

April 11, 2017

To the Creditors of Masterfile Corporation ("**Masterfile**" or the "**Company**")

Please take notice that on April 5, 2017, Masterfile filed a Proposal (the "**Proposal**") pursuant to s.50.4(1) of the *Bankruptcy and Insolvency Act (Canada)* ("**BIA**") and MNP Ltd has consented to act as Proposal Trustee. Please find enclosed the following:

- A. Notice of Proposal to Creditors dated April 5, 2017;
- B. A copy of the Proposal, filed on April 5, 2017;
- C. Statement of Affairs;
- D. Report of Trustee on Proposal;
- E. Proof of Claim Form;
- F. Proxy Form; and
- G. Voting Letter

Pursuant to the BIA all proceedings by creditors are stayed (stopped) as of April 5, 2017;

A meeting of creditors to consider the Proposal will be held at 10:00am on April 25, 2017, at the offices of MNP Ltd located at 300-111 Richmond Street West, Toronto, Ontario.

If you have any questions concerning the foregoing or require any additional information, please contact Echa Odeh at 416-515-5066 or by email at [masterfile@mnp.ca](mailto:masterfile@mnp.ca).

Yours truly,

**MNP Ltd.**  
**Trustee Acting *in re*: the Proposal of**  
**Masterfile Corporation**  
Per:

  
\_\_\_\_\_  
Sheldon Title, CPA, CA, CIRP, LIT

“A”

Notice of Proposal to Creditors dated April 5, 2017

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2237153  
Estate No. 31-2237153

FORM 92  
Notice of Proposal to Creditors  
(Section 51 of the Act)

In the matter of the proposal of  
Masterfile Corporation  
of the City of Toronto  
in the Province of Ontario

Take notice that Masterfile Corporation of the City of Toronto in the Province of Ontario has lodged with us a proposal under the Bankruptcy and Insolvency Act.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed herewith.

A general meeting of the creditors will be held at 300-111 Richmond Street West, Toronto, ON on the 25th day of April 2017 at 10:00 AM.

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

Dated at the City of Toronto in the Province of Ontario, this 11th day of April 2017.

MNP LTD. - Licensed Insolvency Trustee



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

(A form of proof of claim, a form of proxy and a voting letter should be enclosed with each notice.)

“B”

Proposal

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)  
[COMMERCIAL LIST]**

**IN THE MATTER OF THE PROPOSAL OF  
MASTERFILE CORPORATION  
OF THE CITY OF TORONTO,  
IN THE PROVINCE OF ONTARIO**

**PROPOSAL**

MASTERFILE CORPORATION hereby submit the following Proposal to its Unsecured Creditors pursuant to Part III of the BIA.

**ARTICLE 1**

**DEFINITIONS**

**1.1 Definitions**

In this Proposal:

- (a) “**Administrative Fees and Expenses**” means the proper fees, expenses, including legal fees and disbursements, of the Trustee and the Debtor, including the fees and disbursements of Audaxlaw, counsel to the Debtor, on and incidental to the negotiation, preparation, presentation, consideration and implementation of the Proposal, and all proceedings and matters relating to or arising out of the Proposal;
- (b) “**Approval Order**” means an Order of the Court approving the Proposal;
- (c) “**Article 6.3 Funds**” shall have the meaning attributed to such term in **Article 5.1**;
- (d) “**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and in force as at the Proposal Date;
- (e) “**Business Day**” means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;
- (f) “**Canada Pension Plan**” means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended;

- (g) “**Claim**” means any right of any Person against the Debtor or a Director in connection with any indebtedness, liability or obligation of any kind of the Debtor which indebtedness, liability or obligation is in existence at the Proposal Date, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, by surety or otherwise and whether or not such a right is executory in nature, including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which exist prior to or as of the Proposal Date;
- (h) “**Court**” means the Ontario Superior Court of Justice (in Bankruptcy and Insolvency);
- (i) “**Creditor**” means any Person, having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;
- (j) “**Creditors’ Meeting**” means the meeting of the Unsecured Creditors called for the purpose of considering and voting upon the Proposal;
- (k) “**Creditors’ Meeting Date**” means the date and time as may be called by the Trustee for the meeting of creditors to consider this Proposal, but in any event shall be no later than twenty-one (21) days following the Proposal Date;
- (l) “**Debtor**” means Masterfile Corporation;
- (m) “**Directors**” means the Debtor’s current and past, actual, deemed, or *de facto* directors;
- (n) “**Employee Creditors**” means employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under **paragraph 136(l)(d)** of the BIA if the Debtor became bankrupt on the Proposal Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor’s business during the same period;
- (o) “**Employment Insurance Act**” means the *Employment Insurance Act*, S.C. 1996 c. 23, as amended;
- (p) “**Implementation Date**” means the date upon which the conditions set forth in **Article 7.4** have been satisfied;

- (q) “**Income Tax Act**” means the *Income Tax Act*, R.S.C. 1985, c. 1 (5<sup>th</sup> Supp.), as amended;
- (r) “**Inspectors**” means one or more inspectors appointed pursuant to the BIA as provided for in the Proposal;
- (s) “**Official Receiver**” shall have the meaning ascribed thereto in the BIA;
- (t) “**Person**” means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (u) “**Preferred Claim**” means the portion (some or all, as the case may be) of the Proven Claim of a Creditor that is required by the BIA to be paid in priority to all other Proven Claims under a proposal made by a debtor other than the Claims of Employee Creditors and the Claims of Source Deduction Creditors;
- (v) “**Preferred Creditor**” means a Creditor with a Preferred Claim;
- (w) “**Proof of Claim**” shall mean the proof of claim required by the BIA to be mailed to each known Creditor prior to the Creditors’ Meeting;
- (x) “**Proposal**” means this proposal together with any amendments or additions thereto;
- (y) “**Proposal Proceeds**” shall have the meaning attributed to such term in **Article 5.1**;
- (z) “**Proposal Date**” means the date of the filing of the Proposal with the Official Receiver;
- (aa) “**Proven Claim**” of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the BIA;
- (bb) “**Related Creditors**” means Masterfile USA Corporation and Crestock Corporation;
- (cc) “**Source Deduction Creditors**” means Her Majesty in Right of Canada or a Province for all amounts that were outstanding on the Proposal Date and are of a kind that could be subject to a demand under,
  - (i) **subsection 224(1.2)** of the *Income Tax Act*;
  - (ii) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to **subsection 224(1.2)** of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee’s premium, or employer’s premium, as

defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or

- (iii) any provision of provincial legislation that has a similar purpose to **subsection 224(1.2)** of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum;
  - (A) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
  - (B) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a “province providing a comprehensive pension plan” as defined in **subsection 3(1)** of the *Canada Pension Plan* and the provincial legislation establishes a “provincial pension plan” as defined in that subsection;
- (dd) **“Secured Creditor”** means a person, holding a valid and perfected mortgage, hypothec, pledge, charge or lien on or against the property or assets of the Debtor as security for a debt due or accruing due to the person from the Debtor;
- (ee) **“Trustee”** means MNP Ltd. or its duly appointed successor or successors;
- (ff) **“Unsecured Creditor”** means any Creditor who is not a Secured Creditor; and
- (gg) **“Voting Letter”** shall mean the voting letter required by **subsection 51(1)** of the BIA to be mailed to each known Creditor prior to the Unsecured Creditors’ Meeting.

## 1.2 Articles of Reference

The terms “hereof”, “hereunder”, “herein” and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

## 1.3 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.



#### **1.4 Date for Any Action**

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

#### **1.5 Time**

All times expressed herein are local time in Toronto, Ontario, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time shall be deemed to be 5:00 p.m. local time in Toronto, Ontario, Canada.

#### **1.6 Numbers**

In the Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

#### **1.7 Currency**

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

#### **1.8 Statutory References**

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

#### **1.9 Successors and Assigns**

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

### **ARTICLE 2**

#### **CLASSIFICATION AND TREATMENT OF CREDITOR**

##### **2.1 Classes of Creditors**

For the purposes of voting on the Proposal, only the Unsecured Creditors will be entitled to vote on the Proposal. There shall be one (1) class of Unsecured Creditors.

##### **2.2 Secured Creditor**

The Claim of each Secured Creditor shall be paid by the Debtor in accordance with agreements between the Debtor and the Secured Creditor or as otherwise agreed between the Secured

Creditor and the Debtor. For greater clarity, each Secured Creditor shall not be affected by the Proposal or the Proposal proceedings commenced by the Debtor under the BIA.

### **2.3 Administrative Fees and Expenses**

The Administrative Fees and Expenses will be paid in full from the Proposal Proceeds in priority to all other Claims.

### **2.4 Preferred Creditors**

Preferred Claims are to be paid in full in accordance with the BIA and the Proposal.

### **2.5 Unsecured Creditors**

The Proven Claims of the Unsecured Creditors, other than those of Preferred Creditors, will be satisfied or paid as provided by **Article 6**.

### **2.6 Related Creditors**

The Related Creditors claims shall receive no dividend under this Proposal.

## **ARTICLE 3**

### **PROCEDURE FOR VALIDATION OF CLAIMS**

#### **3.1 Filing of Proofs of Claim**

Each Unsecured Creditor must file a Proof of Claim as required by the BIA to vote on, or receive a distribution under, the Proposal.

#### **3.2 Allowance or Disallowance of Claims by the Trustee**

Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each Proof of Claim in accordance with the provisions of the BIA. The procedure for valuing Claims of the Unsecured Creditors and resolving disputes with respect to such Claims will be as set forth in the BIA.

#### **3.3 Delivery of section 149 Notice**

Immediately after the Implementation Date, the Trustee will deliver notices as provided by **section 149** of the BIA.

## ARTICLE 4

### MEETING OF CREDITORS

#### 4.1 Unsecured Creditors' Meeting

On the Creditors' Meeting Date, the Debtor shall hold the Creditors' Meeting in order for the Unsecured Creditors to consider and vote upon the Proposal.

#### 4.2 Time and Place of Meeting

Unless otherwise ordered by the Court, the Creditors' Meeting shall be held at a time and place to be established by the Official Receiver, or the nominee thereof, and confirmed in the notice of Creditors' Meeting to be mailed to Creditors pursuant to the BIA.

#### 4.3 Conduct of Meetings

The Official Receiver, or the nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only persons entitled to attend the Creditors' Meeting are those persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, the Secured Creditors and their respective legal counsel, if any, and the officers, directors, auditors and legal counsel of the Debtor, together with such representatives of the Trustee as the Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other person may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Unsecured Creditors.

#### 4.4 Adjournment of Meetings

The Creditors' Meeting may be adjourned in accordance with **section 52** of the BIA.

#### 4.5 Voting by Creditors

To the extent provided for herein, each Unsecured Creditor will be entitled to vote to the extent of the amount that is equal to that Unsecured Creditor's Claim. Any Proof of Claim in respect of a Claim that is not a Proven Claim as at the Creditors' Meeting Date will be marked as objected to in accordance with **subsection 108(3)** of the BIA. Related Creditors will not be entitled to vote at the Creditors' Meeting.

#### 4.6 Approval by Creditors

In order that the Proposal be binding on all of the Unsecured Creditors of the Debtor in accordance with the BIA, it must first be accepted by each class of Unsecured Creditors by a majority in number of the Unsecured Creditors who actually vote upon the Proposal (in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of the Unsecured Creditors in each class who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

#### 4.7 Appointment of Inspectors

At the Meeting of Creditors, the Unsecured Creditors may appoint up to **five (5)** Inspectors whose powers will be limited to: (a) advising the Trustee concerning any dispute which may arise as to the validity of Claims; and (b) advising the Trustee from time to time with respect to any other matter that the Trustee may refer to them.

### ARTICLE 5

#### FUNDING OF PROPOSAL

##### 5.1 Funding of Proposal.

The Debtor shall pay to the Trustee:

- (i) the sum of \$800,000 (the “**Article 6.3 Funds**”) in minimum quarterly installments of \$40,000 commencing within 90 days of the Implementation Date, which are to be distributed in accordance with **Article 6.3**;
- (ii) Immediately after the making of the Approval Order, the funds required to satisfy payment of the Employee Claims; and
- (iii) Within six months after the making of the Approval Order, the funds required to satisfy payment of the Source Deduction Creditors,

(collectively, the “**Proposal Proceeds**”).

The Debtor shall be at liberty to accelerate any payments required to be made herein.

### ARTICLE 6

#### DISTRIBUTION

##### 6.1 Payment of Employee Creditors

The Claims, if any, of the Employee Creditors shall be paid by the Trustee from the Proposal Proceeds immediately after the making of the Approval Order.

##### 6.2 Payment of Source Deduction Creditors

Unless Her Majesty agrees otherwise, the Proven Claims, if any, of the Source Deduction Creditors shall be paid by the Trustee from the Proposal Proceeds within six (6) months after the making of the Approval Order.

### **6.3 Distribution to Unsecured Creditors**

The Article 6.3 Funds received and held by the Trustee will be distributed by the Trustee as follows:

- (a) First, to pay the Administrative Fees and Expenses in full;
- (b) Second, to pay the Preferred Claims; and
- (c) Third, after making the distributions contemplated by paragraphs (a) and (b) pay to each Unsecured Creditor *pro rata* based on the proportion that the Proven Claim of such Unsecured Creditor bears to the total Proven Claims of all Unsecured Creditors, exclusive of Preferred Claim, Claims of Employee Creditors and Claims of Source Deduction Creditors.

### **6.4 Levy**

Payments to each Unsecured Creditor shall be net of any applicable levy payable to the Office of the Superintendent of Bankruptcy as required by the BIA and the Trustee shall remit the amount of such levy to the Office of the Superintendent of Bankruptcy contemporaneous with the distributions to Unsecured Creditors.

### **6.5 Discharge of Trustee**

Upon the payment by the Trustee of the amounts contemplated in this **Article 6**, the Trustee shall have discharged its duties as Trustee and the Trustee shall be entitled to apply for its discharge as Trustee. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Debtor and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.

## **ARTICLE 7**

### **MISCELLANEOUS**

#### **7.1 Compromise Effective for all Purposes**

The provisions of this Proposal will be binding upon each Unsecured Creditor, their heirs, executors, administrators, successors and assigns, for all purposes. Subject to the limitations in **section 50(14)** of the BIA, the Claims against the Directors that arose before the Proposal Date and that relate to the obligations of the Debtor where the directors are by law liable in their capacity as directors for the payment of such obligations will be satisfied and released.

#### **7.2 Modification of Proposal**

The Debtor may propose an alteration or modification to the Proposal prior to the vote taking place on the Proposal.

### 7.3 Consents, Waivers and Agreements

As at 12:01 a.m. on the Implementation Date, each Unsecured Creditor will be deemed:

- (a) to have executed and delivered to the Debtor all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) to have waived any default by the Debtor in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Unsecured Creditor and the Debtor that has occurred on or prior to the Implementation Date;
- (c) to have agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Unsecured Creditor and the Debtor as at the Implementation Date (other than those entered into by the Debtor on, or with effect from, the Implementation Date) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly;
- (d) to have released the Debtor, the Trustee and all of their respective affiliates, employees, agents, directors, officers, shareholders, advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgements, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with the matters herein; provided that nothing herein shall release the Debtor of its obligation to make the distributions to Unsecured Creditors contemplated in this Proposal; and
- (e) to have, subject to the limitations in section 50(14) of the BIA, released the Directors of the Claims that arose before the Proposal Date and that relate to the obligations of the Debtor where the directors are by law liable in their capacity as directors for the payment of such obligations.

### 7.4 Conditions to Proposal Implementation

The implementation of the Proposal by the Debtor will be conditional upon the fulfilment or satisfaction of the following conditions:

- (a) The acceptance of the Proposal by the Unsecured Creditors; and

- (b) The making of the Approval Order and the expiry of all appeal periods.

