ IMSG Parties at regular intervals at such time as each of them may agree with the IMSG Parties³⁹² and, in addition, the Applicant³⁹³ IMSG Parties are³⁹⁴ hereby authorized to pay to the Monitor, counsel to the Monitor, the CRO³⁹⁵ and counsel to the Applicant³⁹⁶ IMSG Parties³⁹⁷, retainers in the³⁹⁸ such³⁹⁹ amount[s] of \$~~•~~, respectively,⁴⁰⁰ as may be agreed with each of them⁴⁰¹ to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.⁴⁰²

34. ~~30.~~⁴⁰³ **THIS COURT ORDERS**⁴⁰⁴ that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

35. ~~31.~~⁴⁰⁵ **THIS COURT ORDERS**⁴⁰⁶ that the Monitor, counsel to the Monitor, if any, and⁴⁰⁷ the Applicant's⁴⁰⁸ CRO and⁴⁰⁹ counsel to the IMSG Parties⁴¹⁰ shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge⁴¹¹") on the Property, which charge shall not exceed an aggregate amount of \$~~•~~,⁴¹² 300,000,⁴¹³ as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~38~~⁴¹⁴ 44⁴¹⁵ and ~~40~~⁴¹⁶ 46⁴¹⁷ hereof.

INTER-COMPANY CHARGE⁴¹⁸

36. ⁴¹⁹THIS COURT ORDERS that, subject to the terms of the DIP Term Sheet (as defined herein) and the DIP Credit Documentation.⁴²⁰

(a) ⁴²¹iMarketing Solutions Group Inc. (“IMSG”) is authorized to make loans, advances or transfers of funds to any of the other Applicants or LPs (each an “IMG Subsidiary” and collectively, the “IMSG Subsidiaries”) from time to time in accordance with the Cash Management System and the DIP Credit Documentation.⁴²²

(b) ⁴²³the IMSG Subsidiaries are hereby authorized to repay funds previously advanced to the IMSG Subsidiaries by IMSG from time to time in accordance with the Cash Management System and the DIP Credit Documentation; and⁴²⁴

(c) ⁴²⁵for greater certainty, the IMSG Parties shall not be entitled to transfer funds to any direct or indirect subsidiary, affiliate or associate of IMSG or an IMSG Subsidiary that is not a Credit Party under the DIP Term Sheet (as defined therein) without prior consent of the DIP Lender, or Order of this Court.⁴²⁶

37. ⁴²⁷THIS COURT ORDERS that IMSG shall be entitled to the benefits of, and is hereby granted, a charge (the “Inter-Company Charge”) on the Property of the IMSG Subsidiaries in an amount equal to but not exceeding the aggregate amounts outstanding at any given time based on advances made by IMSG Subsidiaries pursuant to the authorization granted under sub-paragraph 36 herein from and after the date of this Order. The Inter-Company Charge shall have the priority set out in paragraphs 44 and 46 hereof.⁴²⁸

DIP FINANCING

38. ~~32.~~⁴²⁹ THIS COURT ORDERS⁴³⁰ that the Applicant⁴³¹ IMSG⁴³² is hereby authorized and empowered to obtain and borrow under a credit facility from ~~[DIP LENDER'S NAME]~~ (the “DIP Lender”) in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures⁴³³ (the “DIP Loan”) from Shotgun Fund Limited Partnership III (the “DIP Lender”) for the purposes set out in the DIP Term Sheet⁴³⁴, provided that borrowings under such credit facility shall not exceed \$~~●~~⁴³⁵ a total of CAD \$1,000,000⁴³⁶ unless agreed to by the DIP Lender and⁴³⁷ permitted by further Order of this Court.

