DUFF & PHELPS

Eighth Report of Duff & Phelps Canada Restructuring Inc. as CCAA Monitor of iMarketing Solutions Group Inc. and the Companies Referred to in Schedule "A"

May 23, 2014

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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"

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

May 23, 2014

1.0 Introduction

1. Pursuant to an 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. ("Illumina"), in its capacity as the Company's Chief Restructuring Officer (the "CRO"), under the supervision of, and with the assistance of, the Monitor.

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. 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.

7. On October 25, 2013, the Ontario Court approved a sale of substantially all of the Company's business and assets (the "Transaction") to IMKT Direct Solutions Corporation ("IMKT") and iMarketing Solutions Acquisition, LLC ("iMarketing Acquisition" and together with IMKT, the "Purchaser") pursuant to an Asset Purchase Agreement dated October 8, 2013 between the Company and the Purchaser (the "APA"). The US Court approved the Transaction on November 20, 2013.

8. Pursuant to an amending agreement dated December 4, 2013, the Company and the Purchaser agreed, among other things, that the effective date of the Transaction's closing would be 12:01AM (EST) on December 1, 2013 ("Effective Date"). On December 6, 2013 (the "Closing Date") the Company completed the Transaction.

9. Pursuant to an order of the Ontario Court made on December 12, 2013, the Company's stay of proceedings was extended until June 13, 2014.

10. Shotgun Fund Limited Partnership III ("Shotgun Fund") provided the Company with a $1 million debtor-in-possession credit facility ("DIP Facility"), of which $650,000 had been drawn as at the Closing Date. All amounts owing under the DIP Facility have been repaid in full.

1.1 Purposes of this Report

1. The purposes of this report ("Report") are to:

   a) provide background information about the Company and these proceedings;

   b) provide an update on the status of the Transaction; and

   c) recommend that the Ontario Court make an order:

      - granting the Company's request for an extension of the stay of proceedings from June 13, 2014 to September 30, 2014;

      - approving the agreement between the Company and the Purchaser dated May 16, 2014 (the "Agreement"); and

- approving the Monitor's actions and activities described in this Report.

1.2 Currency

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

1.3 Restrictions

1. In preparing this 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.

2.0 Background

1. The Company provided integrated direct marketing solution services for not-for-profit organizations, political organizations and professional associations.

2. IMSG and its predecessor corporations operated in the North American telemarketing and fundraising business for more than 25 years.

3. The Company occupied fifteen leased premises across Canada and the US as at the Closing Date.

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 employed over 700 individuals as at the Closing Date.

5. The Company's industry is regulated and requires provincial and/or state licences and registrations to operate in Canada and the US.

6. The affidavit of Andrew Langhorne, the Company's Chief Executive Officer, 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.

7. Additional information concerning the Company is provided in D&P's report dated April 11, 2013, filed as proposed monitor and in the Monitor's subsequent reports 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 Transaction

1. The marketing process leading to the Transaction and a description of the Transaction is set out in the affidavit of Mr. Langhorne sworn October 18, 2013, and in the Monitor's sixth report to Court dated October 22, 2013, both of which are posted on the Monitor's website.

2. On the Closing Date, the Purchaser paid to the Monitor:

   a) the balance of the cash proceeds of sale (being $4,907,116) (it had previously paid a deposit of $500,000); and

   b) a $500,000 unsecured convertible promissory note (the "Note"). The Note matures on December 1, 2016, three years from the Effective Date.

3. The purchase price is subject to a working capital adjustment (the "WCA").

4. As part of the Transaction, the Company and the Purchaser entered into a Transitional Services Agreement (the "TSA"). The TSA is for a term of six months from the Effective Date, during which period the Company is to assist the Purchaser with an orderly transition of the business to the Purchaser. Pursuant to the TSA, the Purchaser paid $100,000 to the Monitor as a deposit to secure the Purchaser's obligations under the TSA.