#### **7.5 Full Implementation**

This Proposal will be fully implemented by the Debtor on payment of the Proposal Proceeds to the Trustee.

#### **7.6 Effect of Proposal Generally**

As at 12:01 a.m. on the date of the Approval Order becomes final and binding:

- (a) The treatment of all Claims under the Proposal shall be final and binding on the Debtor and all Unsecured Creditors (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns); and
- (b) The Proposal shall constitute: (i) a full, final and absolute settlement of all rights of the holders of the Claims affected hereby; and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Debtor and the Directors of or in respect of the Claims.

#### **7.7 Conduct of Debtor's Business**

Subject to any Order made by the Court, the Debtor shall remain in possession and control of their property and assets at all times, both before and after implementation of this Proposal.

### **ARTICLE 8**

#### **ADVOIDANCE OF TRANSACTION**

##### **8.1 Avoidance Proceedings**

Sections 95 to 101 of the BIA will not apply in respect of the Debtor or this Proposal.

### **ARTICLE 9**

#### **GENERAL**

##### **9.1 Notices**

Any notices or communication to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by telecopier or electronic mail (except for Proofs of Claim which may only be sent by personal delivery, telecopier, electronic mail or registered mail) addressed to the respective parties as follows:

- (a) if to the Debtor:

**c/o Audax Law**  
Suite 3300, 20 Queen St.W.  
Toronto ON M5H 3R3

**Attention: Frank Spizzirri**  
Telecopier: 416-862-8329  
E-mail : frank.spizzirri@audaxlaw.com

- (b) if to an Unsecured Creditor, to the address, electronic mail address or telecopier number for such Unsecured Creditor specified in the Proof of Claim filed by such Unsecured Creditor or, if no proof of Claim has been filed, to such other address electronic mail address or telecopier number at which the notifying party may reasonably believe that the Unsecured Creditor may be contacted; and

- (c) if to the Trustee:

**MNP Ltd.**  
300-111Richmond St W  
Toronto, ON M5H 2G4

**Attention: Sheldon Title**  
Telecopier: 416-596-1711  
E-mail : sheldon.title@mnp.ca

or to such other address, electronic mail address or telecopier number as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery, electronic mail or by telecopier and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by telecopier or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in to case of notice mailed as aforesaid, on the fifth (5<sup>th</sup>) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

## 9.2 Foreign Currency Obligations

For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the Proposal Date.



**9.3 Applicable Law**

This Proposal shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

**9.4 Non Severability**

It is intended that all provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect

**9.5 Deeming Provisions**

In this Proposal the deeming provisions are not rebuttable and are conclusive and irrevocable.

**THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK**

**EXECUTION PAGE**

DATED at TORONTO, this 5<sup>th</sup> day of April 2017.

**MASTERFILE CORPORATION**

Per:  \_\_\_\_\_

Name: STEVE PIGEON  
Title: PRESIDENT

I have authority to bind the corporation.

“C”

## Statement of Affairs

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

Original  Amended

-- Form 78 --  
 Statement of Affairs (Business Proposal) made by an entity  
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)


In the matter of the proposal of  
 Masterfile Corporation  
 of the City of Toronto  
 in the Province of Ontario

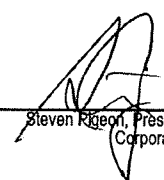
To the debtor:  
 You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 5th day of April 2017. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)		ASSETS (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A" .....	3,883,504.31	1. Inventory .....	75,000.00
Balance of secured claims as per list "B" .....	0.00	2. Trade fixtures, etc. ....	0.00
Total unsecured creditors .....	3,883,504.31	3. Accounts receivable and other receivables, as per list "E"	
2. Secured creditors as per list "B" .....	35,001.00	Good .....	318,000.00
3. Preferred creditors as per list "C" .....	53,349.98	Doubtful .....	106,000.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for .....	0.00	Bad .....	0.00
Total liabilities .....	3,971,855.29	Estimated to produce .....	318,000.00
Surplus .....	NIL	4. Bills of exchange, promissory note, etc., as per list "F" ....	0.00
		5. Deposits in financial institutions .....	0.00
		6. Cash .....	16,862.00
		7. Livestock .....	0.00
		8. Machinery, equipment and plant .....	15,000.00
		9. Real property or immovable as per list "G" .....	0.00
		10. Furniture .....	0.00
		11. RRSPs, RRFs, life insurance, etc. ....	0.00
		12. Securities (shares, bonds, debentures, etc.) .....	1.00
		13. Interests under wills .....	0.00
		14. Vehicles .....	1.00
		15. Other property, as per list "H" .....	0.00
		If debtor is a corporation, add:	
		Amount of subscribed capital .....	0.00
		Amount paid on capital .....	0.00
		Balance subscribed and unpaid .....	0.00
		Estimated to produce .....	0.00
		Total assets .....	424,864.00
		Deficiency .....	3,546,991.29

I, Steven Pigeon, President of Masterfile Corporation, of the City of Toronto in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of its affairs on the 5th day of April 2017 and fully disclose all property of every description that is in its possession or that may devolve on it in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)  
 before me at the City of Toronto in the Province of Ontario, on this 5th day of April 2017.

  
 Henry Louis, Commissioner of Oaths  
 For the Province of Ontario  
 Expires December 30, 2019

  
 Steven Pigeon, President of Masterfile  
 Corporation

Henry Louis, a Commissioner, etc.,  
 Province of Ontario, for MNP Ltd. and MNP LLP,  
 Expires December 30, 2019.

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FORM 78 -- Continued

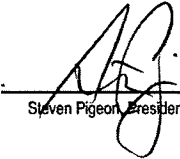
List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	20824387 ALBERTA LTD.	11216-36A Avenue Edmonton AB T6J 0E8	14,700.94	0.00	14,700.94
2	ABLE IMAGES	"merriefields" Corbett Road Ryde PO 33 3LF Isle of Wight	5,743.54	0.00	5,743.54
3	AFLO CO. LTD. (RF)	75 Builnet 1 6-16-9 Ginza, Chuo-ku Tokyo 104-0061 Japan	20,766.02	0.00	20,766.02
4	Akamai Technologies Inc 1-LHA98E	PO Box 26590 New York NY 10087-6590 USA	3,099.01	0.00	3,099.01
5	Albert C. Karges	2216 E Miller St Seattle WA 98112 USA	1,066.02	0.00	1,066.02
6	ALBERT NORMANDIN PHOTOGRAPHY	229 Begin Street Coquitlam BC V3K 4V4	8,450.08	0.00	8,450.08
7	Alec Pytlowany	P.O. Box 733 McBride BC V0J 2E0	1,401.56	0.00	1,401.56
8	ALISON BARNES MARTIN	PHOTOGRAPHY LTD. LIABILITY CORP. 9829 Sagamore Road Leawood KS 66206 USA	2,008.01	0.00	2,008.01
9	Allan Baxter	79 Ashenden Road Hackney London E5 0DT United Kingdom	5,369.08	0.00	5,369.08
10	Allan Davey	36 Elizabeth Street Stratford ON N5A 4Z2	7,048.24	0.00	7,048.24
11	Allen Bimbach	6861 East 12th Avenue Denver CO 80220 USA	218.06	0.00	218.06
12	Alyson Scott	36 Southvale Drive Toronto ON M4G 1G3	3,289.98	0.00	3,289.98
13	ALUMA IMAGES	4710 St. Ambrose # 317 Montreal QC H4C 2C7	405.82	0.00	405.82
14	AMANAIMAGES - CLOVER	2-2-43 Higashi-Shinagawa Shinagawa-ku Tokyo 140-0002 Japan	44.83	0.00	44.83
15	Amy Whitt	142 Calumet Drive Birmingham AL 35242 USA	2,673.11	0.00	2,673.11
16	Andre Reinke	Hoheluftchaussee 139 Hamburg 20253 Germany	314.08	0.00	314.08
17	Andrej Kopac	742 Gladstone Ave Toronto ON M6H 3J6	293.66	0.00	293.66
18	Andrew Brookes	The Loft, Chequers Lane, Cadmore End, High Wycombe, Bucks HP14 3PH United Kingdom	2,469.08	0.00	2,469.08
19	Andrew Judd	238 Indian Road Toronto ON M6R 2W9	2,962.33	0.00	2,962.33
20	Andrew Kolb	110 Warden Avenue Toronto ON M1N 2Z4	4,167.00	0.00	4,167.00
21	Andrew McKim	8 rue d'Orsel 75018 Paris France	356.25	0.00	356.25
22	ANDREW OLNEY PHOTOGRAPHY LTD.	180 Victoria Road London N22 7XQ England	1,344.81	0.00	1,344.81
23	Andrew Wenzel	Unit A 331 Edgehill Drive Barrie ON L4N 9X5	137.86	0.00	137.86

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Date

  
 Steven Pigeon, President of Masterfile Corporation

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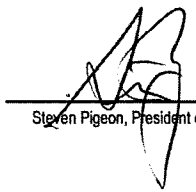
List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
24	Andy Lee	380 MacPherson Avenue Unit # 433 Toronto ON M4V 3E3	575.13	0.00	575.13
25	Angelika Antl	Sudelenstrasse 16 65479 Raunheim Germany	2.59	0.00	2.59
26	Angie Lee	Hedderichstr. 67 Frankfurt 60596 Germany	473.94	0.00	473.94
27	Angus Fergusson	15 Adrian Avenue Suite 102 Toronto ON M6N 5G4	1,674.62	0.00	1,674.62
28	Anita Clark	56 Sycamore Rise Newbury, Berkshire RG14 2LZ United Kingdom	63.76	0.00	63.76
29	Anna Huber	Gartenstraße 41 41460 Neuss Germany	635.18	0.00	635.18
30	Anne Domdey	Kölner Straße 228 Düsseldorf 40227 Germany	526.08	0.00	526.08
31	Anne Wirtz	Furstenwall 228 Dusseldorf 40215 Germany	248.22	0.00	248.22
32	Anthony Redpath	403-3333 Main Street Vancouver BC V5V 3M8	1,510.53	0.00	1,510.53
33	ARCAID LTD.	25-37 Cowleaze Road Kingston-upon-Thames Surrey KT2 6DZ United Kingdom	6,227.93	0.00	6,227.93
34	ARCHIVISION, INCORPORATED	2878 Chamonix Nord St. Laurent Montreal QC H4R 3B7	821.23	0.00	821.23
35	Arian Camilleri	449 Troutman Street #3-1 Brooklyn NY 11237 USA	2,147.55	0.00	2,147.55
36	Ariel Skelley	13 Highland Road Richmond VA 23229 USA	22.87	0.00	22.87
37	Arne C. Gerson	Gerichtstrasse 37 Hamburg 22765 Germany	67.08	0.00	67.08
38	ARTIGA PHOTO	4906 Aurora Drive Kensington MD 20895 USA	4,587.26	0.00	4,587.26
39	ARTIST ACCOUNTS WIREIMAGESTOCK	C/O GETTY IMAGES 75 Varick Street New York NY 10013 USA	43.64	0.00	43.64
40	Ascent Xmedia	Via Lavizzani 4 Lugano 6900 Switzerland	340.35	0.00	340.35
41	ASIA SELECTS	106 Cedar Drive Red Hill Peninsula Tai Tam Hong Kong	311.21	0.00	311.21
42	ASTRAKAN IMAGES AB	C/o Apelöga Jörgen Kocksgatan 65 Malmö S-211 20 Sweden	428.22	0.00	428.22
43	Atli Mar Hafsteinsson	Skálholti 17 355 Iceland Iceland	6,447.25	0.00	6,447.25
44	AURORA PHOTOS, INC.	45 York Street Portland ME 04101 USA	21,487.59	0.00	21,487.59
45	Axel Thomae	Ziegelteiweg 38 Dusseldorf 40591 Germany	249.86	0.00	249.86
46	BARRETT ADVERTISING PHOTO.INC.	3433 Elizabeth Street Jupiter FL 33458 USA	5,525.67	0.00	5,525.67
47	BARTOLOME OZONAS FERRER	General Diaz Portier, 13 3B Madrid 28001 Spain	486.43	0.00	486.43

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Date

  
 Steven Pigeon, President of Masterfile Corporation

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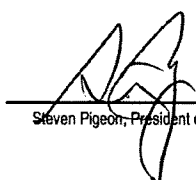
List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
48	BAVARIAN CONSULT GMBH-DENKOU	Berengariastr. 9 Gauting D-82131 Germany	789.48	0.00	789.48
49	Bell Canada 416 929 3000	P O Box 9000, Station Don Mills North York ON M3C 2X7	3,864.27	0.00	3,864.27
50	Bell Canada T 609 3417	P O Box 1550 North York ON M3C 3N5	921.97	0.00	921.97
51	Ben Seelt	PUBLICITEITSFOTOGRAFIE Kaaidijk 26 Kortgene 4484NP Netherlands	156.53	0.00	156.53
52	Bereskin & Parr Intellectual Property Law	40 King Street West, Box 401 Toronto ON M5H 3Y2	1,884.61	0.00	1,884.61
53	Bernd Eberle	Heideckstrasse 12 Munich 80637 Germany	241.87	0.00	241.87
54	Bernhard Haselbeck	Bayerstr. 77A/rgb. München 80335 Germany	1,591.11	0.00	1,591.11
55	BESTVIEW STOCK	Room 203 No. Jia 127 Xin Wen Hua Xicheng Dist, Beijing 100031 China	2,694.22	0.00	2,694.22
56	Beth Dixon	625 E. 14th Street #4D New York NY 10009 USA	1,667.60	0.00	1,667.60
57	Bettina Salomon	Ziegel Stadel Straße 6a 5026 Salzburg Austria	2,493.18	0.00	2,493.18
58	BIG CHEESE PHOTO	4977 19th. Avenue South Seattle WA 98108 USA	3,569.21	0.00	3,569.21
59	BILL BROOKS PHOTOGRAPHY LTD	10 Guildwood Parkway Apt. 327 Toronto ON M1E 5B5	268.17	0.00	268.17
60	BLEND IMAGES, LLC	501 E Pine St., Suite 200 Seattle WA 98122 USA	316,633.39	0.00	316,633.39
61	BLUE HILL ATELIER	495 Cote St. Patrick Saint Coloman QC J5K 1T1	6,287.41	0.00	6,287.41
62	BLUE IMAGES LLC	5482 Wilshire Blvd # 1510B Los Angeles CA 90036 USA	12,011.52	0.00	12,011.52
63	BLUEMOON STOCK INC.	4411 1/4 Ambrose Avenue Los Angeles CA 90027 USA	3,078.53	0.00	3,078.53
64	Bob Anderson	405 St. Clair Avenue East Toronto ON M4T 1P6	3,407.21	0.00	3,407.21
65	Bob Gelberg	8559 Ardoch Road Miami Lakes FL 33016 USA	5,074.08	0.00	5,074.08
66	BOB MITCHELL PHOTOGRAPHY	74 Dix Hills Road Huntington NY 11743 USA	56.30	0.00	56.30
67	BODEN/LEDINGHAM	P.O. Box 686 Bragg Creek AB T0L 0K0	10,616.26	0.00	10,616.26
68	BRIAN KUHLMANN PICTURES INC.	1925 Vestal Ave Los Angeles CA 90026 USA	2,223.16	0.00	2,223.16
69	BRIAN PIETERS PHOTOGRAPHY LTD.	11 Carlaw Avenue Unit 6 Toronto ON M4M 2R6	3,736.67	0.00	3,736.67
70	Brian Sytnyk	Box 98 Westhope ND 58793 USA	7,678.93	0.00	7,678.93
71	BROOKSIDE STUDIO	540 Weller Street Peterborough ON K9H 2N6	1,676.88	0.00	1,676.88

