
**Sixth Report of Duff & Phelps
Canada Restructuring Inc.
as CCAA Monitor of iMarketing
Solutions Group Inc. and the
Companies Referred to in
Schedule “A”**

October 22, 2013

Contents

	Page
1.0 Introduction.....	1
1.1 Purposes of this Report.....	2
1.2 Currency	3
1.3 Restrictions	4
1.4 Defined Terms	4
2.0 Background	4
3.0 Secured Creditors and Priority Obligations	5
4.0 Sale and Investment Process	6
4.1 SIP Results	7
5.0 Transaction.....	7
5.1 Transitional Services Agreement.....	9
5.2 Transaction v. Other Options Available to the Company	10
5.3 Recommendation	11
6.0 Cash Flow for the Period Ending December 13, 2013	11
7.0 Extension of the CRO's Term of Appointment.....	12
8.0 DIP Facility Extension.....	12
8.1 Amended and Restated DIP Term Sheet	13
8.2 Amending Agreement No. 1	13
8.3 Second Amending Agreement.....	13
9.0 Company's Request for an Extension	15
10.0 Company's Activities.....	15
11.0 Overview of the Monitor's Activities	16
12.0 Conclusion and Recommendation	18

Appendices

	Tab
Projection	A
SIP Approval Order	B
Management's Report on Cash Flow	C
Monitor's Report on Cash Flow.....	D
CRO Agreement dated October 17, 2013.....	E
DIP Term Sheet dated April 11, 2013, without schedules	F

Amended and Restated DIP Term Sheet dated August 1, 2013, without schedules	G
Amending Agreement No. 1 to Amended and Restated DIP Term Sheet	H
Amending Agreement No. 2 to Amended and Restated DIP Term Sheet	I

Confidential Appendices

Tab

SIP Summary	1
-------------------	---

COURT FILE NO.: CV-13-10067-00CL

**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 THE COMPANIES REFERRED TO IN
SCHEDULE "A"**

**SIXTH REPORT OF
DUFF & PHELPS CANADA RESTRUCTURING INC.
AS CCAA MONITOR OF iMARKETING SOLUTIONS GROUP INC.
AND THE COMPANIES REFERRED TO IN SCHEDULE "A"**

October 22, 2013

1.0 Introduction

1. Pursuant to the Order of the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (Commercial List) (the "Ontario Court") made on April 12, 2013 (the "Initial Order"), iMarketing Solutions Group Inc. ("IMSG") and the companies listed on Schedule "A" (together with "IMSG", the "Company") were granted protection under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") and Duff & Phelps Canada Restructuring Inc. ("D&P") was appointed as the monitor (the "Monitor").
2. Also on April 12, 2013, the United States Bankruptcy Court for the District of Delaware (the "US Court") made an interim Order recognizing the CCAA proceedings in the United States and granting the Company certain protections as contemplated by chapter 15 of title 11 of the *United States Code* ("Chapter 15").
3. On May 7, 2013, the Ontario Court made an Order extending the stay of proceedings to August 2, 2013 and approving a sale and investment process (the "SIP") to be carried out by Illumina Partners Inc., in its capacity as the Company's Chief Restructuring Officer (the "CRO"), under the supervision of, and with the assistance of, the Monitor (the "SIP Approval Order").

-
4. On May 17, 2013, the US Court made a final Order recognizing the CCAA proceedings as a foreign main proceeding.
 5. On July 12, 2013, the Ontario Court made an Order, among other things, adding MLHL Marketing Inc. and MLHL Marketing LP to the CCAA proceedings.
 6. Shotgun Fund Limited Partnership III (“Shotgun Fund”) has provided the Company with a \$1 million debtor-in-possession credit facility (“DIP Facility”), of which \$650,000 has been drawn as at the date of this report (the “Sixth Report”). Shotgun Fund is referred to herein as the DIP Lender regarding its advances under the DIP Facility.
 7. The Ontario Court has made three orders dated August 2, 2013, October 3, 2013 and October 11, 2013 extending the stay of proceedings. The stay of proceedings was most recently extended until October 25, 2013.
 8. The principal purpose of these restructuring proceedings has been to create a stabilized environment in order to carry out the SIP to solicit investors, strategic partners or purchasers for the Company’s business and assets.

1.1 Purposes of this Report

1. The purposes of this report are to:
 - a) provide background information about the Company and these proceedings;
 - b) summarize the results of the SIP;
 - c) summarize a transaction with IMKT Direct Solutions Corporation (“IMKT”) and iMarketing Solutions Acquisition, LLC (“iMarketing Acquisition” and together with IMKT, the “Purchaser”), arm’s-length entities established to purchase substantially all of the Company’s business and assets (the “Transaction”) pursuant to an Asset Purchase Agreement dated October 8, 2013 between the Company and the Purchaser (the “APA”);
 - d) report on the Company’s cash flow projection for the period October 12, 2013 to December 13, 2013 (the “Projection”);
 - e) summarize the terms upon which the DIP Lender is prepared to extend the maturity date of the Company’s DIP Facility from October 25, 2013 to April 10, 2014;
 - f) report on the extension of the CRO’s engagement by the Company;

-
- g) provide an overview of the Company's activities since July 31, 2013, the date of the Monitor's third report to Court (the "Third Report");
- h) provide an overview of the Monitor's activities since the Third Report; and
- i) recommend that the Ontario Court make an order:
- approving the APA and the Transaction;
 - authorizing and directing the Company to execute such documents and to take such additional steps as are necessary to give effect to the Transaction and to complete the sale of the Company's business and assets to the Purchaser;
 - vesting in the Purchaser, as at the Closing Date, the Company's right, title and interest in and to its business and assets free and clear of all liens, charges, security interests, and other encumbrances;
 - approving the Amended and Restated DIP Term Sheet, as amended by the Amending Agreement No. 1 and the Amending Agreement No. 2 (as those terms are defined below);
 - granting the Company's request for an extension of the stay of proceedings from October 25, 2013 to December 13, 2013; and
 - approving the Fourth and Fifth Reports of the Monitor, dated October 2, 2013 and October 9, 2013, respectively, and the actions and activities of the Monitor described therein, as well as this Sixth Report, and the activities of the Monitor described herein.

1.2 Currency

1. Unless otherwise noted, all currency references in this Sixth Report are to Canadian dollars.

1.3 Restrictions

1. In preparing this Sixth Report, the Monitor has relied upon unaudited financial information prepared by the Company's representatives, the Company's books and records, discussions with management and discussions with the Company's advisors. The Monitor has not performed an audit or other verification of such information. An examination of the Company's cash flows and/or financial forecasts as outlined in the *Canadian Institute of Chartered Accountants Handbook* has not been performed. Future oriented financial information relied upon in this Sixth Report is based on the Company's assumptions regarding future events. Actual results achieved may vary from this information and these variations may be material.
2. Based on its review of the cash flows and/or financial forecasts, their underlying assumptions and on discussions with the Company's management, the Monitor is of the view that the Projection (as defined herein) provided in Appendix "A" is reasonable. Any party relying on the Projection and/or any financial forecasts of the Company is required to perform its own diligence.

1.4 Defined Terms

1. Capitalized terms not defined in this Sixth Report have the meanings provided to them in the Initial Order, the APA and/or the TSA (as defined below).

2.0 Background

1. The Company provides integrated direct marketing solution services for not-for-profit organizations, political organizations and professional associations.
2. Operating under its previous name, Xentel DM Incorporated, IMSG and its predecessor corporations have been in the North American telemarketing and fundraising business for more than 25 years.
3. The Company currently operates from fifteen leased premises across Canada and the US.
4. As at the date of the Initial Order, the Company employed approximately 1,140 individuals, of which 480 individuals were laid off in March, 2013, prior to the commencement of these proceedings. The Company currently has more than 700 employees.
5. The Company's business is regulated and requires provincial and/or state licences and registrations to operate in Canada and the US.

6. The Company provides fundraising and related services to hundreds of customers. The terms of these services are, for the most part, pursuant to contractual arrangements.
7. The Affidavit of Andrew Langhorne, the Company's Chief Executive Officer ("CEO"), sworn April 11, 2013, and filed in support of the Company's initial CCAA application, describes, *inter alia*, the Company's background, including the reasons the Company determined it was necessary to commence these proceedings.
8. Additional information concerning the Company is provided in the report of D&P as proposed monitor dated April 11, 2013 and in the Monitor's subsequent reports to Court filed in these proceedings. Materials filed in the CCAA and Chapter 15 proceedings can be found on the Monitor's website at:

<http://www.duffandphelps.com/intl/en-ca/Pages/RestructuringCases.aspx>.