5. Since the Closing Date, the Company, the CRO and the Purchaser, with the oversight of the Monitor, have been, *inter alia*, working to resolve the WCA and to assist with the transition of the Company's business to the Purchaser.

3.1 Agreement

1. On January 20, 2014, the Purchaser delivered to the Company its Post-Closing Working Capital Calculation (as defined in the APA) reflecting a balance payable to the Company of approximately $95,000. On February 19, 2014, the Company delivered a Notice of Objection to the Post-Closing Working Capital Calculation, providing for a balance payable to the Company of approximately $258,000. Since that time the Company and the Purchaser have been reviewing their respective calculations and other TSA-related claims made by the Purchaser against the Company in order to resolve the WCA and avoid the need to retain a third party, as set out in Section 2.08 (d) of the APA, to resolve any WCA disputes.

2. During the WCA discussions, the Purchaser advised the Company that the business transition was more complicated than it had anticipated and requested that the Company extend the expiry date of the TSA by three months (from June 1, 2014 to September 1, 2014).

3. The CRO and the Monitor discussed the TSA extension with Shotgun Fund and with CIBC, the Company's principal secured creditors, as extending the TSA impacts the timing of the Company's completion of these proceedings and, potentially, the timing of distributions to them.

4. On May 16, 2014, the Company and the Purchaser executed the Agreement, a copy of which is included in Appendix "A". The Agreement provides for, among other things:

- Resolution of the WCA issues, by way of a payment of $190,000 by the Purchaser to the Company;
- Extension of the TSA to September 1, 2014;
- A principal repayment on the Note of $250,000, payable by the Purchaser to the Monitor upon approval by the Ontario Court of the Agreement;
- Payment by the Purchaser of US$75,000 to the Monitor to reimburse a deposit paid by the Company to one of its customers; and
- Payment by the Purchaser of up to $75,000 (plus taxes) on account of the Company's professional costs associated with negotiating, documenting and seeking Ontario Court approval of the Agreement in addition to payment of all of the Company's operating costs incurred or accrued over the duration of the TSA's term.

3.2 Recommendation

1. The Monitor respectfully recommends that the Ontario Court approve the Agreement as it:

- Resolves outstanding issues under the APA and the TSA on a cost effective basis;
- Provides benefits to the Company's stakeholders in exchange for the delay to complete these proceedings caused by the TSA extension;
- Allows the Purchaser to continue transitioning the Company's business on an orderly basis, which benefits the Company's employees, vendors and other stakeholders; and
- Is supported by the CRO as well as Shotgun Fund and CIBC, two of the Company's principal economic stakeholders.

4.0 DIP Facility

1. Shotgun Fund, as lender under the DIP Facility (in that capacity, the "DIP Lender"), advanced $650,000 to the Company. Pursuant to the Initial Order, the DIP Lender has a senior ranking charge over all of the Company's properties, assets and undertakings (the "Assets"), with the exception of the Assets of The Responsive Marketing Group Inc., one of IMSG's wholly-owned subsidiaries.

2. On April 10, 2014, the Company repaid the DIP Facility in full, including interest and fees associated with the initial granting of the DIP Facility and subsequent extensions of the maturity date.

5.0 Company's Request for an Extension

1. The Monitor supports the Company's request for an extension of the stay of proceedings to September 30, 2014 for the following reasons:

   - The Company is acting in good faith and with due diligence;
   - The extension will allow the Company to fulfill its obligations under the TSA;
   - The extension will provide the Monitor with the opportunity to prepare a recommendation for a distribution in accordance with priorities; and
   - The extension is not opposed by the Company's principal secured creditors.

5.1 Cash Flow

1. A cash flow projection has not been prepared for the stay extension period as the Company's operations were discontinued with the closing of the Transaction. Pursuant to the terms of the TSA, the benefits and obligations of operations from and after the Effective Date are to the account of the Purchaser. Accordingly, other than the receipts associated with the Agreement and disbursements related to ongoing professional fees and the balance of the expenses, if any, attributable to the period prior to the Effective Date, a cash flow projection would reflect nominal receipts and disbursements over the course of the stay extension period.