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List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
72	Bruce Fleming	60 Wimpole Street London W1G 8AG United Kingdom	677.53	0.00	677.53
73	BRYAN HELM PHOTOGRAPHY	570 Westminster Road Apt. C-11 Brooklyn NY 11230 USA	614.33	0.00	614.33
74	Bryan Reinhart	Nonnallerhaupt Str. 18 Salzburg 5020 Austria	6,161.99	0.00	6,161.99
75	BURAZIN PHOTOGRAPHY	28515 Fowlers Bay Drive Waterford WI 53185 USA	4,992.53	0.00	4,992.53
76	CARL VALIQUET PHOTOGRAPHE	4060, boul. Saint-Laurent Bureau 107 Montreal QC H2W 1Y8	1,077.58	0.00	1,077.58
77	Carl Warner	No. 1 The Printworks 230 Long Lane London SE1 4QB United Kingdom	2,202.73	0.00	2,202.73
78	Carsten Görting	Eppendorfer Baum 5 Hamburg 20249 Germany	847.06	0.00	847.06
79	CAVAN IMAGES, LLC	250 West Broadway, 5th. Floor New York NY 10013 USA	577.20	0.00	577.20
80	CHAD JOHNSTON PHOTOGRAPHICS	2405 Carpenter Road Sooke BC V9Z 0R1	5,006.55	0.00	5,006.55
81	CHRIS FRAZER SMITH PHOTOG. LTD	5b Blackstock Mews London N4 2BT England	40.65	0.00	40.65
82	CHRIS MCELCHERAN PHOTOGRAPHY	24 Crestview Road Toronto ON M5N 1H6	16.12	0.00	16.12
83	CHRISTIAN DEUTSCHER FOTOGRAFIE	Blumenthalstrasse 13 Essen 45138 Germany	8.96	0.00	8.96
84	CHRISTIE AND COLE STUDIO INC.	5466 Lichenhearth Court Stone Mountain GA 30087 USA	57.17	0.00	57.17
85	Christina Handley	120 Country Road 44 RR #2 Burnt River ON K0M 1C0	1,123.59	0.00	1,123.59
86	Christina Krutz	Kathe-Kolwitz-Strasse 4a Biebesheim am Rhein 64584 Germany	6,155.00	0.00	6,155.00
87	Christopher Gruver	301-2243 Folkestone Way West Vancouver BC V7S 2Y7	906.97	0.00	906.97
88	Christopher Hendrickson	414 4th Street East Saskatoon SK S7H 1J5	2,339.48	0.00	2,339.48
89	CIRQUE DYNAMICS INC.	94 Somervale Place Calgary AB T2Y 3K4	9,146.79	0.00	9,146.79
90	Cisco Webex	PO Box 4090 Stn A Toronto ON M5W 0E9	260.68	0.00	260.68
91	CONTORAKES PRODUCTIONS LLC	3035 Windham Drive EUSTIS FL 32726 USA	2,594.29	0.00	2,594.29
92	CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insol	PO Box 5548 451 Talbot St, 3rd Flr London ON N6A 4R3	1.00	0.00	1.00
93	CREASOURCE LIMITED	Berengariastr. 9 Gauting D-82131 Germany	719.15	0.00	719.15
94	CULLOR BY BENSON LTD	1011 55th Street Edmonton AB T6L 1Y8	15,305.98	0.00	15,305.98
95	CURTIS STUDIO LIMITED	199 Church Street Suite 1 Toronto ON M5B 1Y7	851.92	0.00	851.92

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FORM 78 -- Continued

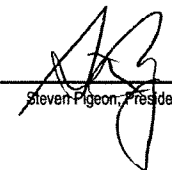
List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
96	Daisy Gilardini	5639 Hampton Place Suite 607 Vancouver BC V6T 2H6	3,884.33	0.00	3,884.33
97	Dale Sanders	519 Brough Place Victoria BC V9C 3E8	5,340.13	0.00	5,340.13
98	Dale Wilson	P.O. Box 648 64 Astour Drive Eastern Passage NS B3G 1M9	2,426.08	0.00	2,426.08
99	Dan Kenyon	20 Victoria Avenue Crosby Liverpool L23 8UH United Kingdom	67.21	0.00	67.21
100	DAN LIM PHOTOGRAPHY INC.	90 Sumach Street #617 Toronto ON M5A 4R4	5,578.30	0.00	5,578.30
101	Dana Hursey	2750 Highview Avenue Altadena CA 91001 USA	7,512.91	0.00	7,512.91
102	Daniel Barillot	6 rue Scipion Paris 75005 France	1,976.63	0.00	1,976.63
103	Daniel Jurak	15812-63 Street Edmonton AB T5Y 2R8	799.95	0.00	799.95
104	Daniel Minor	2628 Westminster Place Costa Mesa CA 92627 USA	48.35	0.00	48.35
105	Daniel Rodriguez	6435 SE 20th Avenue Portland OR 97202 USA	387.27	0.00	387.27
106	DARRELL LECORRE PHOTOGRAPHY	2512 Shakespeare St. Victoria BC V8R 4G5	466.61	0.00	466.61
107	DARRYL LENIUK PHOTOGRAPHY	2268 Kensington Ave Burnaby BC V5B 4E2	6,170.74	0.00	6,170.74
108	DAVE ROBERTSON PHOTOGRAPHY INC	2171 Balaclava St. Vancouver BC V6K 4C4	9,281.88	0.00	9,281.88
109	David Hall	8816 Roberts Road Odessa FL 33556 USA	2,403.93	0.00	2,403.93
110	David Leahy	98 Rendlesham Road London E5 8PA England	258.29	0.00	258.29
111	David Mendelsohn	15 Tall Pines Road Durham NH 03824 USA	5,128.48	0.00	5,128.48
112	David Muir	2 Oakdale Court Dartmouth NS B3A 4R3	14,267.11	0.00	14,267.11
113	DAVID NOTON PHOTOGRAPHY	Clark House, Higher Kingsbury Milborne Post, Sherborne Dorset DT9 5EB England	22.87	0.00	22.87
114	DAVID PAPAIZIAN INC.	9578 NW Maring Drive Portland OR 97229 USA	2,662.99	0.00	2,662.99
115	David Schmidt	3221 E. Coolidge Street Phoenix AZ 85018 USA	996.18	0.00	996.18
116	David Starrett	101 Thursfield Crescent East York ON M4G 2N4	159.52	0.00	159.52
117	David Stuart	975 Park Forest Trail NW Lilburn GA 30047 USA	117.78	0.00	117.78
118	DAVID ZIMMERMAN STUDIOS INC.	36 W. 20th Street 10th Floor New York NY 10011 USA	2,727.44	0.00	2,727.44
119	David&Micha Sheldon	Escherthshofen 24 92367 Pilsach Germany	3,425.75	0.00	3,425.75

05-Apr-2017

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List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
120	DAZZO PHOTOGRAPHY	5536 Lindley Avenue #314 Encino CA 91316 USA	1,188.65	0.00	1,188.65
121	Dennie Cody & D. Khattiya	5880 SW 53 Terrace Miami FL 33155 USA	2,489.74	0.00	2,489.74
122	DESIGN PICS INC.	#101, 10464-176 St. Edmonton AB T8N 6A2	21,981.08	0.00	21,981.08
123	DesignEdge Canada	134 Park Lawn Road Toronto ON M8Y 3H9	2,260.00	0.00	2,260.00
124	DEX IMAGES	Design Exchange Co., Ltd. Aobadai bldg. 3-6-16 Aobadai Meguro-ku, Tokyo 153-0042 Japan	904.70	0.00	904.70
125	DI3P COMMUNICATIONS	10 Trenwith Terrace St. Ives, Cornwall TR26 1QE England	1,580.21	0.00	1,580.21
126	Didier Dorval	Ponce de Leon #16 Patzcuaro Centro Patzcuaro Michoacan Mexico	8,532.73	0.00	8,532.73
127	Digital Media Licencing Associated	2820 S Alma School Road, Suite 18 pmb 261 Chandler AZ 86286 USA	4,748.10	0.00	4,748.10
128	Domenico Tondini	Via delle Forbici, 8 Firenze 50133 Italy	134.45	0.00	134.45
129	Don Miller	5d Brussels St. Etobicoke ON M8Y 1H2	64.90	0.00	64.90
130	Doug Forster	141 First Avenue Toronto ON M4M 1W9	535.35	0.00	535.35
131	DOUGLAS E WALKER PHOTO LTD	54 Kenossee Drive Box 104 Kenossee Lake SK S0C 2S0	2,709.72	0.00	2,709.72
132	Ed Gifford	19560 Park Road Pitt Meadows BC V3Y 1A9	8,070.29	0.00	8,070.29
133	Edward Pond	245 Carlaw Avenue Suite 509b Toronto ON M4M 2S1	8,263.06	0.00	8,263.06
134	Elisabeth Cölfen	Ruhrorter Strasse 26 Duisburg 47198 Germany	53.27	0.00	53.27
135	Elizabeth Knox	1470 Van Home # 16 Outremont QC H2V 1L2	58.31	0.00	58.31
136	Elke Esser	Grevenbroicher Strasse 43 Bergheim 50126 Germany	220.63	0.00	220.63
137	Emanuele Ciccomartino	Avda. Monasterio de Silos, 20D-1A 28049 Madrid Spain	112.38	0.00	112.38
138	EMOTIVE IMAGES GMBH.	Bartelsstrasse 33 Hamburg 20357 Germany	4,816.93	0.00	4,816.93
139	Employee Unsecured Claims	3 Concorde Gate, 4th Floor Toronto ON M3C 3N7	521,951.70	0.00	521,951.70
140	ERIC SCHMIDT PHOTOGRAPHY	3118 Spring Ridge Drive Bozeman MT 59715 USA	1,311.45	0.00	1,311.45
141	ERICKSON PRODUCTIONS INC.	P.O. Box 621 Petaluma CA 94953 USA	610.93	0.00	610.93
142	Ernst & Young LLP 0011396057	P O Box 57104, Postal Station A Toronto ON M5W 5M5	58,312.07	0.00	58,312.07
143	Estelle Klawitter	Marshallstr. 37 Dusseldorf 40477 Germany	441.59	0.00	441.59

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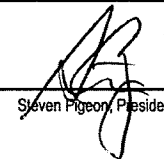
List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
144	EYECANDY IMAGES INC.	976 Townsend Avenue New Haven CT 06512 USA	3,051.44	0.00	3,051.44
145	F1ONLINE DIGITALE BILDAGENTUR	Hanauer Landstraasse 188 Frankfurt 60314 Germany	902.30	0.00	902.30
146	Fabio Cardoso	431 SE 13th Ct. #202 Deerfield Beach FL 33441 USA	1,228.56	0.00	1,228.56
147	Fabrizio Paganelli	Reisholzerstr. 26 Düsseldorf 40231 Germany	598.13	0.00	598.13
148	FedEX 1041-6248-7	P O Box 57104, Postal Station A Toronto ON M5W 5M5	4,089.31	0.00	4,089.31
149	FLOWERPHOTOS LIMITED	P.O. Box 2190 Shoreham-by-Sea West Sussex BN43 9EZ United Kingdom	4,831.25	0.00	4,831.25
150	FOLIO BILDBYRÅ AB	Tegnégatan 8 Stockholm 113 58 Sweden	35.41	0.00	35.41
151	FOODANDDRINKPHOTOS LTD.	Unit 321 Wey House Church Street Weybridge KT13 8NA United Kingdom	4,533.85	0.00	4,533.85
152	Forest Johnson	1115 Northeast 9th Avenue Fort Lauderdale FL 33304 USA	131.31	0.00	131.31
153	Frank Krahmer	Bahnhofstr. 13F Taufkirchen 82024 Germany	16,809.68	0.00	16,809.68
154	Frank Lukasseck	Kleinhurden 41 Overath 51491 Germany	16,802.59	0.00	16,802.59
155	Frank Roszbach	Schwelmer Weg 16 51109 Koln Germany	1,262.58	0.00	1,262.58
156	Franklin Hugh Hammond	75 Mallory Crescent Apt. 2 Toronto ON M4G 3L6	28.58	0.00	28.58
157	FRY DESIGN	2325 Bossert Avenue Kamloops BC V2C 2V6	63,247.63	0.00	63,247.63
158	FSTOP IMAGES GMBH	Skalitzer Str. 140 Berlin 10999 Germany	15,003.54	0.00	15,003.54
159	G BISS PHOTOGRAPHY LTD	5080 Timberlea Blvd. Unit 1 Mississauga ON L4W 4M2	3,419.81	0.00	3,419.81
160	Gail Mooney	10 Summit Road P.O. Box 152 Brookside NJ 07926-0152 USA	6,105.25	0.00	6,105.25
161	GALLO IMAGES (PTY) LTD.	1st. Fl, Curzon Place, CNR Cumberland and Grosvenor Rd. Bryanston 2194 South Africa	3,881.31	0.00	3,881.31
162	GARREAU DESIGNS, INC.	384 Forest Avenue Suite 13 Laguna Beach CA 92651 USA	149.96	0.00	149.96
163	Garry Black	1083 St. Emmanuel Terrace Gloucester ON K1C 2J6	23,546.58	0.00	23,546.58
164	GARY GEROVAC PHOTOGRAPHY	3148 Sir John's Homestead Mississauga ON L5L 2N9	2,350.79	0.00	2,350.79
165	Gary Matoso	7316 Bergman Road Bainbridge Island WA 98110 USA	7.30	0.00	7.30
166	GARY RHIJNSBURGER PHOTOGRAPHY	1013 Ibar Way Mississauga ON L5H 4H7	4,253.05	0.00	4,253.05
167	George Remington	1075 State Road Hinkley OH 44233 USA	815.08	0.00	815.08

05-Apr-2017

Date

  
 Steven Fygon, President of Masterfile Corporation

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FORM 78 -- Continued

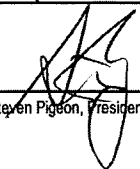
List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
168	George Shelley	1522 SW 13th Court Fort Lauderdale FL 33312 USA	2,770.20	0.00	2,770.20
169	George Simhoni	70 Ward Street Toronto ON M6H 4A6	3,853.99	0.00	3,853.99
170	George Wellmans	Viller 27 Goch 47574 Germany	92.88	0.00	92.88
171	Gerhard Steiner	Metzkaiserstrasse 26 Dusseldorf 40625 Germany	35.33	0.00	35.33
172	GETTY IMAGES	101 Bayham Street Camden London NW1 0AG England	86,037.21	0.00	86,037.21
173	GLEN WEXLER STUDIO, INC.	3274 North Knoll Drive Los Angeles CA 90068 USA	669.66	0.00	669.66
174	Gloria H Chomica	331 Hawkdale Bay N.W. Calgary AB T3G 3M8	1,144.23	0.00	1,144.23
175	GLOW IMAGES INC.	1000 Brickwell Avenue Suite 715 Miami FL 33131 USA	8,054.29	0.00	8,054.29
176	Graham French	837 Broadview Avenue Unit 11 Toronto ON M4K 2P9	9,617.57	0.00	9,617.57
177	Grant Harder	521 Hawks Avenue Vancouver BC V6A 3H8	273.29	0.00	273.29
178	GREAT STOCK!	56 Central Avenue Illovo 2196 P.O. Box 87622, Houghton 2041 Johannesburg South Africa	682.72	0.00	682.72
179	Greg Stott	205 Willow Avenue Toronto ON M4E 3K4	4,436.00	0.00	4,436.00
180	Guntmar Fritz	Von-Waldthausen-Str. 28 Neuss 41469 Germany	82.61	0.00	82.61
181	Guy Grenier	40 rue des Framboisiers Cantley QC J8V 2V7	1,529.22	0.00	1,529.22
182	H.ARMSTRONG ROBERTS COMPANY	4203 Locust Street Philadelphia PA 19104 USA	27,562.85	0.00	27,562.85
183	Halasz + Burow GbR	Lammersleith 52 Hamburg 22305 Germany	13,769.91	0.00	13,769.91
184	Hans Blohm	64 Avonlea Road Nepean ON K2G 0J5	2,489.58	0.00	2,489.58
185	Harald Vorsteher	Bogenstrasse 17 Dusseldorf 40227 Germany	562.81	0.00	562.81
186	HENDRICKSON PHOTOGRAPHY	3450 Aintree Drive North Vancouver BC V7R 4E3	4,824.67	0.00	4,824.67
187	Henrik Olund	4229 Bobbitt Drive Dallas TX 75229 USA	285.32	0.00	285.32
188	HERO IMAGES INC.	Suite 300 119 14th. Street NW Calgary AB T2N 1Z6	83,888.55	0.00	83,888.55
189	HIEP VU PHOTOGRAPHY	103 The Queensway #1514 Toronto ON M6S 5B3	5,101.93	0.00	5,101.93
190	HO YUEN FONG (ORIENTAL TOUCH)	1A Ayrbank Avenue, Stonyfell, S.A. 5066 Stonyfell Australia	1,720.21	0.00	1,720.21
191	HOLA IMAGES LLC	1000 Brickell Avenue Suite 715 Miami FL 33131 USA	110.12	0.00	110.12