3.0 Secured Creditors and Priority Obligations

1. The DIP Lender has advanced \$650,000 under the DIP Facility. Pursuant to the Initial Order, the DIP Lender has a senior ranking charge over all of the Company's properties, assets and undertakings.
2. The Company's secured obligations owing to Canadian Imperial bank of Commerce ("CIBC") and Shotgun Fund as at the date of the Initial Order totalled approximately \$5.394 million (before accrued interest), as detailed below:

Lenders	Facility	Amount (\$000s)
CIBC	Credit Facility	1,894
Shotgun Fund	Secured Convertible Note	3,500
Total secured debt, before accrued and unpaid interest and costs		5,394

3. CIBC has a registered security interest against The Responsive Marketing Group Inc. ("RMG"), one of IMMSG's wholly-owned subsidiaries, pursuant to a general security agreement. Certain subsidiaries of RMG provided unsecured guarantees of RMG's indebtedness to CIBC.
4. On December 4, 2012, the Company completed a private placement of a \$3.5 million secured convertible promissory note with Shotgun Fund (the "Secured Convertible Note"). The Secured Convertible Note matures in December 2015. Shotgun Fund has a registered security interest against IMMSG and certain of IMMSG's subsidiaries, being GWE Consulting Group (USA) Inc. and Target Outreach Inc., both of which are US entities, on account of the indebtedness represented by the Secured Convertible Note.

-
5. The Monitor is not aware of any other parties who have a registered security interest against the Company, other than in respect of equipment leases and purchase money security interests.
 6. At the commencement of the CCAA proceedings, IMSG and certain of its subsidiaries had potential priority sales and withholding tax obligations totalling approximately \$780,000 and \$235,000, respectively. Since then, CRA has set off certain pre-filing tax refunds against pre-filing obligations and is proposing to set off certain post-filing tax refunds in the amount of \$91,000 against pre-filing unremitted source deduction obligations.

4.0 Sale and Investment Process

1. The SIP is described in the SIP Approval Order, a copy of which is provided in Appendix “B”. The SIP was carried out by the CRO, under the supervision of and with the assistance of the Monitor, and is summarized below:
 - The Company’s management, the CRO, the Monitor and the DIP Lender compiled a list of parties that were likely to have an interest in acquiring the business and assets of the Company (“Interested Parties”);
 - 55 Interested Parties were contacted by the CRO and Company representatives – these parties were sent an interest solicitation letter detailing the opportunity and a confidentiality agreement (“CA”);
 - Upon execution of the CA, Interested Parties were provided a confidential information memorandum and access to an online data room containing certain of the Company’s contracts, financial and other information;
 - The SIP referenced a notice to be published in *The Globe and Mail* and potentially in a US periodical; however, it was determined unnecessary to publish these notices given the breadth of the efforts to canvas the market for potential investors and purchasers and the low prospect that an investor or buyer would be identified through placing newspaper advertisements for this opportunity;
 - The CRO followed up with Interested Parties that did not respond to the interest solicitation letter or sign the CA to determine whether the parties had an interest in this opportunity;
 - The CRO and the Monitor facilitated diligence by Interested Parties by, among other things, arranging meetings with the Company’s management team and Interested Parties and providing documents and information to them, as appropriate;

-
- The CRO, with the assistance of the Monitor, prepared a template asset purchase agreement and transition services agreement, which were posted in the data room. (These documents were prepared so that potential investors and/or purchasers had a structure to submit their bids and to allow the CRO and the Monitor to easily compare bids); and
 - Pursuant to the SIP Approval Order, the CRO, with the Monitor's consent, extended the offer deadline from July 12, 2013 to July 26, 2013 (the "Offer Deadline") to accommodate extension requests by Interested Parties to allow them to advance their diligence to the point that they could submit offers for the business.

4.1 SIP Results

1. The CRO and the Monitor reviewed the offers and expressions of interest received at the Offer Deadline and determined that the Purchaser's offer should be pursued, however, several provisions of the Purchaser's offer required clarification and negotiation. Attached hereto as Confidential Appendix "1" is a copy of the Monitor's SIP summary setting out the relevant details of the offers received.
2. The CRO and the Monitor corresponded extensively with the Purchaser to, among other things, determine whether certain of the financial terms of its offer could be improved and whether closing risks could be minimized.
3. The Company entered into an exclusivity period with the Purchaser in order to allow the Purchaser to perform further diligence.
4. The Monitor, the CRO and the Company's legal counsel worked with the Purchaser and its legal counsel to finalize the terms of the APA; it was executed on October 8, 2013.
5. Shotgun Fund and CIBC (and their representatives) were consulted by the CRO (and the Monitor, where appropriate) regarding the SIP generally, as well as whether to pursue the offer with the Purchaser.

5.0 Transaction

1. The Purchaser is comprised of two entities, IMKT and iMarketing Acquisition, established to purchase substantially all of the Company's tangible and intangible assets pursuant to the terms of the Transaction.

-
2. A summary of the Transaction is provided below and a copy of the APA is attached as Exhibit "I" to the Affidavit of Andrew Langhorne sworn October 18, 2013:
- The assets are being sold by the Company with representations and warranties consistent with a transaction of this nature;
 - All but approximately 10% of the purchase price (excluding the value of any assumed obligations) is to be paid in cash, with the balance in the form of an unsecured convertible debenture (the "Debenture");
 - The Purchaser paid a deposit to the Monitor on October 8, 2013, the date it executed the APA;
 - There is an opportunity to increase the purchase price in the event that the Company achieves certain performance targets between September 1, 2013 and October 31, 2013;
 - The purchase price is to be adjusted upward or downward on a dollar for dollar basis to the extent that the actual working capital varies from the target working capital by more than \$100,000;
 - The Purchaser has agreed to assume the following obligations:
 - Transferred Employee Liabilities, which are comprised of Accrued Vacation Pay (to a maximum of \$175,000) and statutory severance and notice payments (to a maximum of \$1.6 million), damages for wrongful dismissal and all related costs in respect of the termination by the Purchaser of Transferred Employees;
 - The Company's liabilities and obligations under any of the Assumed Contracts; and
 - The liabilities discussed in Section 2.06(c) of the APA.
 - The only material condition precedent in the APA is the granting by the Ontario Court of the Approval and Vesting Order on or by October 25, 2013 and recognition of that order and any related orders by the US Court on or by November 25, 2013, with closing of the Transaction to follow shortly after the U.S. Approval and Vesting Order is obtained.

5.1 Transitional Services Agreement

1. Pursuant to the terms of the APA, at the Closing of the Transaction, the Company and the Purchaser are to enter into the TSA, substantially in the form attached as Schedule “E” to the APA. Pursuant to the TSA, the Company is to provide certain services to the Purchaser.
2. Pursuant to the TSA:
 - The Company is to provide the Services to the Purchaser set out in Schedule “A” to the TSA for a period of no more than six months following the Closing Date, unless otherwise agreed in writing between the Company and the Purchaser. A summary of the Services include the following:
 - The Company is to continue to employ its employees until such time as the Purchaser elects to hire them or gives notice to the Company that they will not be offered employment by the Purchaser;
 - After receiving the necessary consents, the Company is to assign to the Purchaser the Company’s rights, benefits and interests in those Contracts that the Purchaser wishes to assume;
 - The Company is to continue to occupy the Leased Premises until the Purchaser has had the opportunity to take an assignment of the Leases, enter into new leases with the respective landlords or notify the Company that it does not wish to acquire or assume a Lease; and
 - The Company is to cooperate with the Purchaser to obtain the licensing, bonding and registrations required by the Purchaser.
 - The Purchaser is to reimburse the Company for all expenses, fees and other costs paid by the Company in connection with the Services based on a methodology which is more fully detailed in the TSA. Ultimately, in the event that the Purchaser breaches its obligations under the TSA, the Company is not required to continue to provide services to the Purchaser.

5.2 Transaction v. Other Options Available to the Company

1. The Company's primary assets consist of accounts receivable, fixed assets and intangible assets, including donor lists.
2. Based on the Company's internal unaudited balance sheet as at September 30, 2013, the Company's trade accounts receivable balance was approximately \$2.4 million and the net book value of the fixed assets was approximately \$3.1 million.
3. The Transaction represents the best option for the Applicants' stakeholders as it provides greater consideration than would be received by accepting the next best offer received in the SIP or if the business of the Company was discontinued and its assets realized upon. Furthermore, the Transaction is likely to provide for the continued employment of the vast majority of the Applicants' employees.
4. In the event that a going-concern transaction could not be consummated and a wind-down of the business was the only remaining alternative, accounts receivable recoveries would be maximized by winding down operations over a prolonged period of time so that customers could be transitioned to new vendors without disruption in customer fundraising needs. Such a process may be combined with a sale of donor lists to a new provider of the Company's services. Due to the risk and uncertainty of a wind-down process, there is no certainty that funding would be available for an orderly wind-down process. Without funding, collection of the accounts receivable could be impaired, and even with it, recoveries would likely be less than the value provided for in the Transaction. As well, the fixed assets are primarily comprised of office equipment, office furniture and computer equipment, which typically generate lower recoveries in a liquidation or wind-down context than they do in a going-concern context. Based on the foregoing, the Monitor is of the view that the Purchase Price set out in the APA exceeds the realizable value of the Company's assets should the business be discontinued.
5. The Company and the Monitor also considered other options available to the Company, including restructuring the Company's business. A transaction of this nature would need to consider the Company's international, multi-entity corporate structure, as well as the priorities and security of the secured creditors and potential priority obligations owing to governmental agencies. Such a process would require agreement among stakeholders as to various business terms for the restructuring. CIBC and Shotgun Fund (both as lender and DIP Lender) have expressed a preference to complete the Transaction with the Purchaser rather than pursue this option.