39. ~~33.~~⁴³⁸ THIS COURT ORDERS⁴³⁹ ~~THAT~~⁴⁴⁰ that⁴⁴¹ such credit facility shall be on the terms and subject to the conditions set forth in the ~~commitment letter between the Applicant~~⁴⁴² term sheet amongst IMSG, as borrower, the IMSG Subsidiaries, as guarantors,⁴⁴³ and the DIP Lender dated as of ~~[DATE]~~⁴⁴⁴ April 11, 2013⁴⁴⁵ (the “~~Commitment Letter~~⁴⁴⁶ DIP Term Sheet⁴⁴⁷”), filed.

40. ~~34.~~⁴⁴⁸ THIS COURT ORDERS⁴⁴⁹ that the Applicant is⁴⁵⁰ IMSG Parties are⁴⁵¹ hereby authorized and empowered to execute and deliver the DIP Term Sheet and⁴⁵² such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “~~Definitive Documents~~⁴⁵³ DIP Credit Documentation⁴⁵⁴”), as are contemplated by the ~~Commitment Letter~~⁴⁵⁵ DIP Term Sheet⁴⁵⁶ or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is⁴⁵⁷ IMSG Parties are⁴⁵⁸ hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to

the Commitment Letter and the Definitive Documents⁴⁵⁹ DIP Term Sheet and the DIP Credit Documentation for the benefit of the DIP Lender⁴⁶⁰ as and when the same become due and are to be performed, notwithstanding any other provision of this Order. For greater certainty, the IMSG Subsidiaries are hereby authorized and directed to execute and deliver the Confirmations (as defined in the DIP Term Sheet), and the New Guarantees (as defined in the DIP Term Sheet), as applicable.⁴⁶¹

41. ~~35.~~⁴⁶² **THIS COURT ORDERS**⁴⁶³ that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “DIP Lender’s Charge⁴⁶⁴”) on the Property, to secure the repayment and the payment of all amounts owing by the IMSG Parties to the DIP Lender, including all principal, interest, fees, liabilities and obligations under the DIP Credit Documentation,⁴⁶⁵ which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs ~~{38}~~⁴⁶⁶ 44⁴⁶⁷ and ~~{40}~~⁴⁶⁸ 46⁴⁶⁹ hereof. For greater certainty, the DIP Lender’s Charge shall apply to the Inter-Company Charge.⁴⁷⁰

42. ~~36.~~⁴⁷¹ **THIS COURT ORDERS**⁴⁷² that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the Definitive Documents⁴⁷³ DIP Credit Documentation⁴⁷⁴;
- (b) upon the occurrence of an event of default under the Definitive Documents⁴⁷⁵ DIP Term Sheet, the DIP Credit Documentation⁴⁷⁶ or the DIP Lender’s Charge, the DIP Lender, upon ~~•~~⁴⁷⁷ two (2)⁴⁷⁸ days notice to ~~the Applicant~~⁴⁷⁹ IMSG⁴⁸⁰ and the

Monitor, and subject to the prior approval of this Court,⁴⁸¹ may exercise any and all of its rights and remedies against the Applicant⁴⁸² IMSG Parties, the Guarantors,⁴⁸³ or the Property under or pursuant to the Commitment Letter, Definitive Documents⁴⁸⁴ DIP Term Sheet, the DIP Credit Documentation⁴⁸⁵ and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and⁴⁸⁶, and⁴⁸⁷

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant⁴⁸⁸ IMSG Parties⁴⁸⁹ or the Property.

43. ~~37.~~⁴⁹⁰ **THIS COURT ORDERS AND DECLARES**⁴⁹¹ that the claims of the⁴⁹² DIP Lender in relation to the DIP Loan are not claims that may be compromised pursuant to the Plan, and⁴⁹³ shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or⁴⁹⁴ Plan,⁴⁹⁵ any proposal filed by the Applicant⁴⁹⁶ under the *Bankruptcy and Insolvency Act of*⁴⁹⁷ (⁴⁹⁸Canada)⁴⁹⁹ (the "BIA⁵⁰⁰"), with respect to any advances made under the Definitive Documents⁵⁰¹ or any other restructuring and no such Plan, proposal or

restructuring shall be approved that does not provide for the payment of all amounts due to the DIP Lender pursuant to the terms of the DIP Term Sheet and the DIP Credit Documentation⁵⁰².