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 Steven Pigeon, President of Masterfile Corporation

District of:  
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FORM 78 -- Continued

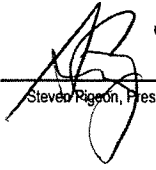
List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
192	Holger Ehlers	Buckstr. 1-3 Walsrode 29664 Germany	109.08	0.00	109.08
193	Holger Hill	Herderstr. 27 Reutlingen 72762 Germany	153.45	0.00	153.45
194	Holly Ann Wilmeth	220 North Zapata Hwy 11 Laredo TX 78043 USA	4,876.51	0.00	4,876.51
195	Horst Herget	104 Fulton Avenue Toronto ON M4K 1X8	1,741.63	0.00	1,741.63
196	HUBER + STARKE GBR	Gartenstraße 41 Neuss 41460 Germany	3,925.00	0.00	3,925.00
197	Hugh Burden	7A Cooks Folly Road Sneyd Park Bristol BS9 1PL United Kingdom	59.48	0.00	59.48
198	HUNTSTOCK INC.	19 Millers Joist Plymouth MA 02360 USA	2,167.49	0.00	2,167.49
199	IDREAM STOCK INC.	Leaderstei 509, 447, Sang-dong, Wonmi-gu Bucheon-si Gyeonggi-do 420-816 Korea	18,858.71	0.00	18,858.71
200	ICONOTEC.COM	5 Rue Paul Bert Saint Ouen 93400 France	2,698.01	0.00	2,698.01
201	IMAGE NAVI CORP.(SOZAIJITEN)	SE Sankyo Bldg 13F 1-2 N7 W1 Kita-ku Sapporo 060-0807 Japan	1,243.48	0.00	1,243.48
202	IMAGE REPUBLIC INC.	B-2202 Yeouido Park Centre 28-3Yeouido-dong,Yoengdeungpo-gu Seoul Korea	698.04	0.00	698.04
203	IMAGE SOURCE TRADING LIMITED	4th. floor Queensland House 393 The Strand London WC2R 0LT United Kingdom	169,907.45	0.00	169,907.45
204	IMAGEBROKER, KLAUS-PETER WOLF	Bavariafilmplatz 7 Gruenwald 82031 Germany	49.25	0.00	49.25
205	IMAGEDJ CORPORATION	8F, No. 380, Sec. 4, Xinyi Rd. Da'an Dist. Taipei 106 Taiwan	410.42	0.00	410.42
206	IMAGEZOO	1551 Johnston Street Suite 209 Vancouver BC V6H 3R9	75.91	0.00	75.91
207	IML IMAGE GROUP - SMART MAGNA	23 Alexandroupoleos Street Athens 11527 Greece	274.80	0.00	274.80
208	Imperial Coffee and Services Inc.	12 Kodiak Crescent North York ON M3J 3G5	937.17	0.00	937.17
209	INMAGINE SDN.BDH.	Level 3, Kelana Parkview Tower 1 Jalan SS6/2, 47301 Petaling Jaya, Selango Malaysia	65.40	0.00	65.40
210	INSPIRESTOCK INC.	Unit 1010, 10/F, Miramar Tower 132 Nathan Road, Tsim Sha Ts Kowloon Hong Kong	188.49	0.00	188.49
211	INTEGRITY PRODUCTIONS INC.	2456 NE 26 TER Fort Lauderdale FL 33305 USA	10,742.20	0.00	10,742.20
212	IT Development Solutions Inc	15 Faith Lane Ardsley NY 10502 USA	665.00	0.00	665.00
213	IVARY INC.	R801, Halla SigmaVally 2 Seongsu-dong 2-ga, Seongdong-gu Seoul 153-704 Korea	336.08	0.00	336.08

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 Steven Rigoon, President of Masterfile Corporation

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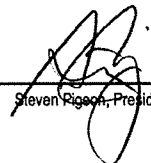
List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
214	IX Systems	2490 Kruse Drive San Jose CA 95131 USA	7,361.55	0.00	7,361.55
215	J. A. Kraulis	3887 West 14th Avenue Vancouver BC V6R 2X1	14,377.39	0.00	14,377.39
216	J. David Andrews	30 Chemin Adamson Chelsea QC J9B 2J4	7,248.23	0.00	7,248.23
217	Jackson Huang	388 Carlaw Avenue Suite 302B Toronto ON M4M 2T4	10,465.82	0.00	10,465.82
218	JAMES TSE PHOTOGRAPHY INC.	92 Geary Avenue Toronto ON M6H 2B6	390.41	0.00	390.41
219	James Wardell	18359 McCowan Road Mount Albert ON L0G 1M0	2,308.39	0.00	2,308.39
220	Jamie Scarrow	408-B, 3rd Street Courtenay BC V9N 1E5	662.00	0.00	662.00
221	JANET BAILEY PHOTOS	376 St. Johns Road Toronto ON M6S 2K8	2,154.77	0.00	2,154.77
222	Janet Foster	830 Crookston Road R.R. # 5 Madoc ON K0K 2K0	4,054.70	0.00	4,054.70
223	Jason Friend	151 Shields Road Newcastle Upon Tyne Tyne and Wear NE6 1DP England	1,151.04	0.00	1,151.04
224	JASON HOSKING PHOTOGRAPHY LTD	P.O. Box 215 Invercargill 9840 New Zealand	633.71	0.00	633.71
225	JAZHART STUDIOS INC.	R.R. #1, Site 2, Box 42 Millarville AB T0L 1K0	4,159.73	0.00	4,159.73
226	Jean- Christophe Riou	19 rue des Platanes Murviel-lès-Montpellier 34570 France	4,793.81	0.00	4,793.81
227	Jean-Yves Bruel	760 rue St-Paul ouest 4th Floor Montreal QC H3C 1M4	1,737.52	0.00	1,737.52
228	Jennifer Burrell	8 Glenwood Drive Alliston ON L9R 1S5	1,941.54	0.00	1,941.54
229	Jens Lüebkemann	Friesenheimer Strasse 14 Mannheim 68169 Germany	1,712.56	0.00	1,712.56
230	JEREMY MAUDE PHOTOGRAPHY	4576 Savoy Street Delta BC V4K 4T1	1,602.33	0.00	1,602.33
231	Jeremy Walker	2 Iles Cottage Leigh, Sherborne Dorset DT9 6HW United Kingdom	4,305.44	0.00	4,305.44
232	Jerzyworks	30 Willowbank Blvd Toronto ON M4R 1B6	25,012.10	0.00	25,012.10
233	Jim Craigmyle	2438 Line 10 RR2 Bradford ON L3Z 2A5	2,385.48	0.00	2,385.48
234	Jochen Schlenker	P.O. Box 264 Hawthorn, VIC 3122 Australia	12,211.14	0.00	12,211.14
235	Jodi Pudge	15 Adrian Avenue Suite 154 Toronto ON M6N 5G4	4,532.45	0.00	4,532.45
236	Joel Benard	40 Rathnelly Avenue Toronto ON M4V 2M3	3,028.86	0.00	3,028.86
237	Joerg Letz	Morsestrasse 18 Dusseldorf 40215 Germany	88.87	0.00	88.87

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 Steven Pigeon, President of Masterfile Corporation

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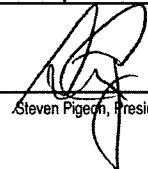
List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
238	John Cullen	3 Burnt Log Crescent Toronto ON M9C 2J7	1,236.21	0.00	1,236.21
239	John Curtis & Pamela Strauss	8 Newcomb Street Unit #1 Boston MA 02118 USA	1,210.50	0.00	1,210.50
240	John de Visser	54 Munroe Street Cobourg ON K9A 1C1	490.91	0.00	490.91
241	John Emrys	208 Queens Avenue Toronto ON MBV 2N9	20.96	0.00	20.96
242	John Ferrentino	11 Ramsey Terrace Fair Lawn NJ 07410 USA	654.32	0.00	654.32
243	John Foster	830 Crookston Road R.R. # 5 Madoc ON K0K 2K0	3,754.59	0.00	3,754.59
244	JOHN GERTZ PHOTOGRAPHY	851 Three Islands Blvd. #318 Hallandale FL 33009 USA	636.44	0.00	636.44
245	John Harper	9 Widley Gardens Waterlooville Hampshire PO7 5RB United Kingdom	53.62	0.00	53.62
246	John Hryniuk	701-260 Sackville Street Toronto ON M5A 3G1	248.21	0.00	248.21
247	John Lee	#332-2288 West Broadway Ave Vancouver BC V6K 0B3	6,214.44	0.00	6,214.44
248	John R Curtis	565 Rainbow Road Salt Spring Island BC V8K 2M6	348.93	0.00	348.93
249	John Van Der Schilden	227 Cassandra Blvd North York ON M3A 1V3	460.05	0.00	460.05
250	JOHN WARBURTON LEE PHOTOGRAPHY	The Old Stables, Broad Oak Whitchurch Shropshire SY13 3AQ United Kingdom	14,963.00	0.00	14,963.00
251	JOHNER BILDBYRA AB	Asogatan 140, 2 tr Stockholm 116 24 Sweden	11,359.24	0.00	11,359.24
252	JON ARNOLD IMAGES LTD.	1 Tilehouse Farm Offices East Shalford Lane Guildford, Surrey GU4 8AE United Kingdom	97.41	0.00	97.41
253	JON FEINGERSH PHOTOGRAPHY INC.	14503 Faraday Drive Rockville MD 20853 USA	3,722.38	0.00	3,722.38
254	JONATHAN ANDREW PHOTOGRAPHY	Nieuwpoortkade 2a Amsterdam 1055 Netherlands	217.66	0.00	217.66
255	Jose Luis Stephens	Manquehue Sur 1620 Depto 103 Las Condes Santiago Chile	16,720.16	0.00	16,720.16
256	JUICE IMAGES LIMITED	The Thatched Office, Abby Manor Business Centre, The Abbey Yeovil, Somerset BA20 2EN United Kingdom	34,853.98	0.00	34,853.98
257	KABLONKI - GOLDEN PIXELS LLC	12786 Fenwick Island CT. W. Jacksonville FL 32224 USA	2,376.07	0.00	2,376.07
258	Kai Joachim	Mercedesstrasse 9 Stuttgart 70372 Germany	1,597.86	0.00	1,597.86
259	Kam Yu	1725 Parkview Green Circle San Jose CA 95131 USA	38.80	0.00	38.80
260	Karen Visser	168 Colin Avenue Toronto ON M5P 2C6	689.50	0.00	689.50
261	Karen Whylie	31 Fermanagh Avenue Guelph ON N1H 4W4	704.90	0.00	704.90

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 Steven Pigeon, President of Masterfile Corporation

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FORM 78 -- Continued

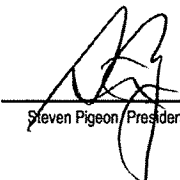
List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
262	Karl-Heinz Raach	Burglestr. 34 a Solden 79294 Germany	503.12	0.00	503.12
263	Kathleen Finlay	71 Boulevard Richard Lenoir Paris 75011 France	9,618.93	0.00	9,618.93
264	Kathy Quirk-Syvertsen	1201 West Minnehaha Parkway Minneapolis MN 55419 USA	1,301.75	0.00	1,301.75
265	Keate Barker	76 Millertown Road Bedford NY 10506 USA	5,469.36	0.00	5,469.36
266	Keith Ballinger	457 Broadway Avenue Toronto ON M4G 2R4	288.43	0.00	288.43
267	Keith Neale	25 Rue Malicorne Vouvant 85120 France	1,424.93	0.00	1,424.93
268	Ken & Michelle Dyball	P.O. Box 330 Cremore, NSW 2090 Australia	204.30	0.00	204.30
269	Ken Davies	206 Church Street Welland ON L3C 4P2	8,478.17	0.00	8,478.17
270	Kevin Arnold	8481 Bear Paw Trail Whistler BC V0N 1B9	962.83	0.00	962.83
271	Kevin Dodge	3026 Golden Eagle Drive East Tallahassee FL 32312 USA	6,406.80	0.00	6,406.80
272	Kevin Radford	1209 8th Street North Jacksonville Beach FL 32250 USA	1,192.55	0.00	1,192.55
273	KOOLSTOCK	2 McPherson Street Moonee Ponds, VIC 3039 Australia	2,581.93	0.00	2,581.93
274	Kristin Sjaarda	111 Garden Avenue Toronto ON M6R 1H8	246.07	0.00	246.07
275	Lalove Benedict	2927 De la Vina Street Apt. 7 Santa Barbara CA 93105 USA	279.78	0.00	279.78
276	Larry Fisher	63 Hawkwood Road North West Calgary AB T3G 1Z3	3,571.06	0.00	3,571.06
277	LARRY WILLIAMS & ASSOCIATES	155 Dalhousie Street PH#03 Toronto ON M5B 2P7	194.15	0.00	194.15
278	LATIN STOCK COLLECTION	Migueletes 1646, Capital Federal Buenos Aires C 1426 BUZ Argentina	347.28	0.00	347.28
279	Laura Johansen	121 Clinton Avenue Kingston NY 12401 USA	75.94	0.00	75.94
280	LEANNE PEDERSEN PHOTOGRAPHY	289 Alexander Street Suite #618 Vancouver BC V6A 4H6	1,177.46	0.00	1,177.46
281	Leon Zemitsky	43 Chopin Blvd. Thornhill ON L4J 8Y6	14.19	0.00	14.19
282	Lisa Brdar	3858 Rosemount Ave Windsor ON N9C 2E5	328.30	0.00	328.30
283	Lloyd Sutton	4634 Tourney Road North Vancouver BC V7K 2W4	8,684.79	0.00	8,684.79
284	Lothar Wels	Jägerhofstraße 19/20 40479 Düsseldorf Germany	930.29	0.00	930.29
285	LUMI IMAGES GBR	Lincolnstr. 26 Munich 81549 Germany	3,426.64	0.00	3,426.64