5.3 Recommendation

1. The Monitor recommends that the Court make an order approving the APA and the Transaction and vesting in the Purchaser all of the Company's right, title and interest in and to the Purchased Assets, for the following reasons:
 - The market for potential investors and purchasers was thoroughly canvassed by the CRO, under the supervision of and with the assistance of the Monitor;
 - The Purchaser submitted the best offer in the SIP as determined by the CRO and the Monitor;
 - The Shotgun Fund and CIBC support completion of the Transaction, at its present value, and have expressed their preference for completing the Transaction over the other options available to the Company, including acceptance of the next best offer, the orderly discontinuation of the business or a restructuring of the Company;
 - The Purchaser will continue to operate the Company on a going concern basis, which should preserve employment for the vast majority of the Company's employees and provide fundraising continuity for the Company's clients and charitable organizations. The continuation of the business also provides a customer for the Company's various vendors;
 - The Purchase Price exceeds the value of the Company's assets in a liquidation or orderly wind-down process;
 - The Transaction is in the best interests of the Company's stakeholders; and
 - In the Monitor's view, the marketing process was commercially reasonable.

6.0 Cash Flow for the Period Ending December 13, 2013

1. The Company prepared the Projection and its report on the cash flow statement ("Management Cash Flow Report"). The Management Cash Flow Report is provided in Appendix "C". The Monitor has reviewed the Projection and believes it to be reasonable, subject to the qualification noted in Section 1.3 above. The Monitor's report on cash flow is attached as Appendix "D".
2. The Company prepared the Projection using assumptions similar to the prior cash flow projections filed in these proceedings.

7.0 Extension of the CRO's Term of Appointment

1. Pursuant to the Initial Order, the CRO was appointed as the chief restructuring officer of the Company in accordance with the terms of a CRO agreement dated April 11, 2013.
2. Pursuant to the SIP Approval Order, an amended CRO agreement dated May 2, 2013 ("Amended CRO Agreement") was approved.
3. On October 17, 2013, the Company and the CRO agreed to extend the period of the CRO's appointment in accordance with the terms of the Amended CRO Agreement until the earlier of: (i) the closing of the Transaction; (ii) the appointment of a trustee in bankruptcy of the Company and the discharge of the Monitor; and (iii) December 31, 2013. The October 17, 2013 agreement between the Company and the CRO is attached as Appendix "E".
4. The Monitor believes that extending the CRO's mandate is of substantial assistance to the successful completion of these proceedings given the CRO's extensive involvement negotiating with the Purchaser, its knowledge of the Transaction and its knowledge of the business. The continued involvement of the CRO will reduce professional costs as certain of the activities being performed by the CRO would otherwise need to be performed by the Monitor, but at greater cost.

8.0 DIP Facility Extension

1. The Company and the DIP Lender entered into a DIP Term Sheet dated April 11, 2013 (attached as Appendix "F") which provides that the DIP Lender will provide up to \$1 million to the Company under the DIP Facility; \$650,000 has been drawn on the DIP Facility. This amount was advanced on the first day of these proceedings and the Company has only required use of these funds on brief occasions.
2. The DIP Term Sheet provided for a \$100,000 fee and an annualized interest rate of 5%, compounded monthly, on the outstanding balance. The interest rate is below market for a DIP facility.
3. Pursuant to the DIP Term Sheet, the DIP Facility matured on the earlier of: i) the occurrence of any Event of Default under the DIP Term Sheet which is continuing and has not been cured, or ii) August 1, 2013 (the "Maturity Date"). The Maturity Date could be extended with the prior written consent of the DIP Lender for such period and on such terms and conditions as the DIP Lender and the Company agreed.

8.1 Amended and Restated DIP Term Sheet

1. Pursuant to an Amended and Restated DIP Term Sheet dated August 1, 2013 (“the Amended and Restated DIP Term Sheet”), attached as Appendix “G”, the DIP Lender and the Company agreed to extend the Maturity Date to October 4, 2013.
2. The Monitor’s Third Report dated July 31, 2013 summarized the key terms of the Amended and Restated DIP Term Sheet, which included:
 - a \$100,000 extension fee, payable at maturity;
 - an additional \$50,000 fee if the Company did not enter into an asset purchase agreement by September 15, 2013 (“APA Fee”); and
 - an additional \$50,000 fee if the Company did not complete a transaction pursuant to the SIP by October 4, 2013 (together with the APA Fee, the “Milestone Payments”).

8.2 Amending Agreement No. 1

1. As reported in the Monitor’s Fifth Report, after the DIP Facility matured on October 4, 2013, the DIP Lender and the Company agreed to a second extension of the Maturity Date, to October 25, 2013, pursuant to an amendment to the Amended and Restated DIP Term Sheet (the Amending Agreement No. 1”, attached as Appendix “H”). The Amended and Restated DIP Term Sheet and the Amending Agreement No. 1 are referred to as the “Amended DIP Facility”.
2. The Amending Agreement No. 1 provided for a \$25,000 extension fee.

8.3 Second Amending Agreement

1. The Company requires the DIP Facility to continue while it remains in these CCAA proceedings. Accordingly, the Company requested, and the DIP Lender agreed, to a third extension of the Maturity Date, to April 10, 2014, in a further amendment to the Amended and Restated DIP Term Sheet (the “Amending Agreement No. 2”, attached as Appendix “I”).
2. The Amending Agreement No. 2 provides for an extension fee of \$35,000 and becomes effective upon approval by the Ontario Court of the Amended and Restated DIP Term Sheet, as amended by the Amending Agreement No. 1 and the Amending Agreement No. 2.

-
3. In the context of the negotiations of the Amending Agreement No. 2, discussions took place amongst the Monitor, the Company, the DIP Lender and counsel to the effect that, if the Amended DIP Facility matured on the Maturity Date under the Amended DIP Facility on either October 4, 2013 or October 25, 2013, the terms of the DIP Facility would have required the Company to pay the DIP Lender a rate of interest which exceeds the maximum rate of interest allowed under section 347 of the Canadian *Criminal Code* (the “s. 347 Rate”). Under the Amending Agreement No. 2, if the DIP Facility matures on the new Maturity Date, the interest rate charged is below the s. 347 Rate.
 4. If an Event of Default (as that term is defined in the Amended and Restated DIP Term Sheet, as amended by the Amending Agreement No. 2) were to occur and the DIP Facility and the extension fees were required to be repaid before April 10, 2014, it is theoretically possible that the aggregate of the interest and extension fees due and payable on the earlier date would exceed the s. 347 Rate.
 5. As an additional mechanism to ensure that the s. 347 Rate is not paid or payable, the Amending Agreement No. 2 provides that in no event shall the aggregate interest, as defined in the section 347 of the *Criminal Code*, payable under the DIP Facility exceed the maximum effective annual rate of interest permitted under that section and any amount that could be in excess of the s. 347 Rate is to be refunded to the Company.
 6. The Monitor is of the view that the Amending Agreement No. 2 is reasonable and appropriate in the circumstances and that the fees being sought by the DIP Lender are not “off market”. The cost, time and involvement of the DIP Lender are significant notwithstanding the amount of the DIP Facility.
 7. An extension of the DIP Facility is in the best interests of the Company and its stakeholders. A discontinuation of these proceedings would result in an inferior economic result when compared to the Transaction, as well as the loss of several hundred jobs.
 8. For these reasons, the Monitor supports the Company’s request for the Ontario Court to approve the Amended and Restated DIP Term Sheet, as amended by the Amending Agreement No. 1 and the Amending Agreement No. 2.

9.0 Company's Request for an Extension

1. The Monitor supports the Company's request for an extension of the Stay Period to December 13, 2013 for the following reasons:
 - The Company is acting in good faith and with due diligence;
 - The granting of the extension is necessary to allow the Company to complete the Transaction, which is in the interest of all stakeholders with an economic interest in the Transaction, as well as employees, customers and vendors (going forward);
 - The extension should not prejudice any employee or creditor, as the Company is projected to have sufficient funds to pay post-filing services and supplies as contemplated by the Projection; and
 - The extension is not opposed by the Company's primary secured creditors.

10.0 Company's Activities

1. A summary of the Company's activities since the date of the Third Report include:
 - Corresponding with customers regarding contracts with the Company;
 - Corresponding with CRA regarding the Company's sales tax accounts;
 - Meeting with and reporting weekly to the DIP Lender pursuant to the terms of the DIP Term Sheet;
 - Corresponding with and reporting to CIBC pursuant to the terms of the CIBC Agreement and in connection with the SIP;
 - Executing the SIP;
 - Entering into an exclusivity agreement with the Purchaser;
 - Corresponding extensively with the Purchaser regarding its diligence and providing it with the requested documentation;
 - Corresponding extensively with the DIP Lender regarding the Transaction;
 - Arranging for the return of leased equipment to lessors;

-
- Arranging to test the first phase of a new technology program to be rolled out to the Company's call centres;
 - Providing updates to the Company's employees;
 - Preparing monthly internal financial statements;
 - Preparing the Projection;
 - Continuing to review and implement cost-cutting opportunities; and
 - Reporting receipts and disbursements.

