

September 22, 2017

To the Creditors of Digital Underground Media Inc. (“DUM” or the “Company”)

Please take notice that on September 21, 2017, DUM filed a Notice of Intention to Make a Proposal (the “NOI”) pursuant to s.50.4(1) of the *Bankruptcy and Insolvency Act (Canada)* (“BIA”). Please find enclosed the following:

1. The NOI, filed on September 21, 2017;
2. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims;
3. The consent of the Trustee to act in these matters; and
4. The Certificate of Filing.

Please note this is not a bankruptcy, but rather protection has been sought under the BIA pending the filing of a proposal to creditors.

Pursuant to the BIA:

- All proceedings by creditors are stayed (stopped) as of September 21, 2017;
- The Company is required to file a Proposal within 30 days of filing the NOI, subject to an extension from the Court; and
- A meeting of creditors to consider the Proposal is to be held within 21 days of the filing of a Proposal, and notice of the meeting will be sent to all known creditors at least 10 days prior to the date of the meeting.

All documents relating to this Estate are located on our website, which will be updated throughout the administration of this Estate. The website address is <http://mnpdebt.ca/en/corporate/Engagements>.

There is no need for any creditor to file a Proof of Claim at this time. If you have any questions concerning the foregoing or require any additional information please contact Jessie Hue at 416-515-5006 or by email at Jessie.Hue@mnp.ca.

Yours truly,

MNP LTD.
Trustee acting *in re*: the Proposal of
Digital Underground Media Inc.
Per:



Matthew Lem, CIRP, LIT

Encl

District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
Digital Underground Media Inc.
A Company Incorporated Pursuant to the Laws of the Province
Of Ontario, with a Head Office in the City of Vancouver,
In the Province of British Columbia

Take notice that:

1. We, Digital Underground Media Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that we intend to make a proposal to our creditors.
2. MNP LTD. of 300 - 111 Richmond Street West, Toronto, ON, M5H 2G4, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against us are stayed as of the date of filing of this notice with the official receiver in our locality.

Dated at the City of Toronto in the Province of Ontario, this 20th day of September 2017.



Digital Underground Media Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of:
 Division No.
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Digital Underground Media Inc.
 of the City of Vancouver
 in the Province of British Columbia

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Ade & Company Inc	2157 Henderson Hwy Winnipeg MB R2G 1P9 CA		584.00
Beacon Securities Limited	66 Wellington Street West Suite 4050, TD Tower Toronto ON M5K 1H1 CA		157,500.00
Best Best Krieger LLP	3390 University Avenue Riverside CA 92501 USA		380.58
David Chae	102-704 Yeoungtong e-Pyeonhansesang Apt 239 Yeoungtong-ro, 200 Bengal, Yeontong-gu, Suwon-si, Gyeonggi-do Korea		250,000.00
Denise Cooper	186 St. George Street, Suite 200 Toronto ON M5R 2N3 CA		14,604.00
DUM Holdings Inc.	Suite 1600, 1 First Canadian Place, 100 King Street West Toronto ON M5X 1G5 CA		528,291.47
Ernst & Young	700 W Georgia St Vancouver BC V7Y 1C7 CA		42,000.00
Gowlings WLG	Suite 1600, 1 First Canadian Place, 100 King Street West Toronto ON M5X 1G5 CA		31,684.00
Innovex	3,Cheongmyeongnam-ro, Yeongtong-gu Suwon-si, Gyeonggi-do Korea		90,000.00
JD Craig Holdings Inc	4280 Rockridge Road West Vancouver BC V7W 1A5 CA		2,816,031.78
Neil East Sound Broadcasting Ltd. (SBL)	1A - 1455 Waverley Street Winnipeg MB R3T 0P7 CA		15,680.00
Palms Creative Inc	205 - 309 W Cordova St. Vancouver BC V6B 1E5 CA		7,875.00
Piasetzki Nenniger Kvas LLP	120 Adelaide St W Suite 2308 Toronto ON M5H 1T1 CA		423.00

District of:
 Division No.
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Digital Underground Media Inc.
 of the City of Vancouver
 in the Province of British Columbia

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Stambol Studios Inc.	104 - 1309 West 14th Ave Vancouver BC V6H 1R2 CA		7,245.00
Stantec Consulting Ltd.	c/o Lockbox 310260, PO BOX 578, STN M Calgary AB T2P 2J2 CA		10,061.00
Tomik2 inc.	62 Wendover Road Toronto ON M8X 2L3 CA		9,722.00
Vilarreal Garcia	Torre Sofia Ricardo Margáin 440-701 Valle del Campestre, San Pedro Garza Garcia, N.L 66265 Mexico		13,600.77
Waterford Partners	350-1 First Canadian Place Toronto Board of Trade Tower Toronto ON M5X 1C1 CA		7,350.00
Total			4,003,032.60


 Digital Underground Media Inc.
 Insolvent Person

- Proposal Consent -

In the matter of the proposal of
Digital Underground Media Inc.
a Company Incorporated Pursuant to the Laws of the Province of Ontario
with a Head Office in the City of Vancouver, in the Province of British Columbia

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the
proposal of Digital Underground Media Inc..

Dated at the City of Toronto in the Province of Ontario, this 21st day of September 2017.

MNP LTD. - Licensed Insolvency Trustee



300 - 111 Richmond Street West
Toronto ON M5H 2G4
Phone: (416) 596-1711 Fax: (416) 323-5242



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2295766
Estate No. 31-2295766

In the Matter of the Notice of Intention to make a
proposal of:

Digital Underground Media Inc.
Insolvent Person
MNP LTD / MNP LTÉE
Licensed Insolvency Trustee

Date of the Notice of Intention: September 21, 2017

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: September 22, 2017, 09:25

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada