

**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

**MOTION RECORD
(Returnable on September 22, 2014)**

September 4, 2014

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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

MLHL Marketing Inc.

MLHL Marketing 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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Schedule "A"

List of Applicants

iMarketing Solutions Group Inc.

The Responsive Marketing Group Inc.

GWE Consulting Group (USA) Inc.

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TAB 1

**ONTARIO
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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"

Applicants

**NOTICE OF MOTION
(Stay Extension and Distribution Approval)**

iMarketing Solutions Group Inc. and the Companies referred to in Schedule "A" (together, the "**Applicants**") will make a motion before a Judge of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on Monday, September 22, 2014 at 10:00 o'clock in the morning, or as soon after that time as the motion can be heard, at 330 University Avenue, in the City of Toronto.

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

THE MOTION IS FOR:

1. an Order extending the Stay Period (as defined in the Initial Order of the Honourable Mr. Justice Newbould granted on April 12, 2013 (the "**Initial Order**")) in these proceedings to September 30, 2015;

2. an Order approving the allocation methodology in respect of the proceeds of the Transaction (as defined herein) and approving distributions to Shotgun Fund Limited Partnership III (“**Shotgun Fund**”) and Canadian Imperial Bank of Commerce (“**CIBC**”);
3. an Order approving the activities of Duff & Phelps Canada Restructuring Inc. (“**D&P**”), in its capacity as the monitor (the “**Monitor**”), as described in the Monitor’s Ninth Report, to be filed;
4. an Order approving the fees and disbursements of the Monitor and its legal counsel, Lax O’Sullivan Scott Lisus LLP and Young Conaway Stargatt & Taylor LLP; and
5. such further and other relief as counsel may request and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. on April 12, 2013, the Applicants sought and were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (“**CCAA**”), pursuant to the Initial Order;
2. pursuant to the Initial Order, D&P was appointed as the Monitor;
3. pursuant to the Initial Order, Illumina Partners Inc. was appointed as the Applicants’ chief restructuring officer (the “**CRO**”);
4. pursuant to the Order of the Honourable Mr. Justice Newbould dated May 7, 2013 a sale and investment process in respect of the Applicants’ business and assets was approved by the Court;

5. the Applicants entered into an asset purchase agreement with IMKT Direct Solutions Corporation and iMarketing Solutions Acquisition, LLC (together, the “**Purchaser**”) dated October 8, 2013 (the “**APA**”) pursuant to which the Purchaser purchased substantially all of the Applicants’ business and assets (the “**Transaction**”);

6. pursuant to the Order of the Honourable Mr. Justice Morawetz (as he then was) dated October 25, 2013, the APA was approved and the Applicants’ right, title and interest in and to the Purchased Assets (as defined in the APA) was vested in the Purchaser free and clear of all liens, charges and encumbrances upon closing;

7. the Transaction closed on December 6, 2013 and the effective closing date of the Transaction was 12:01AM (EST) on December 1, 2013 (the “**Effective Closing Date**”);

8. as a term of the APA, the Applicants and the Purchaser entered into a Transitional Services Agreement (the “**TSA**”) pursuant to which the Applicants have assisted the Purchaser in transitioning the Applicants’ business from the Applicants to the Purchaser;

9. the term of the TSA was for a period of six (6) months from the Effective Closing Date;

10. the Stay Period was most recently extended to September 30, 2014 and the term of the TSA was extended to August 31, 2014 pursuant to the Order of the Honourable Regional Senior Justice Morawetz dated May 30, 2014;

11. the APA did not provide an allocation of the purchase price among the Purchased Assets, however, the Monitor, with the assistance of the CRO, developed an allocation methodology that provides a reasonable basis upon which to allocate the proceeds realized from the sale of the

Applicants' assets, the Applicants' operating expenses, professional fees and amounts owed under the debtor-in-possession loan facility made available to the Applicants by Shotgun Fund;

12. based upon the allocation methodology, distributions would be made to Shotgun Fund and CIBC, the Applicants senior secured creditors, in the amounts of \$1,800,000 and \$937,000, respectively;

13. the allocation methodology is supported by both Shotgun Fund and CIBC;

14. there remain certain prepaid deposits in the amount of \$75,000 that remain uncollected as well as the remaining balance of \$250,000 under a convertible note granted by the Purchaser as part of the Transaction which matures in December 2016;

15. to the extent that any additional funds are collected, they would be distributed to Shotgun Fund and CIBC on a *pro rata* basis in accordance with the allocation methodology;

16. based on the information available, the Applicants' creditors will not be materially prejudiced by the relief being sought by the Applicants;

17. the Applicants have acted, and continue to act, in good faith and with due diligence, and circumstances exist that make granting an extension of the Stay Period appropriate;

18. the Monitor supports the relief being sought by the Applicants;

19. Section 11 of the CCAA and the inherent and equitable jurisdiction of this Honourable Court;

20. Rules 1.04, 2.03, 3.02, 16.08 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and

21. such further and other grounds as counsel may advise and this Court may permit.