11.0 Overview of the Monitor's Activities

1. Since the date of the Third Report, the Monitor's activities have included:
 - Meeting and corresponding extensively with the CRO regarding the SIP;
 - Reviewing offers received pursuant to the SIP;
 - Corresponding with the CRO regarding online data room access;
 - Corresponding extensively with the CRO regarding the offers received pursuant to the SIP and other options available to the Company;
 - Meeting and corresponding with the DIP Lender regarding the offers received pursuant to the SIP;
 - Corresponding with counsel to CIBC regarding the SIP;
 - Reviewing and commenting on the letter of intent from the Purchaser, and corresponding with the CRO, the DIP Lender and the Purchaser with respect thereof;
 - Corresponding with the Purchaser;
 - Reviewing the Company's reporting to CIBC and discussing same with the CRO;
 - Corresponding with Miller Thomson LLP to obtain an opinion on the Canadian security granted by the Company to CIBC and Shotgun Fund;

-
- Corresponding with Miller Nash LLP, Manatt, Phelps & Phillips LLP and Fennemore Craig, P.C. to obtain opinions on the U.S. security granted by the Company to Shotgun Fund;
 - Reviewing and commenting on multiple versions of the APA, TSA and the Debenture;
 - Reviewing and commenting on Court materials in connection with the stay extension motions on October 3, 2013 and October 11, 2013;
 - Preparing reports to Court dated October 2, 2013 and October 9, 2013 in connection with stay extension motions;
 - Corresponding extensively with the DIP Lender regarding the Transaction;
 - Corresponding with the Company regarding certain customer contracts;
 - Corresponding with the CRO regarding the testing of a new technology program to be rolled out to the Company's call centres;
 - Reviewing an update notice provided by the Company's CEO to the Company's employees;
 - Dealing with issues related to certain former employees of the Company who may be competing with the Company;
 - Monitoring the Company's receipts and disbursements;
 - Assisting the Company to prepare its weekly reporting to the DIP Lender, including its weekly variance analysis and rolling cash flow projection;
 - Attending meetings with the DIP Lender;
 - Reviewing the Company's internal financial statements for July and August, 2013;
 - Corresponding with CRA;
 - Reviewing the Projection and corresponding with the Company regarding same;
 - Corresponding extensively with the Company and its legal counsel;

-
- Corresponding with the Monitor's US counsel regarding the Company's Chapter 15 proceedings;
 - Responding to calls and enquiries from creditors and shareholders regarding the Company's CCAA proceedings;
 - Preparing this Sixth Report; and
 - Other matters pertaining to the administration of this mandate.

12.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court make the Order(s) granting the relief detailed in Section 1.1 of this Sixth Report.

* * *

All of which is respectfully submitted,

Duff & Phelps Canada Restructuring Inc.

**DUFF & PHELPS CANADA RESTRUCTURING INC.
IN ITS CAPACITY AS CCAA MONITOR OF
iMARKETING SOLUTIONS GROUP INC. AND THE
COMPANIES REFERRED TO IN SCHEDULE "A"
AND NOT IN ITS PERSONAL CAPACITY**

Schedule “A”

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)

Appendix “A”

iMarketing Solutions Group Inc.

Projected Statement of Cash Flows¹

For the Period October 12, 2013 to December 13, 2013

(\$CAD; Unaudited)

	Forecast For the Weeks Ended										Total	
	18-Oct	25-Oct	1-Nov	8-Nov	15-Nov	22-Nov	29-Nov	6-Dec	13-Dec			
Cash Inflows												
Collections from Accounts Receivable and Other	(2)	867,242	833,179	650,548	832,336	891,653	848,340	853,795	-	-	-	5,777,092
Cash Outflows												
Operating Costs (Variable & Fixed)	(3)	1,035,836	677,760	913,588	712,617	987,979	708,872	652,386	-	-	-	5,689,038
Net Cash from Operations		(168,594)	155,419	(263,040)	119,719	(96,326)	139,468	201,408	-	-	-	88,054
Restructuring and Other Costs												
Professional fees	(4)	37,500	-	178,000	-	37,500	-	47,500	-	-	-	300,500
DIP loan legal fees	(5)	10,000	-	-	5,000	-	-	-	-	-	-	15,000
Total Restructuring and Other Costs		47,500	-	178,000	5,000	37,500	-	47,500	-	-	-	315,500
Net Cash Flow		(216,094)	155,419	(441,040)	114,719	(133,826)	139,468	153,908	-	-	-	(227,446)
Opening Cash Position	(6)	234,380	18,285	173,704	0	114,719	0	139,468	293,376	293,376	293,376	234,380
Net Cash Flow		(216,094)	155,419	(441,040)	114,719	(133,826)	139,468	153,908	-	-	-	(227,446)
DIP loan advances		-	-	267,336	-	19,107	-	-	-	-	-	286,443
Closing Cash Position		18,285	173,704	0	114,719	0	139,468	293,376	293,376	293,376	293,376	293,376
DIP Loan Balance		(650,000)	(650,000)	(917,336)	(917,336)	(936,443)	(936,443)	(936,443)	(936,443)	(936,443)	(936,443)	(936,443)
Adjusted Closing Cash Position (excluding DIP Loan)		(631,715)	(476,296)	(917,336)	(802,617)	(936,443)	(796,975)	(643,067)	(643,067)	(643,067)	(643,067)	(643,067)

iMarketing Solutions Group Inc. and its Direct and Indirect Subsidiaries
Notes to Projected Statement of Cash Flows
For the Period October 12, 2013 to December 13, 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 October 12, 2013 to December 13, 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 projection assumes that the transaction closes during the week ending November 29, 2013, after which the benefits and obligations arising from operations are for the account of the Purchaser. Amounts owing by the Company after the projected closing date, will be paid from sale proceeds, as a result, they are not reflected in the projection.

The projected cash flow statement has been prepared based on hypothetical and most probable assumptions developed and prepared by the Company.

Hypothetical Assumptions

2. Represents collection of accounts receivable and revenue generated during the Period, net of sales taxes. Collections are based on historical patterns.

Most Probable Assumptions

3. Represents both variable and fixed costs associated with the Company's fundraising, direct mail and direct voter contact businesses. Variable costs include direct labour and fulfillment costs (printing, postage, courier). Fixed costs include salaries, telecom, insurance, rent and utilities.
4. Represents the projected professional fees 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 and the fees of the Chief Restructuring Officer.
5. Relates to legal fees associated with the DIP loan facility.
6. The opening cash balance reflects the estimated net cash position.

Appendix “B”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)
JUSTICE NEWBOULD) TUESDAY, THE 7TH
DAY OF MAY, 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"

Applicants



~~AMENDED~~ ORDER
(Stay Extension and SIP Approval)

THIS MOTION, made by the Applicants, for an order, among other things: (a) approving the sale and investment process (the "SIP"), attached as Schedule "B" to this Order; (b) approving the amended agreement (the "**Amended CRO Agreement**") between iMarketing Solutions Group Inc. and Illumina Partners Inc. ("**Illumina**") appointing Illumina as the Applicants' Chief Restructuring Officer (the "**CRO**") and permitting the Applicants to pay a success fee to Illumina, in its capacity as CRO; (c) extending the Stay Period (as defined in the Initial Order of the Honourable Mr. Justice Newbould granted on April 12, 2013 in these proceedings) to August 2, 2013 (the "**Initial Order**"); (d) requiring American Express Corporate Credit Cards, American Express and any affiliated companies ("collectively, **AMEX**") to immediately comply with the provisions of the Initial Order; and (e) approving the First Report

of Duff & Phelps Canada Restructuring Inc. (the “**Monitor**”) dated May 2, 2013 (the “**First Report**”), the Supplemental Report of the Monitor dated May 6, 2013 (the “**Supplemental Report**”) and the actions and activities of the Monitor described therein, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Andrew Langhorne sworn May 2, 2013, and the Exhibits thereto (the “**Langhorne Affidavit**”), and the First Report and the Supplemental Report, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for Shotgun Fund Limited Partnership III, counsel for the Canadian Imperial Bank of Commerce, counsel for AMEX, no one else appearing although duly served as appears from the affidavit of service of Danny M. Nunes sworn on May 3, 2013.

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.

SALE AND INVESTOR SOLICITATION PROCESS

2. **THIS COURT ORDERS** that the SIP, attached as Schedule “B” to this Order, be and is hereby approved.

3. **THIS COURT ORDERS** that the Applicants, the CRO and the Monitor be and are hereby authorized and directed to perform their obligations under and take such steps as they consider necessary or desirable in carrying out the SIP and any step taken by the Applicants, the

CRO and the Monitor in connection with the SIP prior to the date hereof be and is hereby approved and ratified.

4. **THIS COURT ORDERS** that the Monitor and the CRO, to the extent either of them assists with the SIP, shall have no personal or corporate liability in connection with the SIP, including, without limitation:

- (a) by advertising the SIP, including, without limitation, the opportunity to acquire all or a portion of the Applicants' assets (the "Assets") or to invest by way of equity or debt in the Applicants' business;
- (b) by exposing the Assets to any and all parties, including, but not limited to, those parties who have made their interests known to the Monitor or the CRO;
- (c) by responding to any and all requests or inquiries in regards to due diligence conducted in respect of the Applicants or the Assets;
- (d) through the disclosure of any and all information regarding the Applicants or the Assets arising from, incidental to or in connection with the SIP;
- (e) pursuant to any and all offers received by the Applicants in accordance with the SIP;
and
- (f) pursuant to any agreements entered into by any of the Applicants in respect of the sale of any of the Assets or the investment in or financing of the Applicants' business.