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

44. ~~38.~~⁵⁰³ **THIS COURT ORDERS**⁵⁰⁴ that the priorities of the Directors' Charge, the Administration Charge ~~and~~⁵⁰⁵ ~~the~~⁵⁰⁶ DIP Lender's Charge and the Inter-Company Charge⁵⁰⁷, as among them, shall be as follows for all IMSG Parties except The Responsive Marketing Group Inc. ("RMG")^{508, 46509}

First – Administration Charge (to the maximum amount of \$~~●~~⁵¹⁰300,000⁵¹¹);

Second – DIP Lender's Charge (to the maximum amount of \$1,400,000)⁵¹²;

Third – Inter-Company Charge;⁵¹³ and

~~Third~~⁵¹⁴ Fourth⁵¹⁵ – Directors' Charge (to the maximum amount of \$~~●~~⁵¹⁶1,300,000);⁵¹⁷

and, solely in respect of the Applicant, RMG, the priorities of the Directors' Charge, the Administration Charge, the DIP Lender's Charge and the Inter-Company Charge, as among them, shall be as follows:⁵¹⁸

First – The security interest of Canadian Imperial Bank of Commerce ("CIBC") to the extent such charge is properly perfected against the assets of RMG;⁵¹⁹

Second – Administration Charge (to the maximum amount of \$300,000);⁵²⁰

Third – DIP Lender's Charge (to the maximum amount of \$1,400,000);⁵²¹

Fourth – Inter-Company Charge; and⁵²²

Fifth – Directors' Charge (to the maximum amount of \$1,300,000).⁵²³

45. ~~39.~~⁵²⁴ **THIS COURT ORDERS**⁵²⁵ that the filing, registration or perfection of the Directors' Charge, the Administration Charge ~~or~~⁵²⁶ ⁵²⁷ the DIP Lender's Charge or the Inter-Company Charge⁵²⁸ (collectively, the "Charges⁵²⁹") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

46. ~~40.~~⁵³⁰ **THIS COURT ORDERS**⁵³¹ that each of the Directors' Charge, the Administration Charge, the Inter-Company Charge⁵³² and the DIP Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances⁵³³") in favour of any Person, except solely in relation to the assets of RMG, the security interest of CIBC and any Encumbrances that have priority over the security interest of CIBC⁵³⁴.

47. ~~41.~~⁵³⁵ **THIS COURT ORDERS**⁵³⁶ that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant⁵³⁷ IMSG Parties⁵³⁸ shall not grant any Encumbrances over any Property that rank in priority to, or pari passu with, any of the Directors' Charge, the Administration Charge or the DIP Lender's Charge, unless the Applicant⁵³⁹ IMSG Parties⁵⁴⁰ also ~~obtains~~⁵⁴¹ obtain⁵⁴² the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

48. ~~42.~~⁵⁴³ **THIS COURT ORDERS**⁵⁴⁴ that the Directors' Charge, the Administration Charge, the Commitment Letter, ~~the Definitive Documents~~⁵⁴⁵ DIP Term Sheet, the DIP Credit

Documentation⁵⁴⁶ and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees"⁵⁴⁷) and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement"⁵⁴⁸) which binds the Applicant⁵⁴⁹IMSG Parties⁵⁵⁰, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the ~~Commitment Letter~~⁵⁵¹ DIP Term Sheet⁵⁵² or the ~~Definitive Documents~~⁵⁵³ DIP Credit Documentation⁵⁵⁴ shall create or be deemed to constitute a breach by the Applicant⁵⁵⁵IMSG Parties⁵⁵⁶ of any Agreement to which it is a party⁵⁵⁷ they are parties⁵⁵⁸;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant⁵⁵⁹IMSG Parties⁵⁶⁰ entering into the ~~Commitment Letter~~⁵⁶¹ DIP Term Sheet⁵⁶², the creation of the Charges, or the execution, delivery or performance of the ~~Definitive Documents~~⁵⁶³ DIP Credit Documentation⁵⁶⁴; and