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

1. the Affidavit of Upkar Arora sworn September 3, 2014, and the exhibits attached thereto;
2. the Ninth Report of the Monitor, to be filed; and
3. such further and other material as counsel may advise and this Honourable Court may permit.

September 4, 2014

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TO: THIS HONOURABLE COURT

AND TO: THE ATTACHED SERVICE LIST

Schedule "A"

List of Applicants

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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"

Court File No.: CV-13-100067-00CL

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

Proceedings commenced at Toronto

**NOTICE OF MOTION
(Stay Extension and Distribution Approval)**

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Lawyers for the Applicants

TAB 2

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**AFFIDAVIT OF UPKAR ARORA
(Sworn September 3, 2014)**

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**AFFIDAVIT OF UPKAR ARORA
(Sworn September 3, 2014)**

I, UPKAR ARORA, of the City of Mississauga, in the Province of Ontario, **MAKE
OATH AND SAY AS FOLLOWS:**

1. I am the Chief Restructuring Officer of iMarketing Solutions Group Inc. ("**IMSG**"), the direct or indirect parent company of the nineteen (19) subsidiary companies referred to in Schedule "A" attached hereto (together with IMSG, the "**IMSG Group**" or the "**Applicants**"), and as such I have personal knowledge of the matters to which I herein depose. Where the source of my information or belief is other than my own personal knowledge, I have identified the source and the basis for my information and believe it to be true.

RELIEF SOUGHT

2. This Affidavit is sworn in support of a motion by the Applicants for an order:

- (a) extending the Stay Period, as defined in the Order of the Honourable Mr. Justice Newbould dated April 12, 2013 (the “**Initial Order**”), in these proceedings to September 30, 2015;
- (b) approving the allocation methodology in respect of the proceeds from the sale of the Applicants’ business and assets and approving certain distributions to Shotgun Fund Limited Partnership III (“**Shotgun Fund**”) and Canadian Imperial Bank of Commerce (“**CIBC**”);
- (c) approving the activities of Duff & Phelps Canada Restructuring Inc. (“**D&P**”), in its capacity as the monitor (the “**Monitor**”), as described in the Ninth Report, to be filed;
- (d) approving the fees and disbursements of the Monitor and its legal counsel, Lax O’Sullivan Scott Lisus LLP and Young Conaway Stargatt & Taylor LLP; and
- (e) such further and other relief as counsel may request and this Honourable Court may deem just.

3. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Initial Order. A copy of the Initial Order is attached hereto as Exhibit “A”.

BACKGROUND

4. On April 12, 2013, the Applicants sought and were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).

5. Pursuant to the Initial Order, D&P was appointed as the Monitor.

6. Pursuant to the Initial Order, Illumina Partners Inc., of which I am the Managing Director, was appointed as the Applicants' chief restructuring officer (the "**CRO**").

7. The Applicants sought and were granted recognition of these CCAA proceedings by the U.S. Bankruptcy Court for the District of Delaware (the "**U.S. Court**") pursuant to the Orders of the Honourable Mr. Justice Gross dated April 12, 2013 and May 17, 2013.

8. Pursuant to the Order of the Honourable Mr. Justice Newbould dated May 7, 2013 (the "**SIP Approval Order**"), a process to solicit the market for investors and purchasers (the "**SIP**") was approved by the Court.

Sale Transaction and Transitional Services Agreement

9. Pursuant to the SIP, the CRO, in conjunction with the Monitor, marketed the Applicants' business to strategic parties and investors who might be interested in either making an equity investment in or purchasing the Applicants' business.

10. The Applicants executed an asset purchase agreement with IMKT Direct Solutions Corporation and iMarketing Solutions Acquisition, LLC (together, the "**Purchaser**") dated October 8, 2013 (the "**APA**") for the sale of substantially all of the Applicants' business and assets.

11. Pursuant to the Order of the Honourable Mr. Justice Morawetz (as he then was) dated October 25, 2013 (the "**APA Approval and Vesting Order**"), the APA and the transaction contemplated therein were approved and the Applicants' right, title and interest in and to the Purchased Assets (as defined in the APA) were vested in the Purchaser free and clear of all liens, charges and encumbrances upon closing.