5. **THIS COURT ORDERS** that, in connection with the SIP and pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Applicants,

the CRO and the Monitor are authorized and permitted to disclose personal information of identifiable individuals to prospective investors, financiers, purchasers or bidders and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more investment, finance or sale transactions (each, a “**Transaction**”). Each prospective investor, financier, purchaser, or bidder to whom such information is disclosed shall maintain and protect the privacy of such information and shall limit the use of such information to its evaluation of the Transaction, and if it does not complete a Transaction, shall: (i) return all such information to the Applicants, the CRO or the Monitor; (ii) destroy all such information; or (iii) in the case of such information that is electronically stored, destroy all such information to the extent it is reasonably practical to do so.

APPROVAL OF AMENDED CRO AGREEMENT AND SUCCESS FEE

6. **THIS COURT ORDERS** that the Applicants shall pay the CRO his fees and disbursements, including the fees and disbursements of the CRO’s counsel, if any, in accordance with the Amended CRO Agreement annexed as Exhibit “F” to the Langhorne Affidavit and that the Applicants are permitted to pay the success fee set out therein when due.

STAY EXTENSION

7. **THIS COURT ORDERS** that the Stay Period, as defined in paragraph 15 of the Initial Order, be and is hereby extended to and including August 2, 2013.

AMERICAN EXPRESS

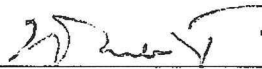
8. **THIS COURT ORDERS** that AMEX shall immediately comply with the provisions of the Initial Order, including but not limited to those provisions of the Initial Order preventing all

persons having agreements with the Applicants for the supply of goods and/or services from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and shall immediately unfreeze and make available to the Applicants, subject to the qualifications below, all credit accounts held by the Applicants with AMEX upon the Applicants (i) paying AMEX, (which term includes Amex Bank of Canada and Amex Canada Inc.) all post-filing amounts currently owing to AMEX by the Applicants under the credit accounts, and (ii) posting a deposit with AMEX in an amount sufficient to cover the Applicants' expected charges on their credit accounts for the following two (2) week period and replenishing said deposit on a going forward basis as required (the "Deposit").

9. **THIS COURT ORDERS** that notwithstanding anything contained in paragraph 8 of this order, under no circumstance shall AMEX be required to provide post-filing credit to the Applicants, and AMEX shall not be required to process any transaction initiated by the Applicants in a credit account, which would result in AMEX providing credit to the Applicants in an amount greater than the Deposit held by AMEX .

APPROVAL OF THE FIRST REPORT, SUPPLEMENTAL REPORT AND MONITOR'S ACTIVITIES

10. **THIS COURT ORDERS** that the First Report, the Supplemental Report and the actions and activities of the Monitor as described therein be and they 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.
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"

iMarketing Solutions Group Inc. Sale and Investment Process Summary

The purpose of the Sale and Investment Process (the "SIP") is to identify one or more purchasers of, or investors in, the IMSG Group of Companies' ("IMSG") business with a projected completion date of a transaction or transactions by the middle of July, 2013.

All capitalized terms used but not otherwise defined herein have the meaning given to them in the Order granted by the Ontario Superior Court of Justice (the "Court") on April 12, 2013 (the "Initial Order") in respect of the IMSG Parties' proceedings commenced under the *Companies' Creditors Arrangement Act* (the "CCAA").

The SIP details are provided below.

- IMSG's Chief Restructuring Officer ("CRO") has compiled, and with the assistance of the Monitor and the DIP Lender may continue to compile, a list of interested parties ("Interested Parties") and will distribute to them an interest solicitation letter detailing this opportunity. The CRO, with the assistance of the Monitor, will contact all parties identified as well as any additional parties that come to its attention. A confidentiality agreement ("CA") will be attached to the interest solicitation letter;
- The CRO, with the assistance of the Monitor, will prepare a confidential information memorandum ("CIM") which will be made available to Interested Parties that execute the CA. The CIM will provide an overview of the IMSG's business, property and financial results and be in form and substance acceptable to the DIP Lender;
- Interested Parties who execute the CA will have an opportunity to perform diligence, including reviewing information in a virtual data room;
- A notice will be published in the national edition of *The Globe and Mail* newspaper and, at the discretion of the CRO and the Monitor, in a U.S. periodical. As soon as reasonably practicable after the granting of an order of the Court approving the SIP (the "SIP Order"), IMSG shall issue a press release setting out the notice and such other relevant information in form and substance satisfactory to the Monitor and the CRO, with Canada Newswire designating dissemination in Canada and the U.S.;
- The CRO, with the assistance of the Monitor, will facilitate diligence efforts by, among other things, responding to questions and coordinating meetings between Interested Parties and IMSG's management and such other parties as the CRO and/or the Monitor may arrange. All meetings with management will be convened in the presence of a representative of the Monitor;

- Prospective investors shall be required to identify all material terms of their proposed investment to permit evaluation of such proposal but will not be required to submit the terms and structure of their proposed investment in a predetermined prescribed format;
- Parties interested in acquiring assets will be able to refer to a template asset purchase agreement (“APA”) that will be posted in the data room. The form and substance of the APA shall be approved by the DIP Lender prior to it being posted by the Monitor in the data room. Interested Parties will be encouraged to submit offers substantially in the form of the APA, with any changes black-lined against the APA;
- Interested Parties will be entitled to submit offers for IMSG’s businesses and assets on an individual/divisional basis or *en bloc*. Subject to the value of the consideration to be paid, preference will be given to *en bloc* offers;
- The deadline for submission of offers (“Offer Deadline”) will be 5:00 pm EST on the 60th day from the date of the SIP Order;
- Offers are to be submitted to the Monitor with a refundable cash deposit in the form of a wire transfer (to a bank account specified by the Monitor) or such other form of deposit as is acceptable to the Monitor, payable to the order of the Monitor, in trust, in an amount equal to 10% of the purchase price or investment amount. Offers are to be supported by evidence, satisfactory to the CRO and the Monitor, of financing sufficient to close a transaction within the timelines detailed in these procedures. All offers are to be irrevocable until 120 days after the date of the SIP Order;
- The CRO and the Monitor will evaluate the offers and may seek clarifications and/or a re-bidding of certain offers. Copies of all offers received shall be provided to the DIP Lender on a confidential basis provided that the DIP Lender is not a bidder in the SIP;
- IMSG’s senior management, Canadian Imperial Bank of Commerce (“CIBC”), in its capacity as secured creditor, and the DIP Lender (or any of its affiliates), along with their respective legal counsel, will be consulted on a timely basis during the different phases of the SIP provided that they confirm to the Monitor that they are not bidders in the SIP. Only High level, directional updates may be provided to these parties if they do not confirm that they are not a bidder; and
- Upon completion of definitive documentation, the Monitor will apply to the Court for an order approving one or more offers (“Transaction”), with a transaction projected to be completed as soon as possible following approval of the Transaction by the Court. The Monitor will provide its recommendation to the Court with respect to the Transaction.

Other attributes of the SIP:

- The CRO, with the approval of the Monitor, shall have the right to extend by up to three weeks any deadline in the SIP in order to facilitate the SIP. Further

extensions will require Court approval;

- IMMSG's management and employees are required to assist and support the efforts of the CRO and the Monitor as provided for herein;
- Any transaction will be consistent with insolvency principles, including without material representations and warranties and shall be on an "as is, where is" basis;
- The CRO, with the prior approval of the Monitor, and after consultation with the DIP Lender (provided it is not a bidder), reserves the right to accept one or more offers on behalf of IMMSG and to take such steps as are necessary to finalize and complete an APA or investment agreement or to continue negotiations with a selected number of Interested Parties with a view to finalizing an agreement(s) with one or more of them;
- The CRO, with the approval of the Monitor, and after consultation with the DIP Lender, shall be under no obligation to accept the highest offer, the best offer, or any offer, and the selection of any offer(s) shall be at the discretion of the CRO and the Monitor, after consultation with the DIP Lender (provided it is not a bidder);
- Acceptance of any transaction is subject to the approval of the Court, and the US Bankruptcy Court for the District of Delaware in IMMSG's proceedings under Chapter 15 of the US Bankruptcy Code, if necessary. Neither IMMSG nor the Monitor shall be bound by the terms of any transaction(s) until approval of the courts is obtained;
- The CRO and the Monitor may consider transactions involving a restructuring or investment in IMMSG if, in the opinion of the CRO and the Monitor, the resulting transaction is in the best interests of IMMSG and maximizes value for the benefit of its stakeholders and such transactions are in form and substance acceptable to the DIP Lender;
- The CRO and the Monitor reserve the right to apply to the Court at any time to modify or terminate the SIP if they consider it appropriate in the circumstances or to apply to the Court for advice and directions with respect to the discharge of their powers and duties hereunder; and
- The CRO and the Monitor may, after consultation with the DIP Lender, extend the period between execution of an APA and Court approval of a transaction should the successful bidder require time to obtain regulatory approvals.