- (c) the payments made by the Applicant⁵⁶⁵ IMSG Parties⁵⁶⁶ pursuant to this Order, the ~~Commitment Letter~~⁵⁶⁷ DIP Term Sheet⁵⁶⁸ or the ~~Definitive Documents~~⁵⁶⁹ DIP Credit Documentation⁵⁷⁰, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

49. ~~43.~~⁵⁷¹ **THIS COURT ORDERS**⁵⁷² that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's⁵⁷³ IMSG Parties⁵⁷⁴ interest in such real property leases.

SERVICE AND NOTICE

50. ~~44.~~⁵⁷⁵ **THIS COURT ORDERS**⁵⁷⁶ that the Monitor shall (i) without delay, publish in ~~{newspapers specified by the Court}~~⁵⁷⁷ the Globe and Mail (National Edition)⁵⁷⁸ a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant⁵⁷⁹ IMSG Parties⁵⁸⁰ of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

51. ~~45.~~⁵⁸¹ **THIS COURT ORDERS**⁵⁸² that the Applicant⁵⁸³ IMSG Parties⁵⁸⁴ and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier,

personal delivery or electronic transmission to the Applicant's⁵⁸⁵ IMSG Parties⁵⁸⁶ creditors or other interested parties at their respective addresses as last shown on the records of the Applicant⁵⁸⁷ IMSG Parties⁵⁸⁸ and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

52. 46.⁵⁸⁹ **THIS COURT ORDERS**⁵⁹⁰ that the Applicant⁵⁹¹ IMSG Parties⁵⁹², the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at ~~[INSERT WEBSITE ADDRESS]~~⁵⁹³ <http://www.duffandphelps.com/services/restructuring/Pages/RestructuringCases.aspx>⁵⁹⁴.

GENERAL

53. 47.⁵⁹⁵ **THIS COURT ORDERS**⁵⁹⁶ that the Applicant⁵⁹⁷ IMSG Parties⁵⁹⁸ or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

54. 48.⁵⁹⁹ **THIS COURT ORDERS**⁶⁰⁰ that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant⁶⁰¹ IMSG Parties⁶⁰², the Business or the Property.

55. 49.⁶⁰³ **THIS COURT HEREBY REQUESTS**⁶⁰⁴ the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States,

to give effect to this Order and to assist the Applicant⁶⁰⁵ IMSG Parties⁶⁰⁶, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant⁶⁰⁷ IMSG Parties⁶⁰⁸ and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor or iMarketing Solutions Group Inc.⁶⁰⁹ in any foreign proceeding, or to assist the Applicant⁶¹⁰ IMSG Parties⁶¹¹ and the Monitor and their respective agents in carrying out the terms of this Order.

56. ~~50.~~⁶¹² THIS COURT ORDERS⁶¹³ that each of the Applicant⁶¹⁴ IMSG Parties⁶¹⁵ and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor⁶¹⁶ iMarketing Solutions Group Inc.⁶¹⁷ is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

57. ~~51.~~⁶¹⁸ THIS COURT ORDERS⁶¹⁹ that any interested party (including the Applicant⁶²⁰ IMSG Parties⁶²¹ and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

58. ~~52.~~⁶²² THIS COURT ORDERS⁶²³ that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF iMARKETING GROUP SOLUTIONS
INC. and those Companies referred to on Schedule "A"

Court File No.:

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

Proceedings commenced at **Toronto**

ORDER

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
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APPLICATION RECORD
Volume 2 OF 2

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