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Date

  
 Steven Pigeon / President of Masterfile Corporation



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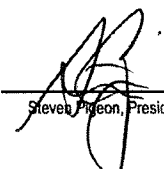
List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
286	MAC-1 LTD.	20 The Square Beaminstler Dorset DT8 3AU United Kingdom	2.86	0.00	2.86
287	Mainline Services 474102	9200 Weston Rd, PO Box 92090 Vaughn ON L4H 3J3	440.70	0.00	440.70
288	MANGO PRODUCTIONS	4342 Saltillo Street Woodland Hills CA 91364 USA	13,818.92	0.00	13,818.92
289	MARC SIMON PHOTOGRAPHY	1162 Rhode Island Street San Francisco CA 94107 USA	1,850.09	0.00	1,850.09
290	Marc Vaughn	1218 Overlook Drive Mount Dora FL 32757 USA	5,895.67	0.00	5,895.67
291	Marco Cristofori	Calle Amado Nervo 2, 6B Madrid 28007 Spain	601.59	0.00	601.59
292	Marden Smith	Ridler Strasse 34 Munchen 80339 Germany	457.24	0.00	457.24
293	Mark Burstyn	9 Davies Avenue Suite 108 Toronto ON M4M 2A6	3,905.97	0.00	3,905.97
294	Mark Downey	3814 NE Hassalo Street Portland OR 97232 USA	2,637.09	0.00	2,637.09
295	MARK LEIBOWITZ PHOTOGRAPHY INC	1112 Montana Avenue #283 Santa Monica CA 90403 USA	5,602.52	0.00	5,602.52
296	Mark Peter Drolet	286 Paxton Crescent Newmarket ON L3X 2C3	2,426.24	0.00	2,426.24
297	MARK TOMALTY PHOTOGRAPHY INC	306 Merton St. Lambert QC J4P 2W5	14,923.40	0.00	14,923.40
298	Mark Wiens	2255 S. Michigan Avenue Suite 5e Chicago IL 60616 USA	1,099.73	0.00	1,099.73
299	Marko MacPherson	104 Douglass Street Brooklyn NY 11231 USA	99.16	0.00	99.16
300	Markus Möllenberg	Schirmerstraße 29 Düsseldorf 40211 Germany	1,997.86	0.00	1,997.86
301	Martin Förster	Bergstrasse 38 51519 Odenthal Germany	373.73	0.00	373.73
302	Martin Ruegner	Berliner Strasse 17 Bad Windsheim 91438 Germany	19,589.62	0.00	19,589.62
303	MASKOT BILDBYRA AB	Skeppsbron 27, Tullhus 3 Stockholm 111 30 Sweden	29,495.77	0.00	29,495.77
304	Masterfile USA Corporation (Related Creditor)	c/o Masterfile Corporation, 3 Concorde Gate Toronto ON M3C 3N7	417,022.00	0.00	417,022.00
305	Matt Brasier	107 Pembroke Road London N10 2JE England	1,976.97	0.00	1,976.97
306	Matt Gray	314 Read Street Santa Fe NM 87501 USA	13.79	0.00	13.79
307	MATTHEW PLEXMAN PHOTOGRAPHY	11 Cartlaw Avenue Unit 6 Toronto ON M4M 2R6	4,462.37	0.00	4,462.37
308	Matthew Wiley	90 Sumach Street Suite 522 Toronto ON M5A 4R4	2,854.34	0.00	2,854.34
309	Matthias Kulka	Newmans Park 29 Hamburg 22609 Germany	7,699.31	0.00	7,699.31

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 Steven Wilson, President of Masterfile Corporation

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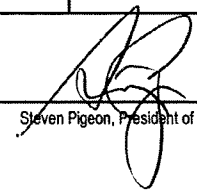
List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
310	Matthias Schliefl	Max-Brauer-Allee 218 Hamburg 22769 Germany	549.36	0.00	549.36
311	Matthias Tunger	Aurbacherstr. 2 Muenchen 81541 Germany	1,787.28	0.00	1,787.28
312	Mel Yates	6 Clifton Road London N8 8HY England	202.39	0.00	202.39
313	Melissa Barnes	673 Oak Street #4 San Francisco CA 94117 USA	123.18	0.00	123.18
314	MICHAEL A. KELLER STUDIOS LTD	137 Sleep Hill Road Beach Lake PA 18405 USA	4,600.43	0.00	4,600.43
315	MICHAEL ALBERSTAT PHOTOGRAPHY	26 Noble Street Studio 2 Toronto ON M6K 2C9	7,758.45	0.00	7,758.45
316	Michael Breuer	Kathe-Kollwitz-Strasse 4a Biebesheim am Rhein 64584 Germany	8,227.50	0.00	8,227.50
317	Michael Clement	4 Wisley Road London SW11 6NF England	87.11	0.00	87.11
318	Michael Eudenbach	PO Box 1535 Vineyard Haven MA 02568 USA	2,194.60	0.00	2,194.60
319	Michael Filonow	162 Fawn Hill Road Tuxedo NY 10987 USA	197.54	0.00	197.54
320	MICHAEL GOLDMAN PHOTOGRAPHY	177 Hudson Street, 2nd Floor New York NY 10013 USA	2,547.86	0.00	2,547.86
321	MICHAEL KOHN PHOTOGRAPHY	24 Treford Place Toronto ON M6J 1Z5	25.96	0.00	25.96
322	MICHAEL MAHOVLICH PHOTOGRAPHY	10 Ernest Avenue Toronto ON M6P 3M7	17,826.55	0.00	17,826.55
323	MICHEKO PRODUCTIONS (RF)	By Michele Vitucci Banatstr. 13 Muenchen 81337 Germany	9,242.67	0.00	9,242.67
324	MIKE DOBEL IMAGES	3444 Arbutus Drive South Cobble Hill BC V0R 1L1	2,707.94	0.00	2,707.94
325	Mike Hamel	1112 Weston Road #214 Weston FL 33326 USA	7.15	0.00	7.15
326	Mike Lorig	1120 3/4 Hacienda Place West Hollywood CA 90069 USA	666.70	0.00	666.70
327	Mike Randolph	34 Burnhamthorpe Crescent Toronto ON M9A 1G4	6,019.08	0.00	6,019.08
328	Min Roman	1030 Sheppard Ave. W. Apt. 903 Toronto ON M3H 6C1	696.37	0.00	696.37
329	MINDEN PICTURES	9565 Soquel Drive Suite 202 Aptos CA 95003 USA	39,658.21	0.00	39,658.21
330	Ministry of Finance - ON PST, EHT & Other Taxes Attn: Mrs. Asta Alberry	Ministry of Revenue 33 King Street West 6th Floor Oshawa ON L1H 8H5	1.00	0.00	1.00
331	MINT IMAGES LIMITED	235 Old Marylebone Road London NW1 5QT United Kingdom	9,619.33	0.00	9,619.33
332	Miriam Lindthaler	Holländische Reihe 21 Hamburg 22765 Germany	1,095.01	0.00	1,095.01
333	Mirian Annoni	Jeronimo Salguero 385, 1A Buenos Aires Argentina	611.80	0.00	611.80

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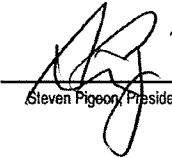
List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
334	Mitch Tobias	601 Van Ness Avenue, #E3-847 San Francisco CA 94102 USA	2,097.71	0.00	2,097.71
335	MITO IMAGES GMBH	Neideck Strasse 67 Munich 81249 Germany	1,949.12	0.00	1,949.12
336	MIXA CO. LTD.	2F NBC Annex Ichigaya Bldg., 9-1 Ichigaya-funagawara-machi, Shinjuku-ku, Tokyo 162-0826 Japan	11.70	0.00	11.70
337	Mok Kien Fatt	387 Bukit Timah Road Singapore 259731	286.29	0.00	286.29
338	MOLYNEAUX PRODUCTIONS INC.	1420 108 Avenue SW Calgary AB T2W 0C5	771.70	0.00	771.70
339	MOODBOARD PREMIUM	45-49 Leather Lane London EC1N 7TJ United Kingdom	6,812.97	0.00	6,812.97
340	MOORE FILM LTD.DBA (MEDICALRF)	First Floor/The Grange Offices Blackrock,Stillorgan Road, Co Dublin Ireland	1,147.93	0.00	1,147.93
341	Mui Chao	3021 East Little Cottonwood Road Sandy UT 84092 USA	2,731.95	0.00	2,731.95
342	NARRATIVES PHOTO AGENCY LTD.	57 Military Road Rye,East Sussex TN31 7NX United Kingdom	292.66	0.00	292.66
343	NATASHA NICHOLSON PHOTOGRAPHY	210-276 Carlaw Ave. Toronto ON M4M 3L1	2,102.39	0.00	2,102.39
344	NATASHA V. PHOTOGRAPHY	264 Woodfield Road Toronto ON M4L 2W7	157.06	0.00	157.06
345	Nathan E. Jones	2748 Pierce Drive South Macon GA 31204 USA	463.28	0.00	463.28
346	Neopost Leasing Services Canada 6160116	150 Steelcase Road West Markham ON L3R 3J9	694.24	0.00	694.24
347	NEW PARADIGM IMAGES LTD.(IKON)	3rd Floor Farringdon House 105-107 Farringdon Road London EC1R 3BU United Kingdom	14,375.41	0.00	14,375.41
348	NEWCO 500 LIMITED(CAIA IMAGES)	8 Domingo Street London EC1Y 0TA England	80,544.49	0.00	80,544.49
349	Nicholas Rigg	Church Cottage Stoodleigh Tiverton, Devon EX16 9PQ England	313.11	0.00	313.11
350	Nick Onken	275 South 1st Street Apt 1L Brooklyn NY 11211 USA	257.33	0.00	257.33
351	Nick White	99 Evering Road London N16 7SL England	5.21	0.00	5.21
352	Nora Good	6083 Tillsdown Drive Apt. A Mississauga ON L5N 4P1	2,082.64	0.00	2,082.64
353	Norbert Kramer	Karl-Simmrock-Strasse 17 Bad Honnef 53604 Germany	45.37	0.00	45.37
354	Norbert Schäfer	Heerdter Lohweg 226b Düsseldorf 40549 Germany	10,156.22	0.00	10,156.22
355	NTB	P.O. Box 6817 St. Olavs plass Oslo 0130 Norway	1,074.13	0.00	1,074.13
356	OCEAN GRAPHICS LIMITED	2 Hanover Gardens Fareham Hampshire PO16 7HE United Kingdom	438.90	0.00	438.90

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Date

  
 Steven Pigeon, President of Masterfile Corporation

District of:  
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FORM 78 -- Continued

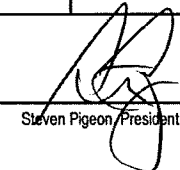
List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
357	OLD VISUALS-EVERETT COLLECTION	225 W. 35th. Street 14th. floor New York NY 10001 USA	1,528.92	0.00	1,528.92
358	Olivier Foulon	8 rue Gustave Rouanet Paris 75018 France	1,148.38	0.00	1,148.38
359	Osler, Hoskin & Harcourt LLP 209981	1 First Canadian Place, PO Box 50 Toronto ON M5X 1B8	7,539.26	0.00	7,539.26
360	Owen Edelsten	17 Belmont Crescent Kelvin Bridge Glasgow G12 8EU United Kingdom	886.75	0.00	886.75
361	PANORAMA MEDIA INC-ASIAN FACES	Suite707 Building#1 Kuntai Intl No.12 Yi, Chaoyangmenwai. S Chaoyang, Beijing 100020 China	286.06	0.00	286.06
362	Pascal Albandopulos	Waltersteinstr. 24 86453 Dasing Germany	711.94	0.00	711.94
363	Patrick Chatelain	31 rue de la Course Bordeaux 33000 France	1,716.62	0.00	1,716.62
364	Patrick Fordham	509 Perth Avenue Toronto ON M6N 2W6	109.68	0.00	109.68
365	Patrick Jelen	Lessingstrasse 55 Düsseldorf 40227 Germany	2,286.17	0.00	2,286.17
366	Paul Eekhoff	382 Park Avenue Newmarket ON L3Y 1V5	397.48	0.00	397.48
367	Paul Knight	113 Radlett Road Frogmore Hertfordshire AL2 United Kingdom	97.72	0.00	97.72
368	Paul Terpanjian	C/O Lori Penney 96 - 27th Street Etobicoke ON M8W 2X5	11.58	0.00	11.58
369	Paul Viant	60 Bishops Road Fulham London SW6 7AH United Kingdom	39.65	0.00	39.65
370	Paul Wenham-Clarke	56 Sycamore Rise Newbury, Berkshire RG14 2LZ United Kingdom	249.88	0.00	249.88
371	Paul Wright	720 King Street West Studio 107 Toronto ON M5V 3S5	427.74	0.00	427.74
372	Pete Webb	Creative Wasp Studio 18 Ship Street Brighton BN1 1AD England	431.08	0.00	431.08
373	PETER CHRISTOPHER	Box 91 Gabriola Island BC V0R 1X0	5,241.52	0.00	5,241.52
374	Peter Holst	#2 - 432 E. 7th Street North Vancouver BC V7L 1R9	229.65	0.00	229.65
375	Peter Lavery	Brandeurs Farm Minety Crossing, Upper Minety Wiltshire SN16 9PZ England	579.56	0.00	579.56
376	Peter Miranski	Simarplatz 2 Köln 50825 Germany	25.57	0.00	25.57
377	Peter Reali	114 Grace Street Toronto ON M6J 2S2	2,030.74	0.00	2,030.74
378	Peter Schreiber	Bocksdmstr. 12 b 80935 München Germany	130.95	0.00	130.95
379	Petra Warrass	Bachstrasse 46 40215 Düsseldorf Germany	225.36	0.00	225.36
380	Philip Rostron	489 Wellington Street West Toronto ON M5V 1E9	5,450.26	0.00	5,450.26

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 Steven Pigeon, President of Masterfile Corporation

District of:  
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FORM 78 -- Continued


List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
381	PHOTICK	4604 Central Avenue St. Petersburg FL 33711 USA	29,209.77	0.00	29,209.77
382	PHOTOCOUISINE RF - STOCKFOOD	A division of StockFood GmbH Tumblingerstr. 32 München 80337 Germany	37,282.64	0.00	37,282.64
383	PHOTOGRAPHER ANDERS HALD LTD	Vibevangen 9 3520 Farum Denmark	1,148.89	0.00	1,148.89
384	PHOTOINKE - OLIVE IMAGES	12909 Boydton Plank Road Dinwiddie VA 23841 USA	416.69	0.00	416.69
385	PHOTONONSTOP - ONOKY	48 rue de la Mare Paris 75020 France	14,699.59	0.00	14,699.59
386	PHOTOSINDIA.COM PVT. LTD.	410 Udyog Vihar, Phase - 3 Gurgaon 122 016 Haryana 78704 India	10,813.86	0.00	10,813.86
387	Picscout Israel Ltd	89 Medinat Hayehudim Street Herzeliya 46766 Israel	23,464.82	0.00	23,464.82
388	PICTUREINDIA-ASIA IMAGES GROUP	15 Shaw Rd. #08-02 Teo Building 367953 Singapore	9,546.79	0.00	9,546.79
389	PIERRE ARSENAULT PHOTOGRAPHE	4710 St. Ambroise Suite 317 Montreal QC H4C 2C7	7,397.94	0.00	7,397.94
390	PIERRE TREMBLAY PHOTOGRAPHE	6300 Avenue du Parc Suite 314 Montreal QC H2V 4H8	5,504.22	0.00	5,504.22
391	PIXELCHROME INC.	605 Rouen Drive McKinney TX 75070 USA	16,024.02	0.00	16,024.02
392	PUSH PICTURES LLC	145 Manufacturing Street Dallas TX 75207 USA	148.42	0.00	148.42
393	R. Aaron Raymond	2210 Rock St. #35 Mountain View CA 94043 USA	1,207.71	0.00	1,207.71
394	R. Ian Lloyd	17 West Crescent Street McMahons Point, NSW 2060 Australia	20,788.46	0.00	20,788.46
395	Raimund Linke	Kapellestraße 2 63920 Großheubach Germany	23,585.27	0.00	23,585.27
396	Randi Sidman-Moore	PO Box 981087 Park City UT 84098 USA	393.48	0.00	393.48
397	Randy Lincks	P.O. Box 917 Pemberton BC V0N 2L0	22.87	0.00	22.87
398	Raoul Minsart	222 NE 25th Street Apt: 608 Miami FL 33137 USA	7,299.43	0.00	7,299.43
399	Raymond Forbes	18 Gilson Road Scituate MA 02066 USA	6,334.02	0.00	6,334.02
400	Reid L. Ashton	2781 Warner Drive West Bloomfield MI 48324 USA	579.86	0.00	579.86
401	RELAXIMAGES	Lenggrieser Strasse 14 Munich DE 81371 Germany	2,169.59	0.00	2,169.59
402	RGB VENTURES DBA SUPERSTOCK	6620 Southpoint Drive South Suite 501 Jacksonville FL 32216 USA	25,164.21	0.00	25,164.21
403	Ric Frazier	128 Aster Lane Lake Jackson TX 77566 USA	380.73	0.00	380.73
404	Richard Smith	829 S.W. 4th Court Fort Lauderdale FL 33312 USA	1,267.50	0.00	1,267.50

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 Steven Pigeon, President of Masterfile Corporation

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FORM 78 -- Continued

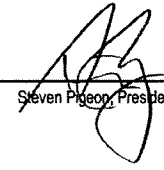
List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
405	Rick Fischer	466 Cambridge Street Peterborough ON K9H 4T3	7,985.99	0.00	7,985.99
406	Robert G. Young	1956 Preston Street Halifax NS B3H 3V9	1,147.07	0.00	1,147.07
407	ROBERT HARDING PICTURE LIBRARY	Nicholson's House, Nicholson's Walk, Maidenhead Berkshire SL6 1LD United Kingdom	26,078.93	0.00	26,078.93
408	Robert Karpa	1063 Scantlings Vancouver BC V6H 3N9	1,968.30	0.00	1,968.30
409	Roberta Krasnig	Via Roma Libera 23 Int.31 Rome 00153 Italy	455.45	0.00	455.45
410	Robin Wong	15 Adrian Avenue Suite 176 Toronto ON M6N 1A1	132.25	0.00	132.25
411	Roland Weber	4911, chemin de la Cotes-des-Neiges, #806 Montreal QC H3V 1H7	107.07	0.00	107.07
412	ROLF BRUDERER STUDIO	435 East 65th Street Unit 15A New York NY 10021 USA	680.20	0.00	680.20
413	Rommel Bengson	A-463 King St. Lower Peterborough ON K9J 2T1	7,956.03	0.00	7,956.03
414	RON FEHLING PHOTOGRAPHY	2789 Shaughnessy Street Suite 2103 Port Coquitlam BC V3C 0C3	11,384.48	0.00	11,384.48
415	RON STROUD PHOTOGRAPHY INC.	3104 48th Street Beaumont AB T4X 1V1	6,707.05	0.00	6,707.05
416	Roy Ooms	802 - 9th Street North East Calgary AB T2E 9A2	15,492.76	0.00	15,492.76
417	RUBBERBALL PRODUCTIONS LLC	102 South Mountain Way Drive Orem UT 84058 USA	18,117.29	0.00	18,117.29
418	Rudy Sulgan	2846 34th Street # 4C Astoria NY 11103 USA	1,307.88	0.00	1,307.88
419	RUSSELL MONK PHOTOGRAPHY INC.	Westside Studios 70 Ward Street Toronto ON M6H 4A6	8,028.96	0.00	8,028.96
420	RW PHOTOGRAPHIC INC.	688 Richmond Street West Unit 402 Toronto ON M6J 1C5	2,701.31	0.00	2,701.31
421	Sabrina Vani	Via Ivanoè Bonomi, 50 Rome 00139 Italy	866.04	0.00	866.04
422	SARAH MURRAY PHOTOGRAPHY	3614 Blenheim Street Vancouver BC V6L 2Y2	2,175.50	0.00	2,175.50
423	Saverio Truglia	1821 W Hubbard Street # 204 Chicago IL 60622 USA	18.18	0.00	18.18
424	SCIENCE PHOTO LIBRARY	327-329 Harrow Road London W9 3RB United Kingdom	23,369.74	0.00	23,369.74
425	Scott Redinger-Libolt	8950 Carlyle Avenue Miami Beach FL 33154 USA	100.62	0.00	100.62
426	Scott Tysick	131 Sutherland Cres. Cobourg ON K9A 5L6	3,561.43	0.00	3,561.43
427	Sergio Pitarnitz	Via Matteotti, 10 Barasso (VA) 21020 Italy	23.68	0.00	23.68
428	SHAMPERS BLUFF LTD	3487 Route 845 Long Reach NB E5S 1X4	7,920.18	0.00	7,920.18

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 Steven Pigeon, President of Masterfile Corporation

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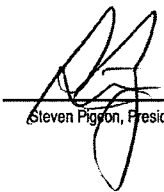
List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
429	Shannon Mendes	750 East 37th Avenue Vancouver BC V5W 1G1	863.35	0.00	863.35
430	Shannon Ross	16 Somerdale Square Toronto ON M1E 1N1	1,475.93	0.00	1,475.93
431	SHAPTON & ASSOCIATES LTD.	111 Garden Avenue Toronto ON M6R 1H8	3,068.17	0.00	3,068.17
432	Shawnae Lorenz	33 Madison Street San Francisco CA 94134 USA	6,072.62	0.00	6,072.62
433	Shelley Smith	PO Box 511 46 Ellis St. Port Rowan ON N0E 1M0	593.53	0.00	593.53
434	Sherman Hines	659 Avondale Road RR #2 Newport Poplar Grove NS B0N 2A0	3,203.90	0.00	3,203.90
435	SIE S.R.L.	Via Germanico 197 Rome 00192 Italy	5,129.72	0.00	5,129.72
436	Silvia Kriens	Gutenbergstr. 34 Dortmund 44139 Germany	72.15	0.00	72.15
437	Simon DesRochers	P.O. Box 8706 Victoria BC V8W 3S3	161.41	0.00	161.41
438	Simon Katzer	Dreimuehlenstraße 2 Munche 80469 Germany	327.75	0.00	327.75
439	Socan 00043870-30-08	41 Valleybrook Drive Toronto ON M3B 2S6	132.78	0.00	132.78
440	SOMOS LLC	119 14 Street NW Suite 400 Calgary AB T2N 1Z6	20,208.13	0.00	20,208.13
441	Sport Alliance of Ontario	3 Concorde Gate North York ON M3C 3N7	453.33	0.00	453.33
442	STATE OF MIND	1113 West Armitage Avenue Chicago IL 60614 USA	980.80	0.00	980.80
443	Stephanie Wolfsteiner	Wilhelm-Hertz-Strasse 10 Muenchen 80805 Germany	14.90	0.00	14.90
444	STERLING COMM'L PHOTOGRAPHY	310 8th Street New Cumberland PA 17070 USA	7,808.02	0.00	7,808.02
445	Steve Brookland	Wevelinghovener Strasse 21 Köln 50670 Germany	67.71	0.00	67.71
446	STEVE CRAFT PHOTO	3813 East Betty Elyse Lane Phoenix AZ 85032 USA	3,474.41	0.00	3,474.41
447	Steve Fitzpatrick	14 Aspen Court Boynton Beach FL 33436 USA	382.16	0.00	382.16
448	Steve McDonough	Merlin, Wrecclesham Road Surrey GU10 4PS United Kingdom	1,291.09	0.00	1,291.09
449	Steve Prezant	321 West 55 Street # 53 New York NY 10019 USA	1,950.16	0.00	1,950.16
450	STOCK4B GMBH	Rupprechtsrabe 25 Munche D-80636 Germany	3,008.36	0.00	3,008.36
451	Supreme Basics Office Supplies and Furniture C80025	PO Box 4318 Regina SK S4P 3W6	157.97	0.00	157.97
452	Susan Findlay	544 Main St PO Box 340 Toronto ON MAC 4Y4	8,803.89	0.00	8,803.89

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 Steven Pignon, President of Masterfile Corporation

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FORM 78 -- Continued

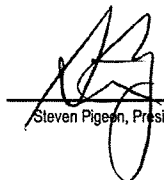
List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
453	Svenja Kaufmann	Raamgracht 58 Amsterdam 1011 Netherlands	81.06	0.00	81.06
454	Systems Maintenance Services 106770	10420 Harris Oaks Blvd, Suite C Charlotte NC 28269 USA	720.94	0.00	720.94
455	T. Bollmann & I. Jones	3533 Irwin Court Mississauga ON L5L 4W4	299.65	0.00	299.65
456	Ted Grant	1817 Feltham Road Victoria BC V8N 2A4	62.70	0.00	62.70
457	TETRA IMAGES LLC	1439 North 49 Street Milwaukee WI 53208-2250 USA	66,756.34	0.00	66,756.34
458	Theo Allofs	2 Camino Libre Galisteo NM 87540 USA	3,720.17	0.00	3,720.17
459	Thomas Dannenberg	109 Seaton Street Toronto ON M5A 2T2	1,974.62	0.00	1,974.62
460	Thomas Kokta	3174 NE Harrison Street Issaquah WA 98029 USA	3,931.63	0.00	3,931.63
461	Thomas Schweizer	Wiesenstraße 72b Düsseldorf 40549 Germany	33.39	0.00	33.39
462	Tim Fitzharris	1704 B Llano Street #180 Santa Fe NM 87505 USA	223.32	0.00	223.32
463	Tim Hurst	Flat 4 22 Tivoli Road Cheltenham, GL50 2TF Great Britain	2,683.59	0.00	2,683.59
464	Tim Kiusalaas	2948 N.W. 9th Terrace Fort Lauderdale FL 33311 USA	1,686.20	0.00	1,686.20
465	TIM MANTOANI PHOTOGRAPHY LLC	5343 Banks St. San Diego CA 92110 USA	14,925.79	0.00	14,925.79
466	Tim Pannell	397 West 3950 North Provo UT 84604 USA	1,888.38	0.00	1,888.38
467	TinEye	233 Queen Street East Toronto ON M5A 1S2	41,572.13	0.00	41,572.13
468	TOM COLLICOTT PHOTOGRAPHY	4812 Evanston Avenue North Seattle WA 98103 USA	1,094.96	0.00	1,094.96
469	Torn Feiler	70 Ward Street Toronto ON M6H 4A6	775.09	0.00	775.09
470	Tomas Rodríguez	Schanzenstrasse 28 Koeln 51063 Germany	211.36	0.00	211.36
471	Tomasz Rossa	8029 Turtle Cove Avenue Las Vegas NV 89128 USA	181.43	0.00	181.43
472	TONGRO IMAGES	TongRo Building, 3-6 Supyoro Jung-gu Seoul 100-861 Korea	10,964.70	0.00	10,964.70
473	Tony Garcia	5245 Melrose Avenue Los Angeles CA 90038 USA	4.36	0.00	4.36
474	TOP PHOTO CORPORATION	Flat D, 10F, #629 Ling Ling Road Shanghai 200030 China	467.13	0.00	467.13
475	Tracy Rasinski	P.O. Box 968 Scottsdale AZ 85252 USA	74.37	0.00	74.37
476	TRANSTOCK INC.	1601 N. Sepulved Blvd. Suite 617 Manhattan Beach CA 90266 USA	11,583.85	0.00	11,583.85

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 Steven Pigeon, President of Masterfile Corporation



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FORM 78 -- Continued


List "A"  
 Unsecured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
477	Ty Milford	6141 SW Seymour St. Portland OR 97221 USA	21,546.55	0.00	21,546.55
478	Uline 9380805	60 Hereford Street Brampton ON L6Y 0N3	65.66	0.00	65.66
479	UNIVERSAL IMAGES GROUP - JTB	Moulsham Mill Parkway Chelmsford, Essex CM2 7PX England	2,694.89	0.00	2,694.89
480	UPPERCUT IMAGES LLC	5900 Monona Drive Suite 202 Monona WI 53716-3561 USA	8,919.14	0.00	8,919.14
481	URBANLIP.COM LTD.	Ivy Cottage, Lampard Lane Churt, Farnham Surrey GU10 2HJ United Kingdom	2,027.98	0.00	2,027.98
482	Ursula Klawitter	Elisabethstr. 77 Dusseldorf 40217 Germany	3,363.71	0.00	3,363.71
483	Ute Kaiser	Neuwerker Str. 24 40549 Düsseldorf Germany	830.95	0.00	830.95
484	Uwe Alexander Kirsten	Keldenichstrasse 15 Düsseldorf 40625 Germany	52.01	0.00	52.01
485	Uwe Umstätter	Ausgasse 63 68307 Mannheim Germany	24,988.68	0.00	24,988.68
486	Valerie Simmons	3006 Jacques Hertel Montreal QC H4C 2Z6	545.09	0.00	545.09
487	Virginia Macdonald	9 Davies Avenue Suite 305 Toronto ON M4M 2A6	257.43	0.00	257.43
488	WATER RIGHTS IMAGES	31622 Scenic Drive Laguna Beach CA 92651 USA	597.35	0.00	597.35
489	WAVEBREAK MEDIA LTD.	Rubicon Centre CIT, Bishopstown Cork Ireland	8,056.34	0.00	8,056.34
490	Wei Yan	21 Crossovers Street Toronto ON M4E 3X2	2,225.24	0.00	2,225.24
491	WESTEND 61 GMBH	Schwanthalerstr. 86 Munchen 80336 Germany	71,399.03	0.00	71,399.03
492	Winfried Wisniewski	Bergstrasse 38 Waltrop 45731 Germany	34.92	0.00	34.92
493	Wintech Air Systems Inc. 100282	8-3A Edvac Dr Brampton ON L6S 5X8	7,934.42	0.00	7,934.42
494	Workplace Safety and Insurance Board Attn: c/o Collection Services	200 Front St W Toronto ON M5V 3J1	1.00	0.00	1.00
495	Xavier Avila	506 North Windsor Blvd Los Angeles CA 90004 USA	73.85	0.00	73.85
496	XIXINXING	1910 Madison Avenue - # 30 Memphis TN 38104 USA	1,644.11	0.00	1,644.11
497	Yvonne Duivenvoorden	245 Carlaw Ave Suite 109 Toronto ON M4M 2S1	6,651.25	0.00	6,651.25
498	ZEBRA 3 PRODUCTION	Villa Marie 10 Impasse du Gallet Cantant Aix-en-Provence 13100 France	422.07	0.00	422.07
499	ZOOMSTOCK	684 E Pelham Rd. NE Atlanta GA 30324 USA	64.07	0.00	64.07
500	ZOYA PICTURES INCORPORATED	1447 King St. W. Apt# 101 Toronto ON M6K 3K5	9,593.50	0.00	9,593.50

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 Steven Pigeon, President of Masterfile Corporation

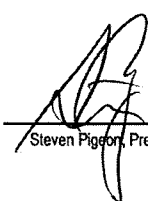
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FORM 78 - Continued

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Steven Pigeon, President of Masterfile Corporation

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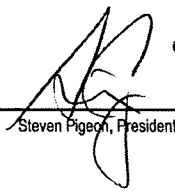
List "B"  
 Secured Creditors

Masterfile Corporation

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	HSBC Bank Canada c/o BankruptcyHighway.com	PO Box 57100 Etobicoke ON M8Y 3Y2	33,835.00	Business Assels - Stock In Trade - Inventory - wholly-owned Stock Images  Business Assets - Machinery - Equipment		33,835.00  0.00	41,165.00  15,000.00	
2	Toyota Credit Canada Incorporated Attn: Justin, Bankruptcy Desk	200 - 80 Micro Court Markham ON L3R 9Z5	1.00	Motor Vehicles - Automobile - 2015 - Leased Toyota - Sienna - 5TDDK3DC6FS102216		1.00		
<b>Total:</b>			<b>33,836.00</b>			<b>33,836.00</b>	<b>56,165.00</b>	<b>0.00</b>

05-Apr-2017

Date

  
 Steven Pigeon, President of Masterfile Corporation

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

FORM 78 -- Continued

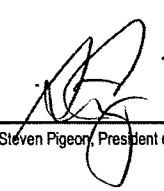
List "C"  
Preferred Creditors for Wages, Rent, etc.