12. Pursuant to the Order of the Honourable Mr. Justice Gross dated November 20, 2013, the U.S. Court recognized and affirmed the APA Approval and Vesting Order and approved the APA and the transaction contemplated therein under the applicable sections of the U.S. Bankruptcy Code.

13. The transaction contemplated in the APA closed on December 6, 2013 and the effective closing date of the transaction was 12:01 AM (EST) on December 1, 2013 (the “**Effective Closing Date**”). The Monitor filed a Monitor’s Certificate dated December 6, 2013, pursuant to which the Monitor certified that the transaction contemplated in the APA had been completed to the satisfaction of the Monitor.

14. Sale proceeds in the amount of CDN \$4,907,116.00 were paid to the Monitor, representing the balance of the Purchase Price (as defined in the APA) payable to the Monitor on closing pursuant to the terms of the APA. The Purchaser also delivered an executed unsecured convertible promissory note (the “**Convertible Note**”) in the amount of CDN \$500,000.00 naming IMSG as “Holder” and which has a maturity date of December 6, 2016.

15. As a term of the APA, the Applicants and the Purchaser entered into a Transitional Services Agreement dated December 6, 2013 (the “**TSA**”) pursuant to which the Applicants have assisted the Purchaser in transitioning the Applicants’ business from the Applicants to the Purchaser.

16. The term of the TSA was six (6) months from the Effective Closing Date. Pursuant to an agreement dated May 16, 2014, the Applicants and the Purchaser agreed to extend the term of the TSA a further three (3) months. The TSA expired at 12:01 AM (EST) on September 1, 2014.

17. Pursuant to the Order of the Honourable Regional Senior Justice Morawetz dated May 30, 2014, the extension of the TSA was approved and the Stay Period extended until September 30, 2014 (the “**Stay and TSA Extension Order**”). A copy of the Stay and TSA Extension Order is attached hereto as Exhibit “B”.

18. Given that the APA contemplated the sale of the Applicants’ business to the Purchaser, the Applicants’ business has been inactive since the closing of the asset sale transaction. With the expiry of the TSA, the Applicants will no longer be needed to assist with the transition of the Applicants’ business to the Purchaser.

ALLOCATION AND PROPOSED DISTRIBUTIONS

19. The APA did not provide for an allocation of the purchase price among the Purchased Assets. As such, the Monitor, with the assistance of the CRO, developed an allocation methodology which, taking into consideration various factors, including the manner in which the Applicants’ business historically operated, provides a reasonable manner in which to allocate the purchase price.

20. The allocation methodology, described in greater detail in the Ninth Report and the appendices thereto, allocates amongst certain of the Applicants: (i) the proceeds from the sale of the Purchased Assets; (ii) those operating expenses of the Applicants that were unpaid as at the Effective Closing Date and those incurred and paid after such date; (iii) the amount paid under the debtor-in-possession credit facility (the “**DIP Facility**”) made available to the Applicants by Shotgun Fund; and (iv) professional fees unpaid as at the Effective Closing Date or which were incurred and paid since that date, including the fees of the CRO and an estimate for the professional fees necessary to complete the administration of the Applicants’ CCAA proceedings.

21. The allocation methodology is consistent with the manner in which the Applicants' business was conducted and the manner in which the APA treated the working capital assets that formed part of the Purchased Assets. In deriving the allocation methodology, the Monitor and the CRO also gave due consideration to the cost implications that would result in pursuing an alternative allocation methodology in light of the incomplete state of the Applicants' present and historical accounting records and methodologies.

22. Finally, Shotgun Fund and CIBC, the two most significant financial stakeholders in the Applicants' CCAA proceedings, have indicated their support for the allocation methodology.

23. Based on the allocation methodology, distributions in the amount of \$1,800,000 and \$937,000 would be made to Shotgun Fund and CIBC, respectively. To the extent that any additional funds are collected, they would be distributed to Shotgun Fund and CIBC on a *pro rata* basis in accordance with the allocation methodology.

PROPOSED EXTENSION OF THE STAY PERIOD

24. A cash flow projection has not been prepared by the Applicants for the proposed extended stay period as the Applicants' business has been inactive since the Effective Closing Date. As such, a cash flow projection would only reflect nominal receipts and disbursements over the course of the stay extension period, including funding of professional costs.

25. The Monitor has indicated that it supports an extension of the Stay Period until September 30, 2015.

26. An extension of the Stay Period is necessary to, among other things, collect certain of the Applicants' prepaid deposits in the amount of \$75,000 in addition to the remaining \$250,000 balance owing under the Convertible Note.