6.0 Success Fee

1. Illumina was appointed CRO pursuant to the terms of the Initial Order. As discussed in Section 1 above, the CRO, among other things, carried out the SIP with the Monitor's assistance.

2. Pursuant to an Order made May 7, 2013, the Ontario Court approved an amended retention arrangement with the CRO which defines the success fee that is payable to the CRO in certain instances. Specifically, the CRO is to receive a fee of 5% of the gross proceeds from one or more transactions resulting from the SIP, provided such "gross proceeds" exceed $2.5 million (the "Success Fee").

3. A copy of the CRO's retention arrangement is provided in Appendix "B".

4. Based on the proceeds realized from the Transaction ($6,097,116), the Monitor calculated the Success Fee to be $304,856, plus applicable taxes. The CRO agrees with this amount. The Monitor intends to pay the Success Fee from the net sale proceeds held by it in its trust account.

7.0 Overview of the Monitor's Activities

1. Since the date of the Monitor's seventh report to Court dated December 9, 2013, the Monitor's activities have included:

    - Corresponding extensively with the CRO regarding the Transaction;
    - Corresponding with the DIP Lender regarding repayment of the DIP Facility, the Transaction and the TSA extension;
    - Corresponding with CIBC's counsel regarding the Transaction and the TSA extension;
    - Reviewing correspondence between the Company and Canada Revenue Agency ("CRA") regarding audits conducted by CRA of the Company's sales and payroll tax accounts;
    - Monitoring the Company's receipts and disbursements;
    - Reviewing the Purchaser's weekly reporting under the TSA;
    - Reviewing matters pertaining to the allocation of the sale proceeds;

- Reviewing correspondence between the Company and its tax advisors related to preparation of tax returns for 2013;
- Corresponding with the Company and its legal counsel;
- Corresponding with the Monitor's US counsel regarding the Chapter 15 proceedings;
- Responding to calls and enquiries from creditors and shareholders regarding the Company's CCAA proceedings;
- Preparing this Report; and
- Other matters pertaining to the administration of this mandate.

8.0 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 Report.

* * *

All of which is respectfully submitted,

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"

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”

AGREEMENT

BETWEEN:

iMARKETING SOLUTIONS GROUP INC. and the other Applicants as signatories to the Asset Purchase Agreement dated October 8, 2013, as amended

(collectively referred to hereinafter as the "**Vendor**")

OF THE FIRST PART

- and –

IMKT DIRECT SOLUTIONS CORPORATION & iMARKETING ACQUISITION, LLC

(collectively referred to hereinafter as the "**Purchaser**")

OF THE SECOND PART

WHEREAS the Vendor and the Purchaser entered into the Asset Purchase Agreement dated October 8, 2013, as amended (the "**APA**");

AND WHEREAS, in accordance with Article 2.08(b) of the APA, the Purchaser delivered to the Vendor the Post-Closing Working Capital Calculation on January 20, 2014 attached hereto as Schedule "**A**";

AND WHEREAS, in accordance with Article 2.08(b) of the APA, the Vendor delivered to the Purchaser a Notice of Objection to the Post-Closing Working Capital Calculation on February 19, 2014 attached hereto as Schedule "**B**";

AND WHEREAS, in accordance with Article 2.08(b) of the APA, the Purchaser and the Vendor have entered into discussions to resolve the dispute over the Post-Closing Working Capital Calculation;

AND WHEREAS further to the APA, the Vendor and the Purchaser entered into a Transitional Services Agreement (the "**TSA**") pursuant to which the Vendor agreed to provide transitional services to the Purchaser during the course of the transition of the Vendor's business (the "**Business**") to the Purchaser;

AND WHEREAS the term of the TSA was for a period of no more than six (6) months from the Closing Date (as defined under the APA) and shall expire at 12:01AM (EST) on June 1, 2014;

NOW THEREFORE in consideration of the payments by the Purchaser to the Vendor set out herein, the mutual covenants and agreements contained herein, and for

other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each party to the other, the parties hereto agree as follows:

1. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the APA and the TSA.