SUMMARY TIMELINE OF IMPORTANT DATES

Sale Process Procedures	Date
Court approval of Sale Process	Day 1
Begin marketing to Interested Parties	Days 2-60
Begin distributing CIM and access to on-line data room	Days 2-60
Management presentations and site visits for select Interested Parties	Days 14-60
Offer Deadline	Day 60
Clarification of offers and re-bidding, if applicable	Days 61-75
Execution of APA	Day 75
Court approval of Transaction(s)	Day 85
Closing(s)	Day 90

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

AMENDED ORDER
(Stay Extension and SIP Approval)

Thornton Grout Finnigan LLP
Barristers and Solicitors
100 Wellington Street West
Suite 3200
Toronto, Ontario M5K 1K7

Robert I. Thornton (LSUC# 24266B)
E-mail: rthornton@tgf.ca
Danny M. Nunes (LSUC# 53802D)
E-mail: dnunes@tgf.ca
Sandra Reid (LSUC# 62351A)
E-mail: sreid@tgf.ca

Tel: 416-304-1616
Fax: 416-304-1313

Lawyers for the Applicants

Appendix “C”

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 THE COMPANIES REFERRED TO IN
SCHEDULE "A"

MANAGEMENT'S REPORT ON CASH FLOW STATEMENT

The management of iMarketing Solutions Group Inc. (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow as of the 18th day of October, 2013 for the period October 12, 2013 to December 13, 2013 ("Cash Flow").

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in Note 1 to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Company and provide a reasonable basis for the Cash Flow. All such assumptions are disclosed in Notes 2 to 6.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Cash Flow has been prepared solely for the purpose outlined in Note 1, using a set of hypothetical and probable assumptions set out in Notes 2 to 6. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 18th day of October, 2013.



Upkar Arora, Chief Restructuring Officer

iMarketing Solutions Group Inc.

Appendix “D”

**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 THE COMPANIES REFERRED TO IN
SCHEDULE "A"**

MONITORS' REPORT ON CASH FLOW STATEMENT

The attached statement of projected cash-flow of iMarketing Solutions Group Inc. (the "Company"), as of the 18th day October, 2013, consisting of a weekly projected cash flow statement for the period October 12, 2013, to December 13, 2013 ("Cash Flow") has been prepared by the management of the Company for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2 to 6.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied by the management and employees of the Company. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Company or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or
- c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto this 18th day of October, 2013.

Duff + Phelps Canada Restructuring Inc.

**DUFF & PHELPS CANADA RESTRUCTURING INC.
IN ITS CAPACITY AS CCAA MONITOR OF
IMARKETING SOLUTIONS GROUP INC.
AND THOSE COMPANIES REFERRED TO ON SCHEDULE "A"
AND NOT IN ITS PERSONAL CAPACITY**

Encl.

Appendix “E”



Illumina Partners Inc.
Suite 800, 357 Bay Street
Toronto, Ontario
M5H 2T7

October 17, 2013

iMarketing Solutions Group Inc.
6th Floor, 481 University Avenue,
Toronto, ON M5G 2E9

Attn: Andrew Langhorne, CEO

Dear Mr. Langhorne:

Re: Extension of Chief Restructuring Officer's Term of Appointment

Pursuant to the Order of the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (Commercial List) dated April 12, 2013, Illumina Partners Inc. was appointed as the Chief Restructuring Officer ("**CRO**") of iMarketing Solutions Group Inc. and those related companies noted on Schedule "**A**" (collectively referred as the "**Company**") in accordance with the terms of the CRO agreement April 11, 2013.

Pursuant to the Order of the Honourable Mr. Newbould dated May 7, 2013, an amended CRO agreement dated May 2, 2013 was approved (the "**Amended CRO Agreement**").

The Company wishes to extend the period of the CRO's appointment until the earlier of: (i) the closing of the transaction contemplated in the Asset Purchase Agreement dated October 8, 2013 between the Company, IMKT Direct Solutions Corporation and iMarketing Acquisition, LLC; (ii) the appointment of a trustee in bankruptcy of the Company and the discharge of the Monitor; and (c) December 31, 2013.

All other terms and conditions of the Amended CRO Agreement shall remain unamended by the terms of this letter.

If this letter meets with your approval, please sign the enclosed duplicate copy and return it to me.

Yours very truly,
Illumina Partners Inc.



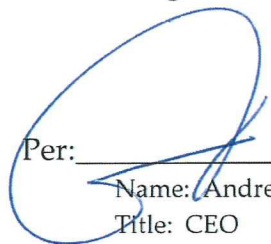
Upkar Arora, CPA,CA, ICD.D
UA

We confirm our agreement to retain Illumina Partners Inc. as CRO on the terms described in this letter.

Dated at Toronto, this 17 day of October, 2013.

iMarketing Solutions Group Inc.

Per: _____



Name: Andrew Langhorne
Title: CEO

Appendix “F”

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:

A handwritten signature in blue ink is written over a horizontal line. The signature is a stylized, cursive letter 'S' with a loop at the top and a tail that crosses the horizontal line.


DIP Lender:

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

Per:

Name:

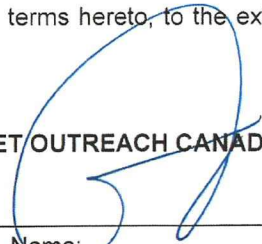
Title:




J. Ambrose
VP

We have read the foregoing and agree to be bound by the terms hereto, to the extent applicable to the undersigned.

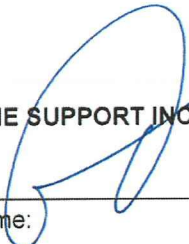
TARGET OUTREACH CANADA INC.

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:

Appendix “G”

AMENDED AND RESTATED DIP TERM SHEET dated as of August 1, 2013 among the Borrower, the DIP Lender and the Credit Parties (each as defined below) (the **Agreement**).

WHEREAS the Borrower, the Credit Parties and the DIP Lender entered into that certain DIP term sheet dated as of April 11, 2013 (the **DIP Term Sheet**), pursuant to which the DIP Lender agreed to provide funding in order to fund certain obligations of the Borrower 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 therein;

WHEREAS the Borrower, the Credit Parties and DIP Lender have agreed to amend and restate the DIP Term Sheet as set forth 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\$439,000 (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 Agreement (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) October 4, 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 Agreement, 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 Friday of the following 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 Agreement, 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 Agreement and any other DIP Credit Documentation, duly executed by the Credit Parties.

- (e) All fees payable in accordance with this Agreement 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 Agreement 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 this Agreement 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 Agreement 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 Agreement 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.

EXTENSION FEE

As consideration for the DIP Lender extending the Maturity Date to the DIP Facility, the Borrower shall pay to the DIP Lender an extension fee in the amount of CDN\$100,000, which fee shall be fully earned in advance as of the date of this Agreement and shall be payable on the earlier of (a) the Maturity Date; or (b) the occurrence of an Event of Default.

In addition, the Borrower shall pay the DIP Lender an additional fee in the amount of CDN\$50,000 in the event that an asset purchase agreement for the sale of substantially all of the assets of the Borrower and Credit Parties, satisfactory to the DIP Lender, is not entered into by September 15, 2013 (the **AP Transaction**), which fee shall be fully earned in advance as of September 15, 2013 and shall be payable on the earlier of (a) the Maturity Date; or (b) the occurrence of an Event of Default.

In addition, the Borrower shall pay the DIP Lender an additional fee in the amount of CDN\$50,000 in the event that the DIP Loan remains outstanding as at October 4, 2013 and the AP Transaction is not completed by October 4, 2013, unless such delay in closing is caused by delays in receipt of third party registration and bonding approvals which in the reasonable discretion of the DIP Lender are expected to be received within one week of October 4, 2013, which fee shall be fully earned in advance as of October 4, 2013 and shall be payable on the Maturity Date.

DIP SECURITY: All obligations of the Credit Parties under or in connection with the DIP Facility and this Agreement 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 Agreement 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 Agreement and the other DIP Credit Documentation, that:

- (a) The transactions contemplated by this Agreement 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 Agreement) 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 Agreement 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 Agreement 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 Agreement, 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 Agreement 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 Cash Flow Projections, 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 Agreement 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 Agreement 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 Agreement:

- (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 Agreement;
- (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 Agreement, 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 Agreement 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.

NO NOVATION, CONTINUING FORCE AND EFFECT

This Agreement will not discharge or constitute novation of any debt, obligation, covenant or agreement contained in the DIP Term Sheet.

Except as specifically modified or amended by the terms of this Agreement, all other terms and provisions of the DIP Term Sheet (as hereby amended and restated) and the other DIP Credit Documentation in all respects shall continue in full force and effect. Each Credit Party, by execution of this Agreement, hereby reaffirms, assumes and binds itself to all of the obligations, duties, rights, covenants, terms and conditions that are contained in the DIP Term Sheet (as hereby amended and restated) and the other DIP Credit Documentation.