27. The Applicants and the Monitor have consulted with the Shotgun Fund and CIBC regarding the relief sought by the Applicants and both parties have indicated that they do not oppose the relief sought.

28. I do not believe that any creditor of the Applicants will suffer any material prejudice if the Stay Period is extended until September 30, 2015.

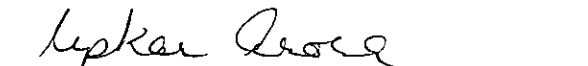
29. The Applicants have acted, and continue to act, in good faith and with due diligence.

30. I swear this Affidavit in support of the Applicants' request that an Order be granted under the CCAA substantially in the form included at Tab 3 of the Motion Record, and for no other or improper purpose.

SWORN before me at the City of Toronto,
in the Province of Ontario, this 3rd day of
September, 2014.


Commissioner for Taking Affidavits

DANNY HURDES


UPKAR ARORA

Schedule "A"

List of Applicants

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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

MLHL Marketing Inc.

MLHL Marketing 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)

EXHIBIT "A"

EXHIBIT

"A"

Cv 13-10067-00CL

Court File No.:

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, counsel for the DIP Lender (as defined herein), counsel for the Canadian Imperial Bank of Commerce, no one else appearing although duly served as appears from the affidavit of service of Sandra Reid sworn April 12, 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 ISMG 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 ISMG Parties shall be entitled but not required to pay all reasonable expenses incurred by the ISMG 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 ISMG Parties following the date of this Order.

8. **THIS COURT ORDERS** that the ISMG 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 ISMG Parties in connection with the sale of goods and services by the ISMG 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 IMMSG Parties.

9. **THIS COURT ORDERS** that until a real property lease (where the leased premises are occupied by the IMMSG Parties or any of them as of the date hereof) is disclaimed or resiliated in accordance with the CCAA, the IMMSG 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 IMMSG 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 IMMSG 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 IMMSG 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 IMMSG Parties to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

13. **THIS COURT ORDERS** that the IMMSG Parties shall provide each of the relevant landlords with notice of the IMMSG 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 IMMSG 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 IMMSG Parties, or by further Order of this Court upon application by the IMMSG Parties on at least two (2) days notice to such landlord and any such secured creditors. If the IMMSG 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 IMMSG 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 IMMSG Parties in accordance with normal payment practices of the IMMSG Parties or such other practices as may be agreed upon by the supplier or service provider and each of the IMMSG 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 IMMSG 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 IMMSG 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 IMMSG 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 IMMSG Parties, if one is filed, is sanctioned by this Court or is refused by the creditors of the IMMSG 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 IMMSG 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 IMMSG 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 IMMSG Parties with the powers and obligations set out in the CCAA or set forth herein and that the IMMSG Parties and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the IMMSG 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 IMMSG 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 IMMSG Parties, to the extent required by the IMMSG Parties, in their dissemination, to the DIP Lender (as herein defined) and its counsel of financial and other information as agreed to between the IMMSG 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 IMMSG Parties in their preparation of the IMMSG 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 IMMSG Parties in their development of the Plan and any amendments to the Plan;
- (f) assist the IMMSG Parties, to the extent required by the IMMSG 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 IMMSG Parties, to the extent that is necessary to adequately assess the IMMSG

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 IMSG Parties and the DIP Lender with information provided by the IMSG 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 IMSG 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 IMSG 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 IMSG Parties shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the IMSG Parties as part of the costs of these proceedings subject to the passing of their accounts. The IMSG 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 IMSG and the Monitor, and subject to the prior approval of this Court, may exercise any and all of its rights and remedies against the IMSG 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 IMSG 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 IMSG 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 IMSG 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 IMMSG 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 IMMSG 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 IMMSG 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 IMMSG 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 IMMSG 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 IMMSG 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.

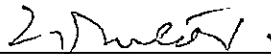
54. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the IMMSG Parties, the Business or the Property.

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 IMMSG 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 IMMSG 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 IMMSG Parties and the Monitor and their respective agents in carrying out the terms of this Order.

56. **THIS COURT ORDERS** that each of the IMMSG 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 IMMSG 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.



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



APR 12 2013

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

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"

Ca 13-10067 O.C.C.