2. The parties agree that the amount of the Final Working Capital shall be $190,000 (the "**Final Working Capital Amount**") which amount shall be paid by the Purchaser to the Monitor immediately upon execution of this Agreement by certified funds or by wire transfer.

3. Notwithstanding the parties agreement on the Final Working Capital Amount, the Purchaser hereby confirms and agrees that: (i) it shall pay to the Monitor on a monthly basis commencing July 5, 2014 the pro-rated value of the Pre-Filing Prepaid Expenses and Deposits paid by the Vendor and attributable to the period covered by the TSA Extension (as defined herein); and (ii) it shall pay to the Monitor any credit or benefit it receives on account of the Pre-Filing Prepaid Expenses and Deposits. The Purchaser also hereby confirms and agrees that it will not pursue collection of the Pre-Filing Prepaid Expenses and Deposits and acknowledges that the Vendor has the exclusive right to do so and if such amounts are received by the Purchaser, the Purchaser shall hold such amounts in trust for the Vendor and shall pay such amounts to the Monitor within three (3) Business Days of receipt. The aforementioned amounts shall be payable by the Purchaser to the Monitor by way of certified funds or by wire transfer.

4. The parties agree that the term of the TSA shall be extended for a period of no more than three (3) months commencing at 12:01AM (EST) on June 1, 2014 and expiring at 12:01AM (EST) on September 1, 2014 (the "**TSA Extension**"). All remaining terms and provisions of the TSA shall remain unamended. The Vendor shall seek an extension of the stay of proceedings in the Vendor's ongoing CCAA proceedings, the expiry of which shall occur no earlier than the expiry of the TSA Extension period.

5. The Purchaser shall make a principal repayment on the Convertible Note in the amount of $250,000 which amount shall be paid by the Purchaser to the Monitor by way of certified funds or by wire transfer upon approval by the Court of this Agreement and the TSA Extension. The balance remaining on the Convertible Note upon the Monitor's receipt of payment shall include all accrued interest up to the date of the principal repayment set out herein and the Convertible Percentage Interest (as defined in the Convertible Note) shall be decreased to two and one half percent (2.5%) on a non-diluted basis or two and one eighth of a percent 2.125% on a diluted basis after accounting for the issuance of fifteen percent (15%) of the total outstanding equity interests in the Purchaser to management.

6. The Purchaser shall pay the amount of USD $75,000 to the Monitor in reimbursement of the deposit paid by the Vendor to the Military Order of the Purple Heart Service Foundation, Inc. (the "**MOPH Deposit Payment**"). The MOPH Deposit Payment shall be payable by the Purchaser to the Monitor immediately upon execution of this Agreement by way of certified funds or by wire transfer. Upon such payment, the Vendor's interest in the MOPH deposit shall be assigned to the Purchaser.

7. The Purchaser shall be responsible for all reasonable and documented costs, including but not limited to the professional costs of the Vendor, its Chief Restructuring Officer and the Monitor, with respect to the negotiation and documentation of this Agreement, the approval of this Agreement and the TSA Extension by the Court and the extension of the stay of proceedings in the Vendor's ongoing CCAA proceedings. The Purchaser agrees to pay such costs to the Monitor up to **$**75,000 (plus sales taxes) within ten (10) days after being presented with a statement of account by the Vendor.

8. In addition to the professional costs dealt with in Paragraph 7 above, the Purchaser acknowledges and agrees that, in accordance with the terms and provisions of the TSA, all costs relating to the operation of the Business during the term of the TSA, including the TSA Extension, shall be for the Purchaser's account and the Purchaser shall be responsible for the payment of those costs, including but not limited to any reasonable and documented costs that have been incurred or may be incurred by the Vendor on account of regulatory reporting, the preparation of tax returns for time periods related to the TSA and the commercial insurance required to cover the Vendor, and its affiliates, during the TSA Extension so long as such reasonable costs are approved by Purchaser prior to such costs being incurred.