Masterfile Corporation

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
1	Employee Preferred Claims	3 Concorde Gate, 4th Floor Toronto ON M3C 3N7		-	53,349.98	0.00	53,349.98
Total:					53,349.98	0.00	53,349.98

05-Apr-2017

Date

  
Steven Pigeon, President of Masterfile Corporation

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

FORM 78 -- Continued

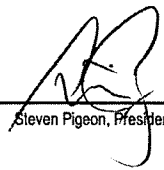
List "D"  
Contingent or Other Liabilities

Masterfile Corporation

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

05-Apr-2017

Date

  
Steven Pigeon, President of Masterfile Corporation

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

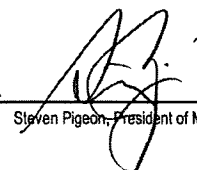
FORM 78 -- Continued

List "E"  
 Debts Due to the Debtor  
 Masterfile Corporation

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Trade Debtors	3 Concorde Gate, 4th Floor Toronto ON M3C 3N7	Accounts Receivable	318,000.00 106,000.00 0.00	Trade Debtors	04-Apr-2017	318,000.00	Trade Debtors
Total:				318,000.00 106,000.00 0.00			318,000.00	

05-Apr-2017

Date

  
 Steven Pigeon, President of Masterfile Corporation

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

FORM 78 -- Continued

List "F"

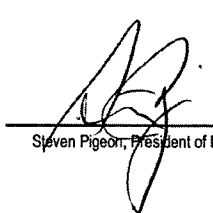
Bills of Exchange, Promissory Notes, Lien Notes, Chattel  
Mortgages, etc., Available as Assets

Masterfile Corporation

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

05-Apr-2017

Date

  
Steven Pigeon, President of Masterfile Corporation

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

FORM 78 -- Continued

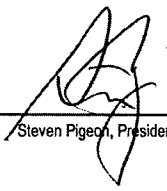
List "G"  
Real Property or Immovables Owned by Debtor

Masterfile Corporation

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

05-Apr-2017

Date

  
Steven Pigeon, President of Masterfile Corporation



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

FORM 78 – Concluded

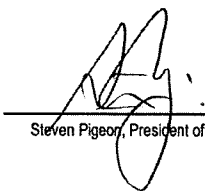
List "H"  
 Property

Masterfile Corporation  
 FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade		Inventory - wholly-owned Stock Images	0.00	75,000.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand		Cash on hand	16,862.00	16,862.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant		Equipment	0.00	15,000.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities		Shares in Subsidiary Companies	0.00	1.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles		Automobile - 2015 - Leased Toyota - Sienna - 5TDDK3DC6FS102216	0.00	1.00
(l) Taxes			0.00	0.00
(m) Other			0.00	0.00
			<b>Total:</b>	<b>106,864.00</b>

05-Apr-2017

Date

  
 Steven Pigeon, President of Masterfile Corporation

“D”

## Report of Trustee on Proposal

District of ONTARIO  
Division 09-Toronto  
Estate #: 31-2237153  
Court # 31-2237153

**SUPERIOR COURT OF JUSTICE (IN BANKRUPTCY)**

**IN THE MATTER OF THE PROPOSAL OF**

**MASTERFILE CORPORATION  
OF THE CITY OF TORONTO,  
IN THE PROVINCE OF ONTARIO**

**REPORT OF TRUSTEE TO THE CREDITORS**  
*(Section 50(5) of the Bankruptcy and Insolvency Act)*

Enclosed are the following documents:

- ♦ Notice of Proposal to Creditors;
- ♦ Proposal under Part III, Division I, of the *Bankruptcy and Insolvency Act* (the “**BIA**”), dated April 5, 2017 (the “**Proposal**”) lodged with MNP Ltd. (the “**Trustee**”) by Masterfile Corporation (“**MFC**” or the “**Company**”) and filed with the Official Receiver on April 5, 2017;
- ♦ a statement of the Company’s assets and liabilities as at April 5, 2017 (“**SOA**”);
- ♦ a proof of claim form;
- ♦ voting letter if you wish to vote in advance of the meeting; and
- ♦ general proxy.

The following is an outline of the background and financial position of the Company, including relevant information that should be of assistance to the creditors in considering their position with respect to the Proposal.

In preparing this Report and making the comments herein, the Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the Company’s books and records, discussions with employees and management and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report, the Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook.

Capitalized terms used in this Report are the same as those referenced in the Proposal.

## SECTION A - Background

MFC, a stock-image company with a history dating back to 1973, engages in the acquisition, organization, distribution, and licensing of photos, vectors, and illustrations for commercial use in editorial publications, printed advertising and marketing, display, websites and mobile media. Its collection features various premium rights-managed and royalty-free photos and illustrations by artists covering a wide range of subjects.

On April 5, 2017, the Company filed a Proposal pursuant to the BIA, as a means of offering its creditors a dividend that would be higher than its creditors would receive in the event of a bankruptcy.

The Trustee is maintaining a website at <http://mnpdebt.ca/masterfile> with publicly available information on MFC's proposal proceedings.

## SECTION B - Summary of the Proposal

This section contains a summary of the Proposal, the terms of which would be effective only if the Proposal is accepted by the creditors and approved by the Court, in accordance with the provisions of the BIA.

As set out in the Proposal, the Proposal provides for the following:

- (i) Conditional on the approval of the Proposal by the Unsecured Creditors of MFC and the making of the Approval Order, MFC will pay to the Trustee the following:
  - (a) \$800,000 (the "**Article 6.3 Funds**") in minimum quarterly installments of \$40,000 commencing within 90 days of the Implementation Date;
  - (b) Immediately after the making of the Approval Order, the funds required to satisfy payment of the Employee Creditors claims; and
  - (c) Unless Her Majesty agrees otherwise, within six months after the making of the Approval Order, the funds required to satisfy payment of the Source Deduction Creditors,(collectively, the "**Proposal Proceeds**").

The Debtor shall be at liberty to accelerate any payments required to be made herein;

- (ii) Secured Creditors will be paid in accordance with existing arrangements, or as may be arranged with them and are not affected by this Proposal;
- (iii) The Related Creditors, namely Masterfile USA Corporation and Crestock Corporation, shall receive no dividend under the Proposal;
- (iv) Payment of the proper fees and expenses of the Trustee, including legal fees, in connection with the Proposal (the "**Administrative Fees and Expenses**") shall be paid by the Company from the Proposal Proceeds;
- (v) The claims of the Employee Creditors shall be paid by the Trustee from the Proposal Proceeds immediately after the making of the Approval Order;
- (vi) Unless Her Majesty agrees otherwise, the Proven Claims, if any, of the Source Deduction Creditors shall be paid by the Trustee from the Proposal Proceeds within six months after the making of the Approval Order.

- (vii) The Article 6.3 Funds will be distributed by the Trustee as follows:
- (a) First, to pay the Administrative Fees and Expenses in full;
  - (b) Second, to pay the Preferred Claims; and
  - (c) Third, after making the distributions contemplated by paragraphs (a) and (b) pay to each Unsecured Creditor *pro rata* based on the proportion that the Proven Claim of such Unsecured Creditor bears to the total Proven Claims of all Unsecured Creditors, exclusive of Preferred Claims, claims of Employee Creditors (as such term is defined in the Proposal) and claims of Source Deduction Creditors;
- (viii) Any Claims against MFC by any Creditor that are also Claims against the directors and/or officers of MFC that relate to obligations of MFC where directors and/or officers are under any law liable in their capacity as directors and/or officers for the payment of such obligations shall be, and upon Court approval of the Proposal, are to the extent permitted by the BIA, released and forever discharged as against the directors and/or officers of MFC; and
- (ix) Sections 95-101 of the BIA will not apply in respect of the MFC, or this Proposal.

The description of the Proposal is a summary only, and readers are cautioned that if there is inconsistency between this report and the Proposal, the terms of the Proposal shall govern.

### SECTION C - Financial Position and Causes of Difficulties

A summary of the Company's historical financial results is set out below:

<b>Year Ended February 28 (CAD '000s)</b>	<b>F2014 Internal</b>	<b>F2015 Internal</b>	<b>F2016 Internal</b>	<b>F2017 Internal</b>
Revenue	\$ 9,920	\$ 7,982	\$ 7,015	\$ 5,140
% Growth	N/A	-20%	-12%	-27%
Royalties	4,416	3,552	2,993	2,150
Gross Margin	5,504	4,430	4,022	2,990
Gross Margin (%)	55%	55%	57%	58%
Operating Expenses	5,536	4,801	6,918	4,007
SG&A (%)	56%	60%	99%	78%
EBITDA	- 32	- 371	- 2,896	- 1,017
EBITDA (%)	0%	-5%	-41%	-20%

The above historical financial results are based on internally prepared financial statements. Externally prepared financial statements are only available at a consolidated level which incorporate the results of other related parties to MFC.

The management of the Company advises that the cause of its financial difficulties can mainly be attributed to the following:

1. The stock photo business has been "uberized". The advent of digital photography and the quantity of reproduction grade imagery that can be produced with a digital camera or even a smartphone, has allowed part-time amateurs and hobbyists to create reproduction grade images quickly and easily. As a result, the supply of images available for commercial use has exploded into the hundreds of millions thus commoditizing the product, dramatically depressing prices and pushing many professional photographers out of the market.

2. Likewise, technology has had a massive impact on MFC's clientele: advertisers, publishers, printed media of all descriptions and other users of premium-priced content.
3. After a 35-year growth period with revenues peaking at \$31 million in 2008, MFC's revenues have declined year-over-year and are only now showing signs of levelling off.
4. MFC's current revenues were unable to support the scale of operations MFC has maintained to compete against huge competitors like Getty, Shutterstock and Adobe – and MFC has scaled back overhead tremendously in recent years by taking the following measures:
  - a. closing all regional offices;
  - b. reducing space in Toronto by 50%;
  - c. reducing headcount by 80% (from 150 to 30 FTE staff); and
  - d. reducing salaries for the remaining employees, with larger salary reductions for senior managers.
5. Notwithstanding the measures referenced in 4 above, MFC suffered significant financial losses and a severe cash deficit in 2014/2015. MFC got progressively later paying royalties throughout 2014 and into 2015 resulting in a 6-month payment backlog for statements dated November 2014 – April 2015.
6. In April 2015, MFC sold its European operations to Mediapro Mediamarketing GmbH (“**Mediapro**”) as a means of acquiring much-needed working capital to stabilize MFC's business, but the sale did not provide sufficient cash to pay out the royalties backlog. MFC therefore made the decision to pay only current royalties and froze the backlog, which would be paid from funds generated through increasing sales and cash going forward. But sales and cash continued to decline despite MFC's best efforts and MFC soon used up the capital provided by the sale of the European operations.
7. MFC managed to keep royalty payments current from May 2015 through June 2016 but the cash drain on MFC continued to grow and it has been unable to pay most royalties owed to its contributors since September 2016.
8. Additionally, there are large amounts owed to MFC from some international distributors who are having identical problems in their own countries – and that has made a bad situation worse for MFC. Most notably, Mediapro began defaulting on royalties in 2016 (see Section L for more information on Mediapro).
9. Given the foregoing, MFC decided to file the Proposal as part of a further financial and operational restructuring of the business to address the following issues and opportunities:
  - a. MFC still has market recognition and client goodwill, but the cost structure of its licensing business is too high and must be scaled back further to reflect current revenues.
  - b. Staff costs have been reduced significantly, with the related termination costs being included as a claim in the Proposal.
  - c. Pressure from suppliers to pay their royalties was reaching the breaking point.
  - d. ArtistDefense Inc. (“**ADI**”), a recently created 100% owned subsidiary of MFC, provides a growth opportunity and a pivot for the business if MFC can survive. As revenues grow, ADI would absorb staff and overhead from MFC thus reducing the expenses significantly on the licensing side of the business.

## SECTION D - Interim Receiver

Not Applicable.

## SECTION E - Identification and Evaluation of Assets

According to the SOA, the Company's assets and their estimated realizable value are as listed below. Further details can be found in Section L of this Report.

Description	Estimated Realizable Value
Inventory (wholly owned stock images)	\$ 75,000
Accounts receivable (net of allowance for doubtful accounts)	318,000
Cash	16,862
Equipment	15,000
Shares in subsidiary companies	1
Vehicles (leased 2015 Toyota Sienna)	1
TOTAL	<u>\$ 424,864</u>

The Trustee performed a *Personal Property Security Act* (Ontario) registration search on March 8, 2017. The search revealed only registrations by HSBC Bank Canada ("HSBC") (in respect of a credit card with a current balance of approximately \$35,000) and Toyota Credit Canada Inc. (in respect of the leased vehicle).

## SECTION F - Conduct of the Company

The conduct of the Company does not appear to be subject to censure.

## SECTION G - Creditors' Claims

Per the SOA, the Company's creditors consist of:

Creditor Classifications	SOA Amount
Secured	\$ 35,001
Preferred	53,350
Unsecured	3,883,504
TOTAL	<u>\$ 3,971,855</u>

Included in the Unsecured Creditor pool is an amount due to Masterfile USA Corporation, a related creditor claim, in the amount of \$417,022. Under the terms of the Proposal, Related Creditors are not sharing in the distribution from the Proposal Proceeds.

## SECTION H - Previous Business Dealings with the Company

The Trustee previously had discussions with MFC concerning restructuring, but was not formally retained until March 17, 2017.

## SECTION I - Informal Meeting with Major Creditors

Not Applicable.

## SECTION J - Remuneration of Trustee

The Trustee's fees and expenses related to the administration of the Proposal, including those of its and MFC's legal counsel, will be paid in full from the Proposal Proceeds as detailed in Paragraph (iv) of Section B above. To date, MFC has provided a retainer of \$20,000 to the Trustee.

## SECTION K - Other

Not applicable.

## SECTION L - Statement of Estimated Realizations

Set out below is the Trustee's estimate of the distribution to ordinary unsecured creditors if the Proposal is accepted by the creditors and approved by the Court:

Proposal funds available to satisfy Unsecured Creditors	\$ 800,000
Less:	
Estimated Administrative Fees and Expenses	<u>(\$50,000)</u>
Estimated Funds Available for Distribution	\$750,000
Estimated claims of Unsecured Creditors per SOA (net of Related Creditors claims)	<u>3,466,482</u>
<b>Estimated distribution to Unsecured Creditors (%)</b>	<b><u>21.6%</u></b>

If the Proposal is rejected by the Creditors, the Company will be deemed bankrupt. The anticipated realizations from a bankruptcy are summarized below.

	<i>Notes</i>	<b>Book Value (as at Feb 28, 2017)</b>	<b>Estimated Realization</b>
Inventory (wholly owned stock images)	(1)	Nil	\$ 75,000
Accounts receivable (book value is net of allowance for doubtful accounts)	(2)	424,000	318,000
Cash (values as at April 5, 2017)		16,862	16,862
Equipment	(3)	70,634	15,000
Shares in subsidiary companies	(4)	1,001	1
Vehicles (leased)		Nil	1
<b>Total:</b>		<b>\$ 512,497</b>	<b>424,864</b>
Less:			
Claims of Employee Creditors	(5)		(55,350)
Claims of Secured Creditors	(5)		(35,001)
Estimated Professional Fees			(40,000)
<b>Available for distribution to Ordinary Unsecured Creditors (5)</b>			<b>\$ 294,513</b>
Estimated Claims of Unsecured Creditors per SOA (6)			<u>\$ 3,883,504</u>
<b>Estimated Distribution to Ordinary Unsecured Creditors per dollar of Proven claim</b>			<b><u>7.6%</u></b>



Notes:

1. Inventory consists of the Company's wholly owned stock images. The Company has valued the images based on revenue the images have generated in the trailing twelve months. The Company and Trustee have not obtained a liquidation appraisal of this inventory.
2. Accounts receivable of \$424,000 is composed 54% of amounts due from international distributors and 46% from North American customers. The amounts due from North American customers are comprised of many customers with small balances. Collection of accounts receivable from international distributors in a bankruptcy situation would likely be lower than the amount estimated by management to be realizable due to the difficulties in initiating enforcement action in foreign jurisdictions. Not included in the accounts receivable balance is any amount owing from Mediapro prior to Dec 31/2016, which as noted below was written off as part of a restructuring agreement between MFC and Mediapro.
3. Equipment consists of office furniture and fixtures, computer hardware and software. The Trustee has not obtained an appraisal in respect of the liquidation value of these assets.
4. MFC owns 100% of the shares of Masterfile USA Corporation, ADI and Crestock Corporation. An independent valuation of these companies has not been performed, but these entities are economically dependent on MFC and have liabilities exceeding their assets.
5. In the event of a bankruptcy, claims of Employee Creditors and Secured Creditors would rank ahead of unsecured creditors. As noted above, the Secured Creditor claim is limited to the approximately \$35,000 MFC is indebted to HSBC. Accordingly, the Trustee has not incurred the expense associated with obtaining an independent legal opinion on the validity or enforceability of the security granted by MFC to HSBC.
6. In the event of MFC's bankruptcy, the claim of Related Creditors would participate in the distribution to unsecured creditors.