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER

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Danny M. Nunes (LSUC# 53802D)
Sandra Reid (LSUC# 62351A)

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Lawyers for the Applicants

EXHIBIT “B”

Court File No. CV-13-10067-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

REGIONAL SENIOR)
)
JUSTICE MORAWETZ) 17th DAY, THE
)
) 30th DAY OF MAY, 2014

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"

Applicants

ORDER
(Stay Extension and Approval of TSA Extension Agreement)

THIS MOTION, made by the Applicants for the relief sought in the Notice of Motion herein dated May 23, 2014, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion dated May 23, 2014 (the "Notice of Motion"), the affidavit of Upkar Arora sworn May 22, 2014 and the Exhibits thereto and the Eighth Report of Duff & Phelps Canada Restructuring Inc. (the "Monitor"), ~~to be filed~~ (the "Eighth Report"), and ~~on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for Shotgun Fund Limited Partnership III, and counsel for Canadian Imperial Bank of Commerce and these other parties as appearing on the counsel slip, no one else appearing although duly served as appears from~~ the affidavit of service of Danny Nunes sworn on May 23, 2014.

SERVICE

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

STAY EXTENSION

2. **THIS COURT ORDERS** that the Stay Period, as defined in paragraph 15 of the Order of the Honourable Mr. Justice Newbould dated April 12, 2013, is hereby extended to and including September 30, 2014.

APPROVAL OF TSA EXTENSION AGREEMENT

3. **THIS COURT ORDERS** that the agreement dated May 16, 2014, *inter alia*, extending the term of the Transitional Services Agreement dated December 6, 2013 between the Applicants and IMKT Direct Solutions Corporation and iMarketing Acquisition, LLC, is hereby approved.

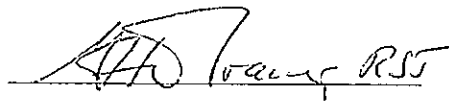
APPROVAL OF MONITOR'S ACTIVITIES

4. **THIS COURT ORDERS** that the activities of the Monitor, as described in the Eighth Report, are hereby approved.

REGISTERED AS JUDGE WITH A TORONTO
ON / REGISTRÉ
LE / ENREGISTRÉ
LE / ENREGISTRÉ NO.



JUN 02 2014



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

MLHL Marketing Inc.

MLHL Marketing 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)

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"

Court File No.: CV-13-100067-00CL

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

Proceedings commenced at Toronto

**ORDER
(Stay Extension and Approval of TSA Extension
Agreement)**

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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.: CV-13-10067-00CL

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

Proceedings commenced at Toronto

**AFFIDAVIT OF UPKAR ARORA
(Sworn September 3, 2014)**

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Lawyers for the Applicants

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

REGIONAL SENIOR)
)
JUSTICE MORAWETZ) MONDAY, THE 22ND
 DAY OF SEPTEMBER 2014

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"

Applicants

**ORDER
(Stay Extension and Distribution Approval)**

THIS MOTION, made by the Applicants for the relief sought in the Notice of Motion herein dated September 4, 2014, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion dated September 4, 2014 (the "**Notice of Motion**"), the affidavit of Upkar Arora sworn September 3, 2014 and the Exhibits thereto and the Ninth Report of Duff & Phelps Canada Restructuring Inc. (the "**Monitor**"), to be filed (the "**Ninth Report**"), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for Shotgun Fund Limited Partnership III ("**Shotgun Fund**") and counsel for Canadian Imperial Bank of Commerce ("**CIBC**") and those other parties as appearing on the counsel slip, no one else appearing although duly served as appears from the affidavit of service of ► sworn on September ►, 2014.

STAY EXTENSION

1. **THIS COURT ORDERS** that the Stay Period, as defined in paragraph 15 of the Order of the Honourable Mr. Justice Newbould dated April 12, 2013, is hereby extended to and including September 30, 2015.

APPROVAL OF ALLOCATION AND DISTRIBUTIONS

2. **THIS COURT ORDERS** that the allocation methodology (the “**Allocation**”) set out in the Ninth Report and the distributions to Shotgun Fund and CIBC set out therein are hereby approved and that any further distributions shall be made in accordance with the Allocation.

APPROVAL OF MONITOR’S ACTIVITIES

3. **THIS COURT ORDERS** that the activities of the Monitor, as described in the Ninth Report, are hereby approved.

APPROVAL OF MONITOR’S FEES AND DISBURSEMENTS

4. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel, Lax O’Sullivan Scott Lisus LLP and Young Conaway Stargatt & Taylor LLP, as set out in the Ninth Report and as detailed in the Affidavits of Bobby Kofman sworn September 4, 2014, Tracy L. Wynne sworn August 27, 2014 and Matthew B. Lunn sworn August 21, 2014, are hereby approved.

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.

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RMG Smiths Falls LP

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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"

Court File No.: CV-13-100067-00CL

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

Proceedings commenced at Toronto

**ORDER
(Stay Extension and Distribution Approval)**

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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.: CV-13-10067-00CL

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

Proceedings commenced at **Toronto**

MOTION RECORD
(Returnable on September 22, 2014)

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