9. Upon approval of this Agreement by the Court, the Purchaser, along with its successors, assigns, parents, subsidiaries and affiliates, and each of their respective shareholders, directors, officers, agents and employees and any party who may claim a right or interest through them (collectively, the "**Purchaser Parties**") shall be deemed to have released and discharged the Applicants and their respective successors, assigns, parents, subsidiaries and affiliates, and each of their respective shareholders, directors, officers, agents and employees and any party who may claim a right or interest through them (collectively the "**Vendor Parties**") from, including but not limited to, any and all manner of actions, causes of action, suits, debts, accounts, covenants, liens, claims, damages, costs and demands, whether known or unknown (collectively, the "**Claims**"), in respect of the Working Capital Adjustment provided for in Article 2.08 of the APA and any amounts billed to the Purchaser's account under the TSA up to and including the date of this Agreement, subject to the terms set out herein.

10. In the event that the Purchaser Parties or the Vendor Parties should hereafter make any claim or demand or commence or threaten to commence any action,

claim or proceeding or make any complaint against the other party hereunder released, this Agreement may be raised as an estoppel and complete bar to such claim, demand, action, proceeding or complaint or any other Claim. This Agreement may be pleaded in the event that any such claim, action, complaint or proceeding is brought, as a complete defence and reply, and may be relied upon in any proceeding to dismiss the claim, action, complaint or proceeding on a summary basis.

11. This Agreement may be signed in any number of counterparts, each of which is an original, and all of which taken together constitute one single document. Counterparts may be transmitted by fax or in electronically scanned form. Parties transmitting by fax or electronically will also deliver the original counterpart to the other party, but failure to do so does not invalidate this Agreement.

12. The Purchaser Parties and Vendor Parties hereby represent and warrant that they have not assigned to any person, firm or corporation any of the actions, causes of action, claims, debts, suits or demands of any nature or kind which are contemplated and released pursuant to this Agreement.

13. This Agreement enures to the benefit of and binds the parties and the parties' respective heirs, executors, administrators, and other legal representatives, successors, and permitted assigns. This Agreement may not be assigned without the prior written consent of each party.

14. Except as otherwise expressly set out herein, all dollar amounts referred to herein are in Canadian dollars.

15. This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

[remainder of page intentionally left blank]

THIS AGREEMENT has been executed by the parties below and is effective as of May 16, 2014.

IMARKETING SOLUTIONS GROUP INC.,
on its own behalf and on behalf of the Applicants as signatories to the Asset Purchase Agreement dated October 8, 2013 with IMKT Direct Solutions Corporation and iMarketing Acquisition, LLC

Per: Upkar Arora c/s
Name: Upkar Arora
Title: Chief Restructuring Officer

IMKT DIRECT SOLUTIONS CORPORATION

Per: _____ c/s
Name: Dennis A. Cahill
Title: Director

IMARKETING ACQUISITION, LLC

Per: _____ c/s
Name: Dennis A. Cahill
Title: Chief Executive Officer

THIS AGREEMENT has been executed by the parties below and is effective as of May 16, 2014.

IMARKETING SOLUTIONS GROUP INC.,
on its own behalf and on behalf of the Applicants as signatories to the Asset Purchase Agreement dated October 8, 2013 with IMKT Direct Solutions Corporation and iMarketing Acquisition, LLC

Per: _____ c/s
Name: Upkar Arora
Title: Chief Restructuring Officer

IMKT DIRECT SOLUTIONS CORPORATION

Per: _____ c/s
Name: Dennis A. Cahill
Title: Director

IMARKETING ACQUISITION, LLC

Per: _____ c/s
Name: Dennis A. Cahill
Title: Chief Executive Officer

Appendix “B”

ILLUMINA

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

May 2, 2013

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

Attn: Andrew Langhorne, CEO

Dear Mr. Langhorne:

Re: Appointment of Chief Restructuring Officer

On April 11, 2013, iMarketing Solutions Group Inc. and those related companies noted on Schedule "A" (collectively referred as the "**Company**") filed for protection pursuant to the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**").