**Mediapro**

In April, 2015, Mediapro purchased the shares of MFC's wholly-owned subsidiaries in Germany, France and the UK. The acquired subsidiaries were losing considerable money for MFC. The Purchaser paid an amount on account of the shares of the acquired subsidiaries, together with payment of a portion of the intercompany receivables due from Masterfile UK Limited and Masterfile Deutschland GmbH (concurrent with the transaction MFC wrote-off about \$2.2 million in unrecoverable intercompany receivables for which MFC had already paid royalties to its contributors on all but \$501,000<sup>1</sup>). The total consideration received by MFC approximated \$1 million cash.

As noted above, MFC largely applied the proceeds from the Mediapro transaction to pay a portion of past due royalties and to continue paying current royalties until approximately July, 2016.

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<sup>1</sup> Royalties are generally not due to contributors until MFC has been paid by its clients or distribution partners but MFC made the decision to continue to pay royalties on the sales made by the European subsidiaries as if MFC had received royalty payments from the subsidiaries on schedule for all transactions up to the date ownership transferred to Mediapro.

In parallel with the transaction, Mediapro was granted exclusive rights for rights-managed images and copyright enforcement for all European, Asian and most African countries in the time zone GMT -1 to +4 (the “**Territory**”). Exceptions were made for territories where Masterfile had pre-existing non-exclusive or exclusive distributors. Mediapro had the option to take over the territory of pre-existing distributors as contracts came up for renewal.

Mediapro was permitted to negotiate sublicense rights to Sub licensees in the Territory for rights-managed content provided that each Sub licensee entered into a written agreement with Mediapro and MFC. MFC was not permitted to enter into any new distribution agreement in the Territory.

Under the share purchase agreement, Mediapro would retain a 15% discount on all royalty payments made to MFC until a Cumulative Discount reached €600,000 in aggregate.

The Cumulative Discount, together with MFC’s other obligations under the Share Purchase Agreement, was secured by a General Security Agreement (“**GSA**”) granted by MFC in favour of Mediapro. Mediapro’s CEO, Alfred Höfner was nominated for, and subsequently granted, a seat on the Board of Directors of Masterfile.

Mediapro invested heavily in restructuring the European companies but by May 2016 it had accumulated significant cash losses. It began delaying royalty payments to MFC and was unable to make any further payments after July 2016. This put additional pressure on MFC’s cash flow which was already suffering because of generally declining sales globally.

As of December 31, 2016, Mediapro owed MFC approximately €460,000 in unpaid royalties with no ability to pay the backlog.

Management concluded that resuming an ongoing royalty income for new sales by Mediapro, reducing the Territory to allow MFC to have the ability to generate new revenues by adding distributors in the now non-exclusive territories and having the GSA discharged was in the best interest of MFC and its contributing artists. Additionally, management sought to protect future revenues available by continuing to leverage the long-standing relationships with the European client base which the MFC and now Mediapro European sales team had developed over the years. Accordingly, MFC negotiated the following agreement:

- MFC would write off the unpaid royalties;
- The amount of these uncollected unpaid royalties would be applied against the Cumulative Discount, which had the effect of eliminating the Cumulative Discount;
- The parties would terminate the GSA and Mediapro would discharge the security granted in its favour;
- Mediapro waived all its rights to any remaining warranties and representations in the Share Purchase Agreement;
- The exclusive territory would be limited to Austria, France, Germany, Netherlands, Switzerland and the UK. The rest of the original territory would be non-exclusive;
- The royalty rate would be increased from 30% to 50% on all copyright compliance revenues;

- New Payment Terms: Effective January 1, 2017, royalties to be paid to MFC by Mediapro within 90 days following the last day of the month of invoice (i.e. royalties for all amounts invoiced in January, 2017 to be paid to MFC on or before April 30, 2017);
- Mediapro would no longer have sublicensing rights unless agreed by MFC; and
- The provision to replace MFC's existing distributor in Italy would be removed.

#### **Preferences and Transactions at Under Value**

The Proposal provides that sections 95-101 are not applicable. Accordingly, and to assess the appropriateness of the inclusion of this clause, the Trustee has undertaken a review of the Company's books and records in order to enable it to be in a position to report to the creditors on any potential preferences or transfers at undervalue identified. To date, the scope of the Trustee's review has been limited to:

- examining cheques and transfers greater than \$20,000 in the twelve (12) month period preceding the Proposal filing;
- reviewing the accounts payable sub ledger for the 3 months preceding the Proposal filing; and
- inquiring with management whether any assets were transferred or disposed for no consideration or conspicuously less than fair market value.

To date, the Trustee has not identified any transactions in the last 12 months that could be considered preferences or transactions at under value. The Trustee will advise creditors at the meeting of creditors on April 25, 2017 should any preferences or transactions at under value be identified as part of the Trustee's review.

#### **SECTION M - Recommendations**

Based on the above, the Trustee recommends the acceptance of the Proposal as the Proposal contemplates a higher distribution to the Unsecured Creditors than a bankruptcy. The Proposal would also provide for the continued employment of MFC's current employees and the preservation of business relationships with MFC's existing suppliers and customers.

#### **SECTION N - Technical Requirements for a Successful Proposal**

This Proposal will become effective only if it is accepted by a resolution of the Unsecured Creditors and approved by the Court. To obtain Creditor approval, a simple majority in the number of Unsecured Creditors voting, with this majority representing at least 2/3 of the dollar value of the Unsecured Creditors voting, must vote in favour of the Proposal. If the Unsecured Creditors do not accept the Proposal, then the Company will be deemed to have made an assignment in bankruptcy and a meeting of creditors in the matter of the bankruptcy will immediately take place.

If the Unsecured Creditors vote to accept the Proposal, Court approval of the Proposal must then be sought. If the Court does not approve the Proposal, the Company would be deemed to have made an assignment in bankruptcy and the Trustee will then call a meeting of creditors in the matter of the bankruptcy.

When completing the Proof of Claim form submitted herewith, Creditors should include all outstanding amounts as at April 5, 2017, the date of the filing of the Proposal. It is expressly noted and should be clearly understood that the Trustee, in its capacity as Trustee, assumes no personal

liability for any claims that Creditors may have against MFC either before or after the filing of the Proposal.

Creditors may attend, in person or by proxy, the meeting to consider the Proposal, which will be held in the Office of the Trustee, MNP Ltd., located at 300-111 Richmond Street West, Toronto, Ontario on April 25, 2017 at 10:00 am (Toronto Time).

Creditors who do not wish to attend or be represented at the meeting but who wish to vote, may forward their Proofs of Claim and voting letters by either email to [masterfile@mnp.ca](mailto:masterfile@mnp.ca) or fax to (416) 323-5242, to the Trustee so as to be received prior to 10:00 am (Toronto Time) on April 25, 2017.

If you should have any questions or comments on the Proposal or this report, please do not hesitate to contact the undersigned.

Dated at Toronto, Ontario, the 11<sup>th</sup> day of April, 2017.

**MNP LTD.**  
**Trustee acting in re the Proposal of**  
**Masterfile Corporation**

Per:



Sheldon Title, CPA, CA, CIRP, LIT

Encl.

“E”

Proof of Claim

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2237153  
Estate No. 31-2237153

FORM 31  
Proof of Claim  
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),  
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

In the matter of the proposal of  
Masterfile Corporation  
of the City of Toronto  
in the Province of Ontario

All notices or correspondence regarding this claim must be forwarded to the following address:

\_\_\_\_\_  
\_\_\_\_\_

In the matter of the proposal of Masterfile Corporation of the City of Toronto in the Province of Ontario and the claim of \_\_\_\_\_, creditor.  
I, \_\_\_\_\_ (name of creditor or representative of the creditor), of the city of \_\_\_\_\_ in the province of \_\_\_\_\_, do hereby certify:

1. That I am a creditor of the above named debtor (or I am \_\_\_\_\_ (position/title) of \_\_\_\_\_, creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of proposal, namely the 5th day of April 2017, and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ \_\_\_\_\_  
(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and  
(Check appropriate description.)

Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority.  
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ \_\_\_\_\_

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ \_\_\_\_\_

That in respect of this debt, I hold assets of the debtor valued at \$ \_\_\_\_\_ as security, particulars of which are as follows:  
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ \_\_\_\_\_

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_  
(Attach a copy of sales agreement and delivery receipts.)

- E. CLAIM BY WAGE EARNER OF \$ \_\_\_\_\_  
 That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ \_\_\_\_\_,  
 That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ \_\_\_\_\_,
- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ \_\_\_\_\_  
 That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ \_\_\_\_\_,  
 That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ \_\_\_\_\_,
- G. CLAIM AGAINST DIRECTOR \$ \_\_\_\_\_

*(To be completed when a proposal provides for the compromise of claims against directors.)*  
 That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:  
*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

- H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ \_\_\_\_\_

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:  
*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

5. That, to the best of my knowledge, I \_\_\_\_\_(am/am not) (or the above-named creditor \_\_\_\_\_(is/is not)) related to the debtor within the meaning of section 4 of the Act, and \_\_\_\_\_(have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. (Applicable only in the case of the bankruptcy of an individual.)

- Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
 Witness

\_\_\_\_\_  
 Creditor

Phone Number: \_\_\_\_\_  
 Fax Number : \_\_\_\_\_  
 E-mail Address : \_\_\_\_\_

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

## CHECKLIST FOR PROOFS OF CLAIM

This checklist is provided to assist you in preparing the accompanying proof of claim form and, where required, proxy form in a complete and accurate manner. Please specifically check each requirement.

Under Section 109 of the Bankruptcy and Insolvency Act only those creditors who have filed their claims in the proper form with the trustee, before the time appointed for the meeting, are entitled to vote at the meeting.

Section 124 states that every creditor shall prove his claim and the creditor who does not prove his claim is not entitled to share in any distribution that may be made.

### General

- ◆ The signature of a witness is required;
- ◆ The claim must be signed personally by the individual completing this declaration;
- ◆ Give the complete address where all notices or correspondence is to be forwarded
- ◆ The amount of the statement of account must correspond to the amount indicated on the proof of claim.
- ◆ It is permissible to file a proof of claim by fax or by email.

### Paragraph 1

- ◆ Creditor must state full and complete legal name of company or firm;
- ◆ If the individual completing the proof of claim is not the creditor himself, he/she must state his/her position or title.

### Paragraph 3

- ◆ The statement of account must be complete;
- ◆ A detailed statement of account must be attached to the proof of claim and must show the date, the number and the amount of all the invoices or charges, together with the date, the number and the amount of all credits or payments. A statement of account is not complete if it begins with an amount brought forward.

### Paragraph 4

- ◆ Subparagraph 4.A must be completed by an unsecured creditor and must indicate if priority is claimed pursuant to Section 136.
- ◆ Subparagraph 4.B must be completed by a landlord only in a Proposal, for any claim related to disclaimer of lease. The amount of the claim is to be calculated according to the terms of the proposal. Provide details of calculation.
- ◆ Subparagraph 4.0 must be completed by a secured creditor. A certified true copy of the security instrument as registered must be provided.
- ◆ Subparagraph 4.D must be completed a farmer, fisherman or aquaculturist creditor. A copy of the sales agreement and delivery documents must be provided.
- ◆ Subparagraph 4.E applies if you are a wage earner (ie, a clerk, servant, travelling salesperson, labourer or worker who is owed wages, salaries, commissions or compensation by a bankrupt (subsection 81.3) or by a "person" that is subject to a receivership (subsection 81.4) for services rendered during the six months immediately before the date of bankruptcy or receivership).
- ◆ Subparagraph 4.F applies to claims by employees for unpaid amounts regarding pension plans. Please note that such claims apply only to unremitted pension contributions outstanding when the sponsoring employer becomes bankrupt or is subject to a receivership.
- ◆ Subparagraph 4.G is to be completed only in a Proposal, and only if the proposal provides for the compromise of claims against Directors. Provide full details including calculations.
- ◆ Subparagraph 4.H applies if you are a "customer" of a bankrupt securities firm (as contemplated by Section 262 of the Bankruptcy and Insolvency Act).



**Paragraph 5**

- ◆ All claimants must indicate if he or she is related or not to the debtor, as defined in Section 4 of the Bankruptcy and Insolvency Act, by striking out "AM" or "IS" or "AM NOT" or "IS NOT".

**Paragraph 6**

- ◆ All claimants must attach a detailed list of all payments or credits received or granted, as follows:
  - a) Within the three (3) months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are not related;
  - b) Within the twelve (12) months preceding the bankruptcy or proposal, in the case where the claimant and the debtor are related.

**- APPOINTING PROXY -**

Note: The Bankruptcy and Insolvency Act permits a proof of claim to be made by a duly authorized agent of a creditor but this does not give such a person power to vote at the first meeting of creditors or to act as the proxy of the creditor.

**General**

- ◆ A creditor may vote either in person or by proxy;
- ◆ A debtor may not be appointed as proxy to vote at any meeting of his creditors;
- ◆ The Trustee may be appointed as a proxy for any creditor;
- ◆ In order for a duly authorized person to have a right to vote he must himself be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy.

“F”

Proxy Form

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2237153  
Estate No. 31-2237153

FORM 36  
Proxy  
(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

In the matter of the proposal of  
Masterfile Corporation  
of the City of Toronto  
in the Province of Ontario

I, \_\_\_\_\_, of \_\_\_\_\_, a creditor in the above matter, hereby  
appoint \_\_\_\_\_, of \_\_\_\_\_, to be  
my proxyholder in the above matter, except as to the receipt of dividends, \_\_\_\_\_ (with or without)  
power to appoint another proxyholder in his or her place.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_  
Name and Title of Signing Officer

Return To:

MNP LTD.

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

“G”

Voting Letter

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2237153  
Estate No. 31-2237153

FORM 37

Voting Letter  
(Paragraph 51(1)(f) of the Act)

In the matter of the proposal of  
Masterfile Corporation  
of the City of Toronto  
in the Province of Ontario

I, \_\_\_\_\_, creditor (or I, \_\_\_\_\_, representative  
of \_\_\_\_\_, creditor), of \_\_\_\_\_, a creditor in the above matter  
for the sum of \$ \_\_\_\_\_, hereby request the trustee acting with respect to the proposal of  
Masterfile Corporation, to record my vote \_\_\_\_\_ (for or against) the acceptance of the proposal as  
made on the \_\_\_\_\_ day of \_\_\_\_\_.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_  
Name and Title of Signing Officer

Return To:  
MNP LTD.  
Per:

\_\_\_\_\_  
Sheldon Title - Licensed Insolvency Trustee  
300 - 111 Richmond Street West  
Toronto ON M5H 2G4  
Phone: (416) 596-1711 Fax: (416) 323-5242