JOINDER:

Following the execution of this Agreement, a body corporate that becomes, or is deemed by the Monitor or the DIP Lender to become, an active subsidiary or affiliate of the Borrower, shall execute and deliver a joinder to this Agreement and to the extent applicable, a joinder to the New Guarantees, as applicable.

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 Agreement.

ENTIRE AGREEMENT; CONFLICT:

This Agreement, 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 Agreement and any of the other DIP Credit Documentation, this Agreement 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 Agreement.

ASSIGNMENT:

The DIP Lender may assign this Agreement 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 Agreement 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 Agreement 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 Agreement 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@imkqp.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@duffandpheps.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:**

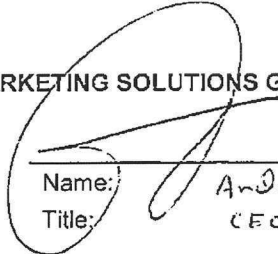
This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS HEREOF, the parties hereby execute this Agreement as at the date first above mentioned.

Borrower:

IMARKETING SOLUTIONS GROUP INC.

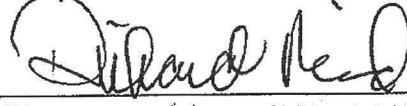
Per:


Name: Andrew Langhorne
Title: CEO

DIP Lender:

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

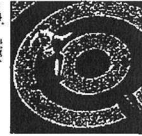
Per:



Name:

Title:

THE SHOTGUN FUND™
argosy partners



RICHARD REID

Suite 760, 141 Adelaide Street West, Toronto, ON M5H 3L5
Tel: (416) 367-3617 Fax: (416) 367-3895
reid@argosypartners.com
⊕ www.shotgunfund.com ⊕

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: Andrew Longhorne
Title: CEO

ENGAGE INTERACTIVE INC.

Per: _____
Name: Andrew Longhorne
Title: CEO

FRONT LINE SUPPORT INC.

Per: _____
Name: Andrew Longhorne
Title: CEO

IMARK EVENTS INC.

Per: _____
Name: Andrew Longhorne
Title: CEO

DIRECT CONTACT STRATEGIES INC.

Per: _____
Name: Andrew Longhorne
Title: CEO

CABOT CALL CENTRE INC.

Per:

Name: Andrew Longhorne
Title: CEO

RMG GENERAL PARTNER INC. by its general partner RMG GENERAL PARTNER INC.

Per:

Name: Andrew Longhorne
Title: CEO

RMG SMITHS-FALLS, LP by its general partner RMG GENERAL PARTNER INC.

Per:

Name: Andrew Longhorne
Title: CEO

RMG THUNDER BAY, LP by its general partner RMG GENERAL PARTNER INC.

Per:

Name: Andrew Longhorne
Title: CEO

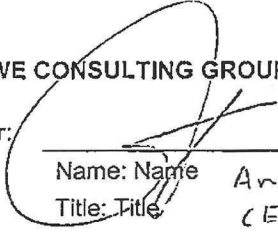
THE RESPONSIVE MARKETING GROUP INC.

Per:

Name: Andrew Longhorne
Title: CEO

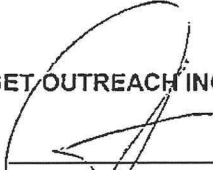
GWE CONSULTING GROUP (USA) INC.

Per:


Name: Andrew Longhini
Title: CEO

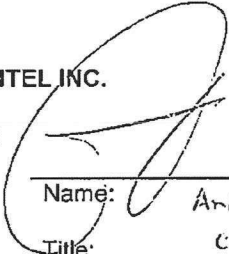
TARGET OUTREACH INC.

Per:


Name: Andrew Longhini
Title: CEO

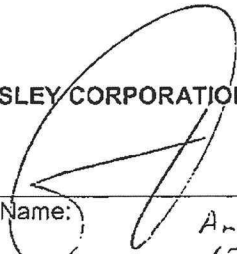
XENTEL INC.

Per:


Name: Andrew Longhini
Title: CEO

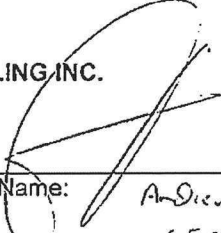
WELLESLEY CORPORATION INC.

Per:


Name: Andrew Longhini
Title: CEO

US BILLING INC.

Per:


Name: Andrew Longhini
Title: CEO

AMERICAN GRAPHICS & DESIGN INC.

Per:

Name: Andrew Longhorne
Title: CEO

COURTESY HEALTH WATCH INC.

Per:

Name: Andrew Longhorne
Title: CEO

ENGAGE FUNDING INC.

Per:

Name: Andrew Longhorne
Title: CEO

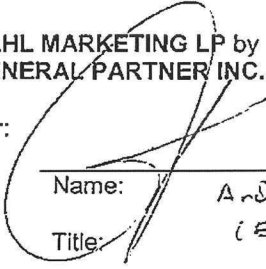
MLHL MARKETING INC.

Per:

Name: Andrew Longhorne
Title: CEO

MLHL MARKETING LP by its general partner RMG
GENERAL PARTNER INC.

Per:


Name: Andrew Longhena
Title: CEO

Appendix “H”

**AMENDING AGREEMENT NO. 1 TO AMENDED AND RESTATED
DIP TERM SHEET**

THIS AMENDING AGREEMENT NO. 1 made as of the 11th day of October, 2013 (the **Amending Agreement**)

AMONG:

SHOTGUN FUND LIMITED PARTNERSHIP III, by its general partner SF Fund Management III Inc., as DIP Lender,

-and-

IMARKETING SOLUTIONS GROUP INC., the Borrower

-and-

the Guarantors (as defined in the Amended and Restated DIP Term Sheet as hereinafter defined).

WHEREAS the DIP Lender, the Borrower and the Guarantors are party to that certain amended and restated DIP Term Sheet dated as of August 1, 2013 (the **Amended and Restated DIP Term Sheet**);

AND WHEREAS the parties have agreed to amend certain provisions of Amended and Restated DIP Term Sheet, but only to the extent and subject to the limitations set forth herein;

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

Article 1 - INTERPRETATION

1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Amended and Restated DIP Term Sheet.

Article 2 - AMENDMENTS

2.1 All references to "Maturity Date" as defined in the Amended and Restated DIP Term Sheet shall mean October 25, 2013, or such other date as agreed to by the DIP Lender at the request of the Borrower.

Article 3 - EXTENSION FEE

3.1 As consideration for the DIP Lender extending the Maturity Date to the DIP Facility, the Borrower shall pay to the DIP Lender an extension fee in the amount of CDN\$25,000, which fee shall be fully earned in advance as of the date of this Amending Agreement and shall be payable on the earlier of (a) the Maturity Date; or (b) the occurrence of an Event of Default.

Article 4 - CASH FLOW PROJECTIONS

4.1 The Borrower, with the assistance of the Monitor in the CCAA proceedings, shall continue to keep the DIP Lender apprised on a weekly basis of its cash flow requirements by providing Cash Flow Projections on or before Friday of the following week.

Article 5 - CONDITIONS TO EFFECTIVENESS

- 5.1 This Amending Agreement shall become effective as of the first date written above.

Article 6 - MISCELLANEOUS

- 6.1 The execution, delivery and performance of this Amending Agreement shall not, except as expressly provided for herein, constitute an amendment of any provision of, or operate as an amendment of any right, power or remedy of the DIP Lender under the Amended and Restated DIP Term Sheet or any other document.
- 6.2 On and after this date, each reference in the Amended and Restated DIP Term Sheet to "this Agreement" and each reference to the "DIP Term Sheet" or similar references in the DIP Credit Documentation and any and all other agreements, documents and instruments delivered by any of the Credit Parties, the DIP Lender or any other Person shall mean and be a reference to the Amended and Restated DIP Term Sheet as amended by this Amending Agreement. Except as specifically amended by this Amending Agreement, the Amended and Restated DIP Term Sheet shall remain in full force and effect and is hereby ratified and confirmed.
- 6.3 This Amending Agreement shall be interpreted and the rights and liabilities of the parties hereto shall be determined in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 6.4 Save as expressly amended by this Amending Agreement, all other terms and conditions of the Amended and Restated DIP Term Sheet remain in full force and effect.
- 6.5 This Amending Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures provided by electronic transmission or facsimile shall be valid and binding.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Amending Agreement to be executed by their duly authorized representatives as of the date first written above.

Borrower:

IMARKETING SOLUTIONS GROUP INC.

Per:

Name:

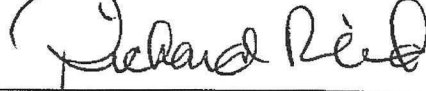
Title:

A large, stylized handwritten signature in black ink is written over a horizontal line. The signature is partially obscured by the 'Name:' and 'Title:' labels. The signature appears to be a cursive or semi-cursive name, possibly starting with a large 'A' or 'M'.

DIP Lender:

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

Per:



Name:

Title:

Richard Reed
President

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: _____

MLHL MARKETING INC.