The Company has brought a motion for the appointment of Duff & Phelps Canada Restructuring Inc. as the Monitor under the CCAA (the "**Monitor**") of the Company. The Company wishes to retain Illumina Partners Inc. ("**Illumina**") who will provide the services of Upkar Arora ("**Arora**") to manage the day-to-day operations of the Company in the capacity of Chief Restructuring Officer ("**CRO**"). The Company has also brought a motion confirming and approving the appointment of Illumina as CRO of the Company.

The Engagement

Illumina will act as an independent contractor and provide the services of Arora as the CRO of the Company and as an officer of the Court in accordance with the terms of the Order in respect thereof (the "**CRO Appointment Order**").

Illumina will have the powers and duties of the CRO of the Company, including completing and implementing a restructuring plan for the Company, cash management

and financial reporting in conjunction with and under the supervision of the Monitor. Furthermore, Illumina shall (i) comply with all applicable laws, rules and regulations, and all requirements of all applicable regulatory, self-regulatory and administrative bodies; and (ii) comply with orders of the Court in connection with the Company's proceedings under the CCAA. As an officer of the Court, the CRO may apply to the Court for advice and directions in the discharge of its powers and duties, and may report to the Court as it sees fit or as requested by the Court.

Commencing on the date of the CRO Appointment Order, the CRO will have the following specific duties, all of which will be carried out for, on behalf of and in the name of the Company:

(a) The direction of the day-to-day operations of the Company and carriage of the business of the Company, as the CRO deems necessary or advisable;

(b) The preservation and protection of the property, assets and undertaking of the Company (the "**Property**");

(c) The establishment of a plan or plans for the restructuring of the Company and reporting on its progress, timeframe and issues related thereto;

(d) The implementation of the restructuring plan or plans and coordinating and participating in communications to the Company, creditors and other stakeholders;

(e) The management of receipts and disbursements consistent with the cash flows filed in the proceedings and arising out of the operations of the Company (and the obligation to forthwith bring any and all issues related thereto to the attention of the Company and the Monitor);

(f) The power to evaluate all potential sale or investment transactions and negotiate on behalf of the Company with respect to the sale of or transfer of the Property or an investment in the Company and in doing so, shall cooperate and work with the Monitor on the basis contemplated in the Sale and Investment Process; and

(g) The power to provide information to the Company, the Monitor and the secured lenders (and each of their advisors) regarding the business and affairs of the Company, on a basis consistent with the Orders issued in these proceedings.

(collectively, the "**Engagement**").

For greater certainty, the Engagement and all aspects related thereto shall be subject to the review by and oversight of the Monitor. The CRO shall advise the Company and the Monitor as to the status of the Engagement and the overall business and affairs of the Company as and how requested.

The CRO will continue the Engagement until the appointment of the CRO is terminated by Order of the Court or pursuant to the terms of this Agreement.

Fees and Indemnity

Provided that the CRO shall not have ceased to perform its duties and responsibilities diligently, faithfully and honestly, the Company will provide the following consideration to Illumina for the Engagement hereunder:

(a) **Monthly Fees.** C$75,000 per month (the "**Monthly Fees**"), payable bi-weekly in arrears, plus any applicable taxes.

(b) **Expenses.** The Company shall reimburse Illumina at actual cost without markup for all reasonable out-of-pocket expenses incurred by it (including any applicable taxes) in connection with the Engagement upon submission of invoices therefor. Illumina's reasonable legal expenses in connection with this Agreement or any modification thereto shall be paid by the Company upon submission of an invoice or invoices for such expenses.

(c) **Success Fee.**

(i) For purposes hereof, the "**Success Event**" will have occurred upon the closing of one or more sale or investment transactions pursuant to which a cash injection is made into the Company or all or part of the Company's assets are sold or the implementation of a plan of arrangement and, in any case, such transaction(s) or arrangement yields cumulative gross sale proceeds in an amount greater than $2.5 million or results in the Company's creditors receiving securities or cash or a combination thereof which, in the aggregate, have a value exceeding $2.5 million.

(ii) If the Success Event occurs within the term of this Agreement or within six (6) months thereafter, then the Company shall pay to Illumina the Success Fee as set forth in Schedule "B".

(iii) The Success Fee will be paid promptly following the occurrence of the

Success Event.

The Company shall indemnify and hold harmless the CRO against and from any obligations and liabilities that they both or either of them may incur as CRO and the Company after the commencement of the CCAA proceedings, except in the event that the obligation or liability was incurred as a direct result of the CRO's gross negligence or willful misconduct.

Role of CRO

The CRO shall provide the services of Arora who has particular knowledge and expertise applicable to the activities and affairs of the Company, to act in such capacity and perform the services required herein on and subject to the terms and conditions contained herein. It is acknowledged and agreed that Arora shall be the only individual who performs the services required by this engagement.

Termination

Subject to the CRO's right to terminate set forth below, and unless extended by agreement between Illumina and the Company, this agreement terminates on the earlier of: (a) the closing of the sale of the Property or investment in the Company resulting from the sale and investment process to be undertaken in the CCAA proceedings; (b) the appointment of a trustee in bankruptcy of the Company and the discharge of the Monitor; and (c) September 10, 2013.

It is understood that the CRO may terminate this agreement and that the CRO shall end its engagement hereunder, on fourteen (14) calendar days written notice to the Company and the Monitor; provided that in the event that the CRO terminates this agreement, it shall forfeit any further Success Fee otherwise falling due to it thereafter and no further Monthly Fees shall be payable other than those accruing to the termination date. Notice shall be sent by way of email to the President of the Company and counsel to the Monitor and the secured lender.

If this letter meets with your approval and reflects your understanding of our role and responsibilities, please sign the enclosed duplicate copy and return it to me.

Yours very truly,
Illumina Partners Inc.
Upkar Arora
Upkar Arora, CA, ICD.D
UA

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

Dated at Toronto, this 2nd day of May, 2013.

iMarketing Solutions Group Inc.

Per: _____

Name: Andrew Langhorne
Title: CEO

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"

Calculation and Payment of CRO Success Fee

Guaranteed Minimum Success Fee

None

Definition of a "Success Event"

A success fee shall be payable upon the occurrence of a "**Success Event**" which will have occurred upon the closing of one or more sale or investment transactions pursuant to which a cash injection is made into the Company or all or part of the Company's assets are sold or the implementation of a plan of arrangement and, in any case, such transaction(s) or arrangement yields cumulative gross sale proceeds in an amount greater than $2.5 million or results in the Company's creditors receiving securities or cash or a combination thereof which, in the aggregate, have a value exceeding $2.5 million.

For greater certainty, the value of any investment transaction(s) for the purpose of calculating the success fee will be determined using the valuation evidence provided to the Court by the Monitor in support of the Applicants' motion for approval of such transaction(s).

For greater certainty, "gross sale proceeds" shall also include any residual free cash flow from operations during the sixteen (16) week cash flow period after repayment of the DIP Loan (residual cash flow being the net cash generated, prepared on a basis which is consistent with the Company's cash flow projections filed with the Court as an Exhibit to the Affidavit of Andrew Langhorne sworn April 11, 2013) and shall exclude any brokerage fees or transaction costs.

If cumulative sale proceeds are less than $2.5 million, no success fee shall be paid.

Success Fee Calculation

Upon the occurrence of a "Success Event", a success fee representing 5% of the gross sale proceeds above $2.5 million shall be payable to the CRO.

By way of example, if residual free cash flow is $500,000 and the proceeds of sale are $3.5 million for total gross sale proceeds in the amount of $4.0 million, the success payable to the CRO shall be $200,000 (5% x $4.0 million = $200,000)