Per:

Name: _____

Title: _____

MLHL MARKETING LP by its general partner **RMG
GENERAL PARTNER INC.**

Per:

Name: _____

Title: _____

Appendix “I”

**AMENDING AGREEMENT NO. 2 TO AMENDED AND RESTATED
DIP TERM SHEET**

THIS AMENDING AGREEMENT NO. 2 made as of the 21 day of October, 2013 (the **Second Amending Agreement**)

AMONG:

SHOTGUN FUND LIMITED PARTNERSHIP III, by its general partner SF Fund Management III Inc., as DIP Lender,

-and-

IMARKETING SOLUTIONS GROUP INC., the Borrower

-and-

the Guarantors (as defined in the Amended and Restated DIP Term Sheet as hereinafter defined).

WHEREAS the DIP Lender, the Borrower and the Guarantors are party to that certain amended and restated DIP Term Sheet dated as of August 1, 2013 as amended by the first amending agreement dated as of October 11, 2013 (the **Amended and Restated DIP Term Sheet**);

AND WHEREAS the parties have agreed to amend certain provisions of the Amended and Restated DIP Term Sheet, but only to the extent and subject to the limitations set forth herein;

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

Article 1 - INTERPRETATION

1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Amended and Restated DIP Term Sheet.

Article 2 - AMENDMENTS

2.1 All references to "Maturity Date" as defined in the Amended and Restated DIP Term Sheet shall mean April 10, 2014.

2.2 The "Prepayment" section is hereby amended by adding the words "pursuant to a distribution order of the Canadian Court" to the end of that section.

2.3 The "Interest Rate" section is hereby amended by:

- (a) deleting the last two words "Maturity Date" and replacing them with "earlier of (a) the Maturity Date; and (b) the occurrence of an Event of Default"; and
- (b) adding as a new paragraph the following:

"Notwithstanding any provision herein to the contrary, in no event shall the aggregate "interest" (as defined in section 347 of the *Criminal Code* (Canada)) payable under the DIP Credit Documents exceed the maximum effective annual rate of interest on the "credit advanced" (as defined in that section) permitted under that section and, if any payment, collection or demand pursuant to this Agreement in respect of "interest" (as

defined in that section) is determined to be contrary to the provisions of that section, such payment, collection or demand shall be deemed to have been made by mutual mistake of the Borrower and the DIP Lender and the amount of such payment or collection shall be refunded to the Borrower."

- 2.4 The "DIP Lender Fee" section is hereby amended by replacing the word "or" with "and" in the section "shall be payable on the earlier of (a) the Maturity Date; or (b) the occurrence of an Event of Default."
- 2.5 The first paragraph of the "Extension Fee" section is hereby amended:
- (a) by adding the words "from August 1 to October 4, 2013" after "...extending the Maturity Date to the DIP Facility"; and
 - (b) by replacing the word "or" with "and" in the section "shall be payable on the earlier of (a) the Maturity Date; or (b) the occurrence of an Event of Default."
- 2.6 The second paragraph of the "Extension Fee" section is hereby amended by replacing the word "or" with "and" in the section "shall be payable on the earlier of (a) the Maturity Date; or (b) the occurrence of an Event of Default."
- 2.7 The third paragraph of the "Extension Fee" section is amended by deleting the last two words "Maturity Date" and replacing them with "earlier of (a) the Maturity Date; and (b) the occurrence of an Event of Default."
- 2.8 The "Mandatory Repayments" section is hereby deleted in its entirety.
- 2.9 The "Affirmative Covenants" section is hereby amended by adding the following new item (o):
- "(o) The Borrower shall cause the proceeds from the transaction contemplated by the Asset Purchase Agreement dated as of October 8, 2013 between the Credit Parties and IMKT Direct Solutions and iMarketing Acquisition, LLC, to be paid to the Monitor by no later than December 15, 2013."
- 2.10 Item (a) of the "Negative Covenants" section is hereby amended by deleting the last sentence beginning with "For greater certainty...".

Article 3 - EXTENSION FEE

- 3.1 As consideration for the DIP Lender extending the Maturity Date to the DIP Facility, the Borrower shall pay to the DIP Lender an extension fee in the amount of CDN\$35,000, which fee shall be fully earned in advance as of the date of this Amending Agreement and shall be payable on the earlier of (a) the Maturity Date; and (b) the occurrence of an Event of Default.

Article 4 - CASH FLOW PROJECTIONS

- 4.1 The Borrower, with the assistance of the Monitor in the CCAA proceedings, shall continue to keep the DIP Lender apprised on a weekly basis of its cash flow requirements by providing Cash Flow Projections on or before Friday of the following week.

Article 5 - CONDITIONS TO EFFECTIVENESS

- 5.1 This Second Amending Agreement shall become effective upon approval by the Canadian Court of the Amended and Restated DIP Term Sheet, as amended by this Second Amending Agreement.

Article 6 - MISCELLANEOUS

- 6.1 The execution, delivery and performance of this Second Amending Agreement shall not, except as expressly provided for herein, constitute an amendment of any provision of, or operate as an amendment of any right, power or remedy of the DIP Lender under the Amended and Restated DIP Term Sheet or any other document.
- 6.2 On and after this date, each reference in the Amended and Restated DIP Term Sheet to "this Agreement" and each reference to the "DIP Term Sheet" or similar references in the DIP Credit Documentation and any and all other agreements, documents and instruments delivered by any of the Credit Parties, the DIP Lender or any other Person shall mean and be a reference to the Amended and Restated DIP Term Sheet as amended by this Second Amending Agreement. Except as specifically amended by this Second Amending Agreement, the Amended and Restated DIP Term Sheet shall remain in full force and effect and is hereby ratified and confirmed.
- 6.3 This Second Amending Agreement shall be interpreted and the rights and liabilities of the parties hereto shall be determined in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 6.4 Save as expressly amended by this Second Amending Agreement, all other terms and conditions of the Amended and Restated DIP Term Sheet remain in full force and effect.
- 6.5 This Second Amending Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures provided by electronic transmission or facsimile shall be valid and binding.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Second Amending Agreement to be executed by their duly authorized representatives as of the date first written above.

Borrower:

IMARKETING SOLUTIONS GROUP INC.

Per: Upkar Arora

Name: Upkar Arora

Title: Chief Restructuring Officer

DIP Lender:

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

Per:

Name

Title:

Handwritten signature and initials in black ink. The signature is written over a horizontal line. Below the line, the initials "W.P." are written.

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: Andrew Langhorne
Title:

ENGAGE INTERACTIVE INC.

Per: _____
Name: Andrew Langhorne
Title:

FRONT LINE SUPPORT INC.

Per: _____
Name: Andrew Langhorne
Title:

IMARK EVENTS INC.

Per: _____
Name: Andrew Langhorne
Title:


DIRECT CONTACT STRATEGIES INC.

Per: _____
Name: Andrew Langhorne
Title:

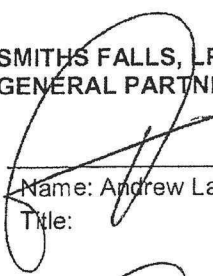
CABOT CALL CENTRE INC.

Per: _____
Name: Andrew Langhorne
Title:

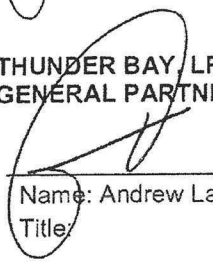
RMG GENERAL PARTNER INC. by its general partner **RMG GENERAL PARTNER INC.**

Per: 
Name: Andrew Langhorne
Title:

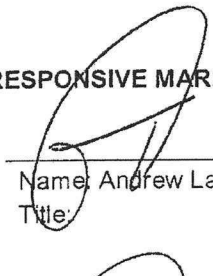
RMG SMITHS FALLS, LP by its general partner **RMG GENERAL PARTNER INC.**

Per: 
Name: Andrew Langhorne
Title:


RMG THUNDER BAY, LP by its general partner **RMG GENERAL PARTNER INC.**

Per: 
Name: Andrew Langhorne
Title:

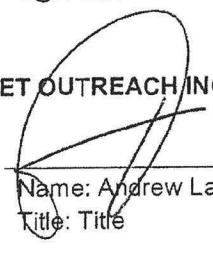
THE RESPONSIVE MARKETING GROUP INC.

Per: 
Name: Andrew Langhorne
Title:

GWE CONSULTING GROUP (USA) INC.

Per: 
Name: Andrew Langhorne Name
Title: Title

TARGET OUTREACH INC.

Per: 
Name: Andrew Langhorne Name
Title: Title

XENTEL INC.

Per: _____

Name: Andrew Langhorne

Title: _____

WELLESLEY CORPORATION INC.

Per: _____

Name: Andrew Langhorne

Title: _____

US BILLING INC.

Per: _____

Name: Andrew Langhorne

Title: _____

AMERICAN GRAPHICS & DESIGN INC.

Per: _____

Name: Andrew Langhorne

Title: _____

COURTESY HEALTH WATCH INC.

Per: _____

Name: Andrew Langhorne

Title: _____

ENGAGE FUNDING INC.

Per: _____

Name: Andrew Langhorne

Title: _____

MLHL MARKETING INC.

Per: _____

Name: Andrew Langhorne
Title:

MLHL MARKETING LP by its general partner **RMG
GENERAL PARTNER INC.**

Per: _____

Name: Andrew Langhorne
Title: