

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

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

**SECOND REPORT TO THE COURT SUBMITTED BY MNP LTD.,  
IN ITS CAPACITY AS TRUSTEE ACTING IN RE THE PROPOSAL OF  
MASTERFILE CORPORATION**

**December 17, 2018**

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**I INTRODUCTION**

1. On April 5, 2017, Masterfile Corporation (“**Masterfile**” or the “**Company**”) lodged a proposal (the “**Proposal**”) with MNP Ltd. (“**MNP**” or the “**Trustee**”) pursuant to Part III, Division I of the *Bankruptcy and Insolvency Act* (the “**BIA**”), a copy of which is attached as **Appendix “A”**. The Proposal was filed with the Official Receiver on April 5, 2017.
2. At the General Meeting of Creditors (the “**Meeting**”) held on April 25, 2017, chaired by the Official Receiver, the creditors voted to accept the Proposal and the Court ordered (the “**Approval Order**”) the approval of the Proposal on May 23, 2017. The implementation of the Proposal was conditional on the acceptance of the Proposal by the Company’s Unsecured Creditors, the Court making of the Approval Order and the expiry of all appeal periods. The Implementation Date, as such term is defined in the Proposal, was June 3, 2017.
3. At the Meeting, the creditors voted to have one Inspector appointed to act in the Proposal.
4. On November 15, 2018, the Trustee served notice of a second meeting of creditors (“**Second Meeting**”) to be held on December 4, 2018. A copy of the Notice, the agenda for the Second

Meeting and the Report of the Trustee, dated November 15, 2018 (the “**November 15<sup>th</sup> Report**”) are enclosed as **Appendix “B”**.

5. As detailed below, at the Second Meeting, two additional individuals were appointed to act as Inspectors in the Proposal.

## **II PURPOSE OF THIS REPORT**

6. The purpose of this Report is to seek the advice and direction (the “**Advice and Direction Motion**”) of the Court with respect to determining:

- (a) Whether the Trustee may make distribution to creditors by electronic transfer on information provided by the Company; and
- (b) Whether the Trustee is authorized to provide to the Inspectors the email addresses for those creditors with proven claims.

## **III BACKGROUND**

### **Performance of the Proposal Obligations**

7. Under the terms of the Proposal, paragraph 5.1 states that the Company shall pay to the Trustee:
  - i. the sum of \$800,000 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 of the Proposal;
  - 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.



8. Masterfile has made six (6) quarterly instalments (pursuant to paragraph 5.1(i) of the Proposal) and has also paid the Trustee an amount of \$49,350.98<sup>1</sup>, which amount satisfied payment of the Employee Creditors. The Trustee, in turn, made distributions to satisfy the claims of the Employee Creditors. As of the date of this letter, Masterfile does not appear to be in arrears of its source deduction obligations.
9. Given the foregoing, Masterfile is in compliance with its financial obligations under the Proposal<sup>2</sup>.
10. The Proposal is silent on the frequency of distributions to creditors. Notwithstanding, in determining the timing of distributions to the Unsecured Creditors, the Trustee has taken into consideration, among other things, the following:
  - (a) Availability of funds;
  - (b) The costs associated with issuing a distribution (e.g. mailing costs, bank fees and administrative costs). As at December 15, 2018, there were 273 Unsecured Creditors who have proven claims and 254 Unsecured Creditors that have not yet filed or proven their claim. The Unsecured Creditors are located in numerous countries around the world; and
  - (c) Masterfile's ongoing compliance with the Proposal terms.
11. On January 15, 2018, the Trustee sent a letter to creditors updating the creditors on the status of the Proposal, including advice that the Trustee will consider distributions to Unsecured Creditors only after there are sufficient funds available to pay the Administrative Fees and Expenses (as such

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<sup>1</sup> Masterfile's payment was originally \$4,386 greater than was required to satisfy the distribution to Employee Claims, with the excess being returned to Masterfile.

<sup>2</sup> Masterfile is in arrears of payment of post-proposal royalties. The post-proposal default does not constitute a default under the terms of the Proposal.

term is defined in the Proposal) and that the Trustee would consult the Inspector to consider the frequency/timing of distributions to the Unsecured Creditors having regard to the factors referenced above.

12. Subsequently, on or around January 23, 2018, the Trustee advised the Inspector that it anticipated being able to make the first distribution to creditors in the Fall of 2018.
  
13. On October 1, 2018, the Trustee held an Inspector’s meeting to consider the following:
  - (a) Review of the interim statement of receipts and disbursements dated October 1, 2018 and dividend sheet (the “**Interim SRD**”);
  - (b) Consideration of an interim distribution;
  - (c) Consideration of Administrative Fees and Expenses; and
  - (d) Other items of interest to the creditors.
  
14. The Interim SRD reflected \$164,789.40<sup>3</sup> as being available for distribution. The following table reflects the funds that remained available for distribution as at October 1, 2018:

Funds Available as at October 1, 2018		\$164,780.40
Less: Return of funds to Masterfile (return of retainer paid to Trustee)	\$20,000.00	
Reimbursement to Masterfile of overpayment on Employee Claims	4,386.00	
Distribution to creditors with Employees Claims	<u>49,349.98</u>	( 73,735.98)
Funds Remaining		\$91,044.42 <sup>4</sup>

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<sup>3</sup> The Interim SRD does not provide for Administrative Fees and Expenses after December 19, 2017

<sup>4</sup> Since the preparation of the SRD, Masterfile has remitted a further \$40,000 to the Trustee and the Trustee currently holds \$131,044.42 in the estate account.

15. The Trustee proposed a distribution of \$70,000, reserving \$21,044.42 (the “**Retained Funds**”) for Administrative Fees and Expenses. Section 148(1) of the BIA provides that “subject to the retention of such sums as may be necessary for the costs of administration or otherwise, the trustee shall, from time to time as required by the inspectors, declare and distribute dividends among the unsecured creditors entitled thereto.” During the meeting, the Inspector verbally approved the interim distribution contemplated by the Interim SRD. However, after being presented with the written minutes of the meeting, the Inspector asked the Trustee to amend the Interim SRD to distribute the full \$91,044.42 leaving the estate without the Retained Funds.
16. The Trustee and Inspector thereafter engaged in several exchanges of email messages regarding the matter and could not reach a resolution. The failure to arrive at a satisfactory resolution resulted in the calling of the Second Meeting as a means of resolving the conflict between the Inspector and Trustee.

### **Retained Funds**

17. The Trustee believes it is necessary to temporarily hold the Retained Funds in order to address the following:
  - (a) The Trustee’s fees and expenses since December 19, 2017 and ongoing costs (including the costs of processing the interim distribution);
  - (b) To address the potential costs in dealing with the international creditors’ inability to cash cheques; and
  - (c) any other contingency that may arise.

18. Masterfile's proposal is ongoing, with the Retained Funds being held to promote an orderly administration of Masterfile's estate.

### **The Second Meeting**

19. On December 4, 2018, the Trustee chaired the Second Meeting. During the Second Meeting, the creditors resolved to:
  - (a) Have the Trustee bring a motion (the "**Motion**") to the Bankruptcy Court seeking authorization to make a distribution to creditors by electronic means on information provided by the Company, and if there is opposition to the Motion, the Trustee is to communicate the opposition to the creditors;
  - (b) That the board of Inspectors be increased by two to three Inspectors; and
  - (c) Subject to any directions from the Court to the contrary, the Trustee provide the Inspectors with the email addresses for those creditors with proven claims.

A copy of the minutes of the Second Meeting are attached as **Appendix "C"**.

## **IV ELECTRONIC TRANSFERS**

### **The Case for Electronic Transfers**

20. As part of the November 15<sup>th</sup> Report, the Trustee informed creditors of the risk that international creditors may have trouble negotiating Canadian denominated and issued cheques. At the Second Meeting, the creditors requested that the Trustee seek the Court's advice and direction authorizing the Trustee to make distributions using electronic transfer instead of printed cheque.

21. Prior to and after the filing of the Proposal, Masterfile paid its creditors using a combination of cheque, Automated Clearing House (“ACH”)<sup>5</sup>, BACS (defined below) and PayPal<sup>6</sup>. Most of Masterfile’s creditors are accustomed to receiving payments from Masterfile electronically and wish for this practice to continue.
22. At the Second Meeting, the creditors also expressed a desire to receive semi-annual distributions from the estate<sup>7</sup>. Most of the creditors do not have mailing addresses in Canada and would have received a distribution of less than \$81 from the distributed contemplated by the SRD. For many of Masterfile’s creditors, the costs incurred in cashing semi-annual cheques will be disproportionately high when measured against the funds received from the Trustee.
23. The Trustee’s costs of processing/distributing printed cheques on a semi-annual basis is significant. The Trustee and recipients will respectively incur significantly lower fees processing and receiving payment electronically as opposed to processing or receiving cheques drawn in Canadian currency from a Canadian-domiciled bank account.

### **The Options**

24. Since the Second Meeting, the Trustee has investigated using: (i) Masterfile’s current methods of distributing funds to creditors; (ii) a combination of PayPal and VersaBank; and (iii) a combination

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<sup>5</sup> The electronic clearing and settlement network used for financial transactions by US commercial banks and other institutions. The ACH network is a system that batches financial transactions together and processes the Direct Payments at specific intervals during the day. Settlement, or the transfer of funds from one financial institution to another to complete the transaction, generally happens next day.

<sup>6</sup> Of the 273 creditors with proven claims, Masterfile paid 29 by cheque, 161 by ACH, 50 by PayPal, 24 by BACS and 9 to be determined.

<sup>7</sup> The creditors deferred a decision on the frequency of distributions choosing to wait until it had information from the Trustee concerning the costs of processing payments electronically. This matter will be raised with the Inspectors at a future Inspectors meeting.

- of PayPal and The Toronto-Dominion Bank (“**TD Bank**”), the bank where the Trustee maintains its trust account in respect of Masterfile’s proposal, to electronically transfer the funds to creditors.
25. The Trustee’s criteria in selecting a method of electronic transfer includes the cost, ease of processing for both the Trustee and the creditors, the BIA and the directives.
  26. Section 25(2) of the BIA states that “All payments made by a trustee under subsection (1.3) shall be made by cheque drawn on the estate account or in such manner as is specified in directives of the Superintendent.”
  27. Directive 5R5 (the “**Directive**”) of the BIA, a copy of which is attached as **Appendix “D”**, provides that the Trustee may apply to the Office of the Superintendent of Bankruptcy for approval to make makes electronically from a trust account rather than by signed printed cheque. The Directive states that “for the purposes of making electronic payments, a trustee must utilize the services of a bank as defined under section 2 of the BIA”. Section 2 provides that a “Bank” includes: every bank and authorized foreign bank within the meaning of section 2 of the *Bank Act*; every other member of the Canadian Payments Association established by the *Canadian Payments Act* (“**CPA**”); and every local cooperative credit society, as defined in subsection 2 of the CPA.
  28. TD Bank and VersaBank are each schedule 1 chartered banks and a member of the Canadian Payments Association, and accordingly, are each considered a “Bank” under section 2 of the BIA.
  29. PayPal Canada is not considered a “Bank” under section 2 of the BIA.
  30. VersaBank was able to accommodate both domestic and international outgoing payments wire with the estate incurring no fee for sending the outgoing wire transfers. However, unless there

is a corresponding banking relationship between the Trustee’s bank and the recipient’s bank, the funds being transferred may be subject to a lengthy hold. The recipient may also incur a fee levied by its financial institution for the incoming wire. Accordingly, wire transfers may eliminate the cost associated with cheque production and reduce postage and distribution costs, decrease staff time spent on administration, but does not necessarily eliminate the costs or delays associated with negotiating payment of a printed cheque.

31. TD Bank offers electronic fund transfer (“EFT”) and ACH services, a summary of which is provided below:

	EFT (TD Canada Trust)	ACH
<b>Set-Up Fee</b>	\$0	\$0
<b>Monthly fee</b>	\$50.00	\$10.00
<b>Additional Fees</b>	\$10 per file and \$0.10 per item/payment	\$0.25 per item
<b>Security Features</b>	Dual Authentication (two users must authorize the file for payments to be released)	Dual Authentication
<b>Set-up time</b>	Approximately 3-5 days	Approximately 6-8 weeks to be fully operational
<b>Funds Drawn From</b>	Trust account at TD Bank	New trust account to be opened at TD Bank, N.A., the US-based subsidiary of Toronto-Dominion Bank
<b>Currency Payments of to Creditors</b>	Canadian dollars	United States dollars

The full fees schedule for processing payments by EFT and ACH are attached as **Appendix “E”** and **Appendix “F”**, respectively.

32. PayPal is an American publicly-held company that provides worldwide online payment system that supports online money transfers and serves as an electronic alternative to cheques. When

making distributions to creditors, the Trustee would authorize PayPal to debit its trust account for the value of the distribution and forward PayPal a list of the payee data. Creditors receiving funds via PayPal are sent money using the recipient's PayPal email address and the funds are transferred to the creditors/recipients PayPal account. PayPals's fees schedule is attached as **Appendix "G"**.

33. The Directive also provides that "the trustee shall obtain the consent of a creditor/recipient to receive payment electronically: (a) such consent shall be provided to the trustee in the form set out in Schedule 3; ... (d) a creditor may revoke consent to receive electronic payments by sending written notification to the trustee."
34. At the Second Meeting, the creditors required the Trustee to bring the Advice and Direction Motion in support of an order, *inter alia*, enabling electronic transfer payments. Notwithstanding that Masterfile makes electronic transfer payments to its vendors in the ordinary course of business, the creditors/recipients may not wish to receive payments from the Trustee in that manner. Accordingly, the Trustee recommends that prior to it making the first distribution, that it send an email message to all creditors with proven claims giving them a period of thirty (30) days within which to opt out of receiving electronic payments by sending written notice to the Trustee.
35. There are 29 creditors, mostly employees, that have routinely been paid by Masterfile by printed cheque and for which Masterfile does not possess the information required to process electronic payment. For these creditors, the Trustee proposes that it direct correspondence to each of these creditors seeking their consent to receive payments electronically and concurrently request that they provide the Trustee with their banking information should they elect to receive payments electronically.
36. Masterfile currently pays certain of its UK-based creditors in Great British Pounds using the Bacs Payment Schemes Limited ("**BACS**") system (i.e., the United Kingdom's equivalent to the ACH



system). In order to use BACS, the Trustee must have a bank account in the United Kingdom. Masterfile maintains a Barclay's account in UK for this purpose. There are currently 24 creditors with proven claims that have received or continue to receive payments from Masterfile using BACS. Masterfile has provided the Trustee with the information it requires to make payments to these creditors using the BAC system. Given the limited number of creditors affected and the need to maintain a UK based bank account to use BACS, the Trustee proposes to write each of these creditors providing each the option of choosing to receive payment via printed cheque or PayPal.

**Recommendation**

37. The Trustee recommends that electronic transfer payments be made using a combination of: (i) TD Bank's electronic fund transfer service in Canada and ACH service in the US; and (ii) PayPal for all other creditors for the following reasons:
- (a) Eliminates the cost associated with cheque production;
  - (b) Reduces postage and/or distribution expenses;
  - (c) Decreases staff time spent on administration; and
  - (d) Increases accuracy through electronic banking.

38. Creditors will have an ongoing ability to opt out of receiving electronic payments.

#### **V SHARING OF EMAIL ADDRESSES**

39. Prior to the Second Meeting, the Inspector repeatedly asked the Trustee to release to him the email addresses for Masterfile's creditors. At the Second Meeting, the creditors requested that the Trustee provide the Inspectors with the email addresses for all creditors with proven claims.

40. While section 126 of the BIA permits the creditors to see and examine the proofs of claims of other creditors, there is no statutory authority for the Trustee to disclose the email addresses to the creditors or Inspectors. Accordingly, the Trustee is concerned that its release of the email addresses to the Inspectors may raise privacy concerns. Under the *Personal Information Protection and Electronic Documents Act* ("**PIPEDA**"), the knowledge and consent of individuals must be obtained before personal information relating to them is disclosed to third parties. PIPEDA provides, however, that disclosure may be made without such consent if that disclosure is "required to comply with a subpoena or warrant issued or an order made by a court, person or body with jurisdiction to compel the production of information, or to comply with rules of court relating to the production of records".<sup>8</sup>

41. Given the foregoing, the Trustee does not believe it can comply with the creditors request that it provide the Inspectors the email addresses without obtaining each of the creditors consent or by obtaining a court order. There will be significant cost in seeking the consent of the approximately 273 creditors with proven claims and the additional creditors that may later prove their claim.

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<sup>8</sup> Section 7(3) of the Personal Information Protection and Electronic Documents Act

42. Accordingly, the seeks the Court's advice and direction with regards to the release of the creditors email addresses to the Inspectors.

**VI RELIEF REQUESTED BY THE TRUSTEE**

Based on the foregoing, the Trustee seeks the Court's advice and direction with regards to the issues set out in paragraph 6.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 17<sup>th</sup> day of December 2018

**MNP LTD.,**  
in its capacity as Trustee acting in re the Proposal  
of Masterfile Corporation,  
and not in its personal or corporate capacities  
Per:



Sheldon Title  
Licensed Insolvency Trustee

# Appendix "A"

**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: \_\_\_\_\_  
Title: STEVE PIGEON  
PRESIDENT

I have authority to bind the corporation.

## **Appendix “B”**

COURT NO. 31-2237353  
ESTATE NO. 31-2237353

**IN THE MATTER OF THE PROPOSAL OF  
MASTERFILE CORPORATION**  
of the City of Toronto, in the Province of Ontario

TAKE NOTICE THAT:

1. MNP Ltd., Licensed Insolvency Trustee ("Trustee") acting in re the proposal of Masterfile Corporation requests that a Second Meeting of Creditors be held.
2. The Second Meeting of Creditors will be held on the 4th day of December, 2018 at 11:00 o'clock in the forenoon, at the office of the Trustee, 111 Richmond Street West, Suite 300, Toronto, Ontario.
3. An agenda for this meeting is attached.
4. To be entitled to vote at the meeting, a creditor must lodge with the Trustee, before the meeting, a proxy.

DATED AT Toronto, Ontario this 15<sup>th</sup> day of November, 2018.

**MNP LTD.,**  
Trustee acting in re the Proposal of  
Masterfile Corporation, and not in its  
personal capacity  
Per:



Sheldon Title, CPA, CA, CIRP, LIT

Attch.

## **MASTERFILE CORPORATION**

### **AGENDA**

Consideration of:

1. The status of Masterfile Corporation's proposal;
2. The approval of the interim statement of receipts and disbursements and dividend sheet;
3. The frequency of distributions;
4. The approval of the Administrative Fees and Expenses;
5. The appointment of additional Inspectors to the estate; and
6. Any other matters raised at the meeting.

**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**

**NOVEMBER 15, 2018**

**STATUS OF MASTERFILE'S PROPOSAL**

At the Meeting of Creditors (the "**Meeting**") held on April 25, 2017, the creditors voted to accept the Proposal, dated April 5, 2017 (the "**Proposal**") made by Masterfile Corporation ("**Masterfile**" or the "**Company**") to its creditors and the Court ordered (the "**Approval Order**") the approval of the Proposal on May 23, 2017. The implementation of the Proposal was conditional on the acceptance of the Proposal by the Company's Unsecured Creditors, the Court making of the Approval Order and the expiry of all appeal periods. The Implementation Date was June 3, 2017.

All capitalized terms not otherwise defined herein shall have the meanings as defined in the Proposal, unless otherwise specified.

At the Meeting, one (1) individual was appointed to serve as an Inspector. Inspectors are appointed as representatives of all creditors and occupy positions of trust. They are expected to assist the Trustee by virtue of their experience and knowledge of the Company and are required to supervise certain aspects of the Trustee's administration of the Proposal.

**FUNDING OF PROPOSAL**

Under the terms of the Proposal, paragraph 5.1 states that the Company 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.

Masterfile has made five (5) quarterly instalments (pursuant to paragraph 5.1(i) and has also paid the Trustee an amount of \$49,350.58<sup>1</sup>, which amount satisfied payment of the Employee Claims. The Trustee, in turn, made distributions to satisfy the claims of the Employee Creditors. As of the date of this letter, Masterfile does not appear to be in arrears of its source deduction obligations.

Given the foregoing, Masterfile is in compliance with its financial obligations under the Proposal.

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<sup>1</sup> Masterfile remitted \$53,736.58 to the Trustee, which was \$4,386 greater than was required to satisfy the distribution in respect of the Employee Claims. The \$4,386 was returned to Masterfile.

## **STATEMENT OF INTERIM RECEIPTS AND DISBURSEMENTS**

Attached hereto as **Appendix "A"** is the Trustee's interim statement of receipts and disbursements ("**SRD**") and related dividend sheet. The SRD accrues for the Trustee's fees and expenses, including Masterfile's legal fees, through December 19, 2017<sup>2</sup>.

Section 148(1) of the *Bankruptcy and Insolvency Act* ("**BIA**") states that "Subject to the retention of such sums as may be necessary for the costs of administration or otherwise, the trustee shall, from time to time as required by the Inspectors, declare and distribute dividends among the unsecured creditors entitled thereto." In preparing the SRD, the Trustee considered retaining the sum of \$21,044.42 in the estate (the "**Retained Funds**") and distributing \$70,000 to the Unsecured Creditors. The rationale behind the Retained Funds is set out in the section "Retained Funds" below.

On October 1, 2018, the Trustee convened an Inspector's meeting to consider, among other things, the approval of the SRD. The Inspector verbally authorized the distribution of \$70,000. However, after being presented with written minutes of the meeting, the Inspector asked for the Trustee to amend the SRD to distribute the \$91,044.42 leaving the estate without the Retained Funds.

The Trustee and Inspector thereafter engaged in exchanges of email messages regarding the matter but did not reach a resolution. Where there is conflict between the Trustee and the Inspectors, the Trustee has, pursuant to Section 119 of the BIA, two (2) options to address the matter: 1) seek the direction of the creditors; and/or 2) seek a review of the Inspector's decision by the Court.

Accordingly, and implicit to the legislation, the Trustee is expected to first call a meeting of creditors in order to address such conflicts. The directions given by the creditors shall in the case of conflict be deemed to override the directions given by the Inspectors. An application to the Court for advice and directions may become necessary if a satisfactory resolution is not reached at the second meeting of creditors.

## **RETAINED FUNDS**

All distributions from Masterfile's proposal are subject to the Office of the Superintendent of Bankruptcy levy<sup>3</sup>. The distribution of \$70,000 to 271 creditors results in net payout to the creditors of \$66,500 (after levy), with the average cheque being \$245.79. 248 of the 271 creditors will receive a payout of less than \$500, with the smallest payout being \$1.48. 140 of the creditors are located outside of Canada, with many located overseas.

The Trustee believes it is necessary to temporarily hold the Retained Funds having consideration to the following:

1. The Trustee's fees and expenses since December 19, 2017 and ongoing costs (including the costs of processing the interim distribution);
2. international creditors may have trouble in depositing a Canadian cheque<sup>4</sup>, resulting in problems, exorbitant bank fees and extended holds on the funds. There are a significant number of creditors who may incur costs greater than the return projected by the SRD. Given the

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<sup>2</sup> The \$84,420.15 in Trustee's remuneration is consistent with the reporting as per the Trustee's letter report, dated January 15, 2018. The Trustee has continued to administer the Proposal, but the fees/expenses are not accrued in the SRD.

<sup>3</sup> In this estate, the levy would be 5%.

<sup>4</sup> The BIA provides that "All payments made by a trustee under subsection (1.3) shall be made by cheque drawn on the estate account or in such manner as is specified in the directives of the Superintendent."

restrictions imposed under the BIA with regards to the method of payment, the Trustee may be required to bring an application to Court to permit the use of an alternate method of payment, such as a bank draft or cashier's cheque. This would result in considerable expense, both in bringing the application and replacing the cheque with another method of payment; and

3. any other contingency that may arise.

Prior to applying for its discharge, the Trustee must send creditors and the Office of the Superintendent of Bankruptcy a dividend sheet, indicating the dividends paid or due to be paid, as well as a final statement of receipts and disbursements. This statement must contain a complete account of all money and interest received by the Trustee, all money disbursed, and expenses incurred, and the remuneration claimed by the Trustee. This final statement must be approved by the Inspectors or the creditors. When the Trustee has completed his or her duties, it must apply to the Court for a discharge. As an officer of the Court, the Trustee is ultimately accountable for all funds that flow into the estate, including the Retained Funds.

Any interested party can object to the discharge of the Trustee by filing a notice with the Court outlining the reasons for the objection.

Masterfile's proposal is ongoing, with the Retained Funds being held to promote an orderly administration of Masterfile's estate.

### **FREQUENCY OF DISTRIBUTIONS**

The Proposal is silent on the issue of the frequency of distributions. The costs of the administration increase with more frequent distributions. At the most recent Inspector's meeting, the Trustee proposed to the Inspector that it make distributions to creditors annually; however, there was no agreement on this point. The Trustee is aware that this issue is fluid as the frequency of payments may be affected by the challenges creditors may face in depositing the dividend cheques issued by the Trustee.

As noted above, there are many creditors that are foreign based, and per the SRD, most creditors will receive an interim dividend of less than \$81. There are nine (9) creditors with larger claims (i.e., expecting dividends greater than \$1,000), who likely would prefer more frequent distributions. The Trustee recognizes these conflicting objectives and will be seeking advice and direction from the creditors on this issue at the upcoming meeting.

### **APPROVAL OF ADMINISTRATIVE EXPENSES**

The following Administrative Fees and Expenses are included in the SRD:

<b>Professional Firm/Role</b>	<b>Period Covered</b>	<b>Fees/Disbursements (incl. HST)</b>
MNP Ltd. (Trustee)	February 28, 2017 to December 19, 2017	\$84,420
Audaxlaw (Masterfile's legal counsel)	March 31, 2017 to June 5, 2017	\$23,178

Attached as **Appendix "B"** are the invoices for each of MNP and Audaxlaw. The Inspector has approved payment of the legal fees and one of two of the Trustee's invoices. The second invoice



(#8214669) in the amount of \$37,967.32 has not yet been approved by the Inspector<sup>5</sup>. The Administrative Fees and Expenses are subject to taxation (approval) by the Court.

### **APPOINTMENT OF INSPECTORS**

The BIA provides that "At the first or a subsequent meeting of creditors, the creditors, shall, by resolution, appoint up to five Inspectors of the estate of the bankrupt or agree not to appoint any inspectors." The BIA further provides that "The creditors or inspectors at any meeting may fill any vacancy on the board of Inspectors." There currently is one Inspector appointed and the Trustee has been contacted by another party interested in being added to the board of Inspectors. The Trustee will request the creditors consider this issue at the upcoming meeting.

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<sup>5</sup> The Inspector verbally approved payment at the October 1, 2018 meeting. The Trustee can only draw payment when it is in receipt of the minutes signed by the Inspector.

# APPENDIX "A"

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

**In the matter of the proposal of  
 Masterfile Corporation  
 of the City of Toronto  
 in the Province of Ontario  
 \_Form 12\_  
 Interim Statement of Receipts and Disbursements**

Interim

**RECEIPTS**

1. Payment Receipt		
Proposal	253,736.58	253,736.58
2. Miscellaneous		
Funds from retainer	20,000.00	20,000.00
<b>TOTAL RECEIPTS</b>		<b><u>273,736.58</u></b>

**DISBURSEMENTS**

3. Fees Paid		
To official receiver	150.00	150.00
4. Notice of first meeting		
Notice of Proposal - postage	225.69	225.69
5. Trustee's remuneration		
Trustee Fees in Proposal	74,708.10	
HST charged on Trustee remuneration	9,712.05	84,420.15
6. Federal and Provincial taxes		
HST on legal fees	2,665.57	2,665.57
7. Miscellaneous		
Bank charges	452.50	
Legal fees/disbursements	20,512.35	
Interim dividend distribution	212.52	
Interim dividend distribution - postage	317.40	21,494.77
<b>TOTAL DISBURSEMENTS</b>		<b><u>108,956.18</u></b>

Note: How much of the total disbursements was paid for services provided by persons related to the trustee? 0.00

Amount available for distribution		<b><u>164,780.40</u></b>
8. Levy payable under section 147 of the Act		<b><u>5,967.50</u></b>
9. Preferred creditors		
Proved claims of	49,349.98	
Dividend	49,349.98	
	less levy	2,467.50
		<b><u>46,882.48</u></b>
10. Unsecured creditors		
Proved claims of	2,944,572.29	
Current dividend	2.38%	
	70,000.00	
	less levy	3,500.00
		<b><u>66,500.00</u></b>
11. Amount refunded to the debtor		<b><u>24,386.00</u></b>
12. Amount retained in the Trust account by the Trustee:		<b><u>21,044.42</u></b>

Status of Proposal: Ongoing.

Notes:

1. On April 5, 2017, Masterfile Corporation ("Masterfile" or the "Company") filed a Proposal pursuant to the Bankruptcy and Insolvency Act ("BIA") and MNP Ltd. ("MNP") consented to act as Proposal Trustee (the "Trustee").

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

**In the matter of the proposal of  
Masterfile Corporation  
of the City of Toronto  
in the Province of Ontario**  
Form 12 --- Concluded  
Interim Statement of Receipts and Disbursements

Interim

2. On May 23, 2017, the Ontario Superior Court of Justice ordered the approval of the Proposal (the "Approval Order").
3. The terms of the Proposal require Masterfile to pay, inter alia, the sum of \$800,000 in minimum quarterly instalments of \$40,000. These payments commenced on September 3, 2017 and Masterfile's payments are currently up to date.
4. The Proposal also provided that Masterfile was to pay to the Trustee immediately after the making of the Approval Order, the funds required to satisfy payment of the employee preferred claims. Masterfile paid the Trustee \$53,736.58, which, subject to the Trustee's determination of certain employee preferred claims being final and conclusive, was \$4,386.60 greater than the funds required to satisfy the proven employee preferred claims. As such, the Trustee, with inspector approval, returned this amount to Masterfile by deducting this amount from Masterfile's first Proposal payment due on September 3, 2017.
5. The Trustee, with inspector approval, deducted an amount of \$17,500 from Masterfile's first Proposal payment due on September 3, 2017, to reimburse Masterfile for its legal fees.
6. An initial retainer amount of \$20,000 was paid to the Trustee by Masterfile to cover the fees of the Trustee, should the Company at any point be deemed to have filed an assignment in bankruptcy. The Trustee, with inspector approval, returned the retainer funds to Masterfile by applying it to Masterfile's March 3, 2018 payment.
7. There is one (1) inspector appointed in the administration of this estate.

Dated at the City of Toronto in the Province of Ontario, this 1st day of October 2018.

MNP LTD. - Licensed Insolvency Trustee  
Per:

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

Approved by the following inspectors:

\_\_\_\_\_  
Michael Mahovlich

Taxed at the sum of \$ \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Registrar

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

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

Date declared: October 1, 2018

	Claim \$	Total			Interim Payment \$	Current		
		Dividend \$	Levy \$	Payment \$		Dividend \$	Levy \$	Payment \$
<b>Preferred</b>								
Andrew Taylor	1,365.12	1,365.12	68.26	1,296.86	1,296.86	0.00	0.00	0.00
Archie Lam	2,000.00	2,000.00	100.00	1,900.00	1,900.00	0.00	0.00	0.00
Barbara Miller	2,000.00	2,000.00	100.00	1,900.00	1,900.00	0.00	0.00	0.00
Bianca Gianfrancesco	1,258.65	1,258.65	62.93	1,195.72	1,195.72	0.00	0.00	0.00
Brent Garnett	2,000.00	2,000.00	100.00	1,900.00	1,900.00	0.00	0.00	0.00
Celine Richard	1,660.00	1,660.00	83.00	1,577.00	1,577.00	0.00	0.00	0.00
Chris Liberty	1,657.60	1,657.60	82.88	1,574.72	1,574.72	0.00	0.00	0.00
Chris Thom	2,000.00	2,000.00	100.00	1,900.00	1,900.00	0.00	0.00	0.00
Craig Armstrong	1,084.58	1,084.58	54.23	1,030.35	1,030.35	0.00	0.00	0.00
David Edwards	2,000.00	2,000.00	100.00	1,900.00	1,900.00	0.00	0.00	0.00
Diane Moore	2,000.00	2,000.00	100.00	1,900.00	1,900.00	0.00	0.00	0.00
Florin Patrascu	2,000.00	2,000.00	99.99	1,900.01	1,900.01	0.00	0.00	0.00
Geoffrey Beal	1,741.45	1,741.45	87.07	1,654.38	1,654.38	0.00	0.00	0.00
Joao Miranda	2,000.00	2,000.00	100.00	1,900.00	1,900.00	0.00	0.00	0.00
John McDonald	2,000.00	2,000.00	100.00	1,900.00	1,900.00	0.00	0.00	0.00
Julie McNorton	992.54	992.54	49.63	942.91	942.91	0.00	0.00	0.00
Kara Bowerman	1,192.22	1,192.22	59.61	1,132.61	1,132.61	0.00	0.00	0.00
Kevin Lam	1,613.40	1,613.40	80.67	1,532.73	1,532.73	0.00	0.00	0.00
Lev Plaseckyj	2,000.00	2,000.00	100.00	1,900.00	1,900.00	0.00	0.00	0.00
Lisa Gilpin	1,828.42	1,828.42	91.42	1,737.00	1,737.00	0.00	0.00	0.00
Maureen Wisson	1,443.36	1,443.36	72.17	1,371.19	1,371.19	0.00	0.00	0.00
Michael Hilsheimer	1,306.09	1,306.09	65.30	1,240.79	1,240.79	0.00	0.00	0.00
Mohammad Fattahian	2,000.00	2,000.00	100.00	1,900.00	1,900.00	0.00	0.00	0.00
Roberto Bojorge	917.31	917.31	45.87	871.44	871.44	0.00	0.00	0.00
Seneca Cunningham	1,316.54	1,316.54	65.83	1,250.71	1,250.71	0.00	0.00	0.00
Sharon Snow	2,000.00	2,000.00	100.00	1,900.00	1,900.00	0.00	0.00	0.00
Siobhan Tynan	1,374.37	1,374.37	68.72	1,305.65	1,305.65	0.00	0.00	0.00
Stacey Waspe	880.38	880.38	44.02	836.36	836.36	0.00	0.00	0.00
Susan Morissette	2,000.00	2,000.00	100.00	1,900.00	1,900.00	0.00	0.00	0.00
Tanya Gangursky	733.85	733.85	36.69	697.16	697.16	0.00	0.00	0.00
Theresa McGraw	984.10	984.10	49.21	934.89	934.89	0.00	0.00	0.00
<b>Total:</b>	<b>49,349.98</b>	<b>49,349.98</b>	<b>2,467.50</b>	<b>46,882.48</b>	<b>46,882.48</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Unsecured</b>								
824387 ALBERTA LTD.	15,168.43	360.59	18.03	342.56	0.00	360.59	18.03	342.56
ABLE IMAGES	5,777.74	137.35	6.87	130.48	0.00	137.35	6.87	130.48
AFLO CO. LTD. (RF)	14,226.97	338.21	16.91	321.30	0.00	338.21	16.91	321.30
ALBERT NORMANDIN PHOTOGRAPHY	8,425.06	200.29	10.01	190.28	0.00	200.29	10.01	190.28
ALISON BARNES MARTIN	2,024.19	48.12	2.41	45.71	0.00	48.12	2.41	45.71
Allan Baxter	5,471.92	130.08	6.50	123.58	0.00	130.08	6.50	123.58

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Allan Davey	7,226.85	171.80	8.59	163.21	0.00	171.80	8.59	163.21
Allyson Scott	3,299.13	78.43	3.92	74.51	0.00	78.43	3.92	74.51
Amy Whitt	2,773.45	65.93	3.30	62.63	0.00	65.93	3.30	62.63
Andrew Brookes	2,475.30	58.84	2.94	55.90	0.00	58.84	2.94	55.90
Andrew Judd	2,962.39	70.42	3.52	66.90	0.00	70.42	3.52	66.90
Andrew Kolb	4,310.52	102.47	5.12	97.35	0.00	102.47	5.12	97.35
ANDREW OLNEY PHOTOGRAPHY LTD.	1,349.51	32.08	1.60	30.48	0.00	32.08	1.60	30.48
Angie Lee	475.60	11.31	0.57	10.74	0.00	11.31	0.57	10.74
Anna Huber	635.09	15.10	0.75	14.35	0.00	15.10	0.75	14.35
Anthony Redpath	1,547.90	36.80	1.84	34.96	0.00	36.80	1.84	34.96
ARCAID LTD.	6,256.15	148.72	7.44	141.28	0.00	148.72	7.44	141.28
Archie Lam	1,687.69	40.12	2.01	38.11	0.00	40.12	2.01	38.11
Arian Camilleri	2,165.77	51.49	2.57	48.92	0.00	51.49	2.57	48.92
ARTIGA PHOTO	4,626.07	109.97	5.50	104.47	0.00	109.97	5.50	104.47
AURORA PHOTOS, INC.	21,724.75	516.45	25.82	490.63	0.00	516.45	25.82	490.63
Barbara Miller	3,783.11	89.93	4.50	85.43	0.00	89.93	4.50	85.43
BARRETT ADVERTISING PHOTO.INC.	5,563.66	132.26	6.61	125.65	0.00	132.26	6.61	125.65
BARTOLOME OZONAS FERRER	490.54	11.66	0.58	11.08	0.00	11.66	0.58	11.08
Bell Canada 416 929 3000	5,684.44	135.13	6.76	128.37	0.00	135.13	6.76	128.37
Ben Seelt b.v. Publiciteitsfotografie	157.05	3.73	0.19	3.54	0.00	3.73	0.19	3.54
Beth Dixon	1,681.58	39.98	2.00	37.98	0.00	39.98	2.00	37.98
Bettina Salomon	2,514.16	59.77	2.99	56.78	0.00	59.77	2.99	56.78
Bianca Gianfrancesco	12,054.81	286.57	14.33	272.24	0.00	286.57	14.33	272.24
BLEND IMAGES, LLC	320,911.72	7,628.88	381.44	7,247.44	0.00	7,628.88	381.44	7,247.44
BLUE HILL ATELIER	6,335.73	150.62	7.53	143.09	0.00	150.62	7.53	143.09
BLUE IMAGES LLC	12,111.78	287.93	14.40	273.53	0.00	287.93	14.40	273.53
Bob Anderson	3,407.23	81.00	4.05	76.95	0.00	81.00	4.05	76.95
BODEN/LEDINGHAM	10,679.21	253.87	12.69	241.18	0.00	253.87	12.69	241.18
Brent Garnett	1,952.47	46.42	2.32	44.10	0.00	46.42	2.32	44.10
BRIAN PIETERS PHOTOGRAPHY LTD.	3,733.60	88.76	4.44	84.32	0.00	88.76	4.44	84.32
Brian Sytnyk	7,699.93	183.05	9.15	173.90	0.00	183.05	9.15	173.90
BROOKSIDE STUDIO	1,677.52	39.88	1.99	37.89	0.00	39.88	1.99	37.89
Bruce Fleming	677.64	16.11	0.81	15.30	0.00	16.11	0.81	15.30
Bryan Reinhart	6,162.84	146.51	7.33	139.18	0.00	146.51	7.33	139.18
BURAZIN PHOTOGRAPHY	4,964.01	118.01	5.90	112.11	0.00	118.01	5.90	112.11
Carl Warner	2,208.92	52.51	2.63	49.88	0.00	52.51	2.63	49.88
CAVAN IMAGES, LLC	579.17	13.77	0.69	13.08	0.00	13.77	0.69	13.08
CHAD JOHNSTON PHOTOGRAPHICS	5,003.92	118.96	5.95	113.01	0.00	118.96	5.95	113.01
Chris Thom	3,380.77	80.37	4.02	76.35	0.00	80.37	4.02	76.35

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Christina Handley	1,124.15	26.72	1.34	25.38	0.00	26.72	1.34	25.38
Christina Krutz	6,234.54	148.21	7.41	140.80	0.00	148.21	7.41	140.80
Christopher Hendrickson	2,343.94	55.72	2.79	52.93	0.00	55.72	2.79	52.93
CIRQUE DYNAMICS INC.	9,597.44	228.16	11.41	216.75	0.00	228.16	11.41	216.75
CONTORAKES PRODUCTIONS LLC	2,611.86	62.09	3.10	58.99	0.00	62.09	3.10	58.99
CULLOR BY BENSON LTD	15,377.15	365.55	18.28	347.27	0.00	365.55	18.28	347.27
Daisy Gilardini	3,890.36	92.48	4.62	87.86	0.00	92.48	4.62	87.86
Dale Sanders	5,391.32	128.17	6.41	121.76	0.00	128.17	6.41	121.76
Dale Wilson	2,432.13	57.82	2.89	54.93	0.00	57.82	2.89	54.93
DAN LIM PHOTOGRAPHY INC.	5,613.23	133.44	6.67	126.77	0.00	133.44	6.67	126.77
Dana Hursey	7,575.78	180.10	9.00	171.10	0.00	180.10	9.00	171.10
Daniel Barillot	1,976.81	46.99	2.35	44.64	0.00	46.99	2.35	44.64
Daniel Jurak	800.25	19.02	0.95	18.07	0.00	19.02	0.95	18.07
Daniel Rodriguez	390.53	9.28	0.46	8.82	0.00	9.28	0.46	8.82
DARRYL LENIUK PHOTOGRAPHY	6,139.32	145.95	7.30	138.65	0.00	145.95	7.30	138.65
DAVE ROBERTSON PHOTOGRAPHY INC	9,377.92	222.94	11.15	211.79	0.00	222.94	11.15	211.79
David Edwards	297.50	7.07	0.35	6.72	0.00	7.07	0.35	6.72
David Hall	2,350.81	55.88	2.79	53.09	0.00	55.88	2.79	53.09
David Mendelsohn	5,167.62	122.85	6.14	116.71	0.00	122.85	6.14	116.71
DAVID PAPAIZIAN INC.	2,684.48	63.82	3.19	60.63	0.00	63.82	3.19	60.63
David&Micha Sheldon	3,452.09	82.06	4.10	77.96	0.00	82.06	4.10	77.96
Dennie Cody & D. Khattiya	2,515.15	59.79	2.99	56.80	0.00	59.79	2.99	56.80
DESIGN PICS INC.	22,149.48	526.55	26.33	500.22	0.00	526.55	26.33	500.22
DI3P COMMUNICATIONS	1,584.83	37.68	1.88	35.80	0.00	37.68	1.88	35.80
Diane Moore	2,564.25	60.96	3.05	57.91	0.00	60.96	3.05	57.91
Digital Media Licencing Associated	4,748.10	112.87	5.64	107.23	0.00	112.87	5.64	107.23
Dott.ssa Francesca Grande	1,135.67	27.00	1.35	25.65	0.00	27.00	1.35	25.65
DOUGLAS E WALKER PHOTO LTD	2,709.80	64.42	3.22	61.20	0.00	64.42	3.22	61.20
Ed Gifford	8,384.53	199.32	9.97	189.35	0.00	199.32	9.97	189.35
Elke Esser	220.65	5.25	0.26	4.99	0.00	5.25	0.26	4.99
Emanuele Cicomartino	114.19	2.71	0.14	2.57	0.00	2.71	0.14	2.57
ERICKSON PRODUCTIONS INC.	616.08	14.65	0.73	13.92	0.00	14.65	0.73	13.92
Estelle Klawitter	441.59	10.50	0.52	9.98	0.00	10.50	0.52	9.98
Florin Patrascu	3,529.62	83.91	4.20	79.71	0.00	83.91	4.20	79.71
FLOWERPHOTOS LIMITED	4,846.77	115.22	5.76	109.46	0.00	115.22	5.76	109.46
Frank Krahmer	16,897.03	401.69	20.08	381.61	0.00	401.69	20.08	381.61
Frank Lukasseck	17,120.97	407.01	20.35	386.66	0.00	407.01	20.35	386.66
Frank Rossbach	1,264.54	30.06	1.50	28.56	0.00	30.06	1.50	28.56
FRY DESIGN	62,707.85	1,490.73	74.54	1,416.19	0.00	1,490.73	74.54	1,416.19

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FSTOP IMAGES GMBH	15,505.81	368.61	18.43	350.18	0.00	368.61	18.43	350.18
G BISS PHOTOGRAPHY LTD	3,420.32	81.31	4.07	77.24	0.00	81.31	4.07	77.24
Gail Mooney	6,155.53	146.33	7.32	139.01	0.00	146.33	7.32	139.01
GALLO IMAGES (PTY) LTD.	3,906.32	92.86	4.64	88.22	0.00	92.86	4.64	88.22
Garry Black	23,798.86	565.76	28.29	537.47	0.00	565.76	28.29	537.47
GARY GEROVAC PHOTOGRAPHY	2,352.51	55.93	2.80	53.13	0.00	55.93	2.80	53.13
GARY RHIJNSBURGER PHOTOGRAPHY	4,254.39	101.14	5.06	96.08	0.00	101.14	5.06	96.08
Geoff Cannon	2,000.00	47.55	2.38	45.17	0.00	47.55	2.38	45.17
Geoffrey Beal	647.01	15.38	0.77	14.61	0.00	15.38	0.77	14.61
George Shelley	2,790.49	66.34	3.32	63.02	0.00	66.34	3.32	63.02
George Simhoni	3,864.64	91.87	4.59	87.28	0.00	91.87	4.59	87.28
Gloria H Chomica	1,200.36	28.54	1.43	27.11	0.00	28.54	1.43	27.11
GOLDEN PIXELS LLC	2,389.47	56.80	2.84	53.96	0.00	56.80	2.84	53.96
Graham French	9,943.07	236.37	11.82	224.55	0.00	236.37	11.82	224.55
GREAT STOCKI	393.63	9.36	0.47	8.89	0.00	9.36	0.47	8.89
Greg Stott	4,438.85	105.52	5.28	100.24	0.00	105.52	5.28	100.24
Guy Grenier	1,268.95	30.17	1.51	28.66	0.00	30.17	1.51	28.66
H.ARMSTRONG ROBERTS COMPANY	27,784.72	660.51	33.03	627.48	0.00	660.51	33.03	627.48
Halasz + Burow GbR	13,781.93	327.63	16.38	311.25	0.00	327.63	16.38	311.25
Harald Vorsteher	563.32	13.39	0.67	12.72	0.00	13.39	0.67	12.72
HENDRICKSON PHOTOGRAPHY	4,835.06	114.94	5.75	109.19	0.00	114.94	5.75	109.19
HERO IMAGES INC.	85,688.64	2,037.04	101.85	1,935.19	0.00	2,037.04	101.85	1,935.19
HO YUEN FONG (ORIENTAL TOUCH)	1,732.72	41.19	2.06	39.13	0.00	41.19	2.06	39.13
Horst Hergel	2,096.02	49.83	2.49	47.34	0.00	49.83	2.49	47.34
HUBER + STARKE GBR	3,951.20	93.93	4.70	89.23	0.00	93.93	4.70	89.23
HUNTSTOCK INC.	2,185.38	51.95	2.60	49.35	0.00	51.95	2.60	49.35
IMAGE NAVI CORP. (SOZAJITEN)	539.80	12.83	0.64	12.19	0.00	12.83	0.64	12.19
IMAGE SOURCE TRADING LIMITED	171,018.14	4,065.54	203.28	3,862.26	0.00	4,065.54	203.28	3,862.26
Imperial Coffee and Services Inc.	1,012.37	24.07	1.20	22.87	0.00	24.07	1.20	22.87
INTEGRITY PRODUCTIONS INC.	10,755.47	255.68	12.78	242.90	0.00	255.68	12.78	242.90
J. A. Kraulis	14,396.96	342.25	17.11	325.14	0.00	342.25	17.11	325.14
J. David Andrews	7,000.67	166.42	8.32	158.10	0.00	166.42	8.32	158.10
Jackson Huang	10,781.16	256.30	12.81	243.49	0.00	256.30	12.81	243.49
James Wardell	2,310.95	54.94	2.75	52.19	0.00	54.94	2.75	52.19
Jamie Scarrow	662.09	15.74	0.79	14.95	0.00	15.74	0.79	14.95
Janet Foster	4,065.55	96.65	4.83	91.82	0.00	96.65	4.83	91.82
Jason Friend	1,154.55	27.45	1.37	26.08	0.00	27.45	1.37	26.08



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JASON HOSKING PHOTOGRAPHY LTD	640.22	15.22	0.76	14.46	0.00	15.22	0.76	14.46
JAZHART STUDIOS INC.	4,160.97	98.92	4.95	93.97	0.00	98.92	4.95	93.97
Jean- Christophe Riou	4,831.55	114.86	5.74	109.12	0.00	114.86	5.74	109.12
Jean-Yves Bruel	1,742.48	41.42	2.07	39.35	0.00	41.42	2.07	39.35
Jeremy Walker	4,330.08	102.94	5.15	97.79	0.00	102.94	5.15	97.79
Jerzyworks	25,134.14	597.50	29.87	567.63	0.00	597.50	29.87	567.63
Jim Craigmyle	2,400.69	57.07	2.85	54.22	0.00	57.07	2.85	54.22
Joao Miranda	5,738.07	136.41	6.82	129.59	0.00	136.41	6.82	129.59
Jochen Schlenker	12,596.35	299.45	14.97	284.48	0.00	299.45	14.97	284.48
Jodi Pudge	4,578.51	108.84	5.44	103.40	0.00	108.84	5.44	103.40
Joel Benard	3,040.23	72.27	3.61	68.66	0.00	72.27	3.61	68.66
John Curtis & Pamela Strauss	1,176.57	27.97	1.40	26.57	0.00	27.97	1.40	26.57
John Foster	3,766.23	89.53	4.48	85.05	0.00	89.53	4.48	85.05
JOHN GERTZ PHOTOGRAPHY	641.75	15.26	0.76	14.50	0.00	15.26	0.76	14.50
John Lee	6,224.71	147.98	7.40	140.58	0.00	147.98	7.40	140.58
John McDonald	155,000.00	3,684.75	184.24	3,500.51	0.00	3,684.75	184.24	3,500.51
JOHN WARBURTON LEE PHOTOGRAPHY	15,006.61	356.75	17.84	338.91	0.00	356.75	17.84	338.91
JOHNER BILDBYRA AB	11,647.71	276.90	13.84	263.06	0.00	276.90	13.84	263.06
Jose Luis Stephens	16,891.87	401.56	20.08	381.48	0.00	401.56	20.08	381.48
JUICE IMAGES LIMITED	35,251.94	838.03	41.90	796.13	0.00	838.03	41.90	796.13
Kara Bowerman	18,257.88	434.04	21.70	412.34	0.00	434.04	21.70	412.34
Karen Visser	691.96	16.45	0.82	15.63	0.00	16.45	0.82	15.63
Karen Whyllie	704.90	16.76	0.84	15.92	0.00	16.76	0.84	15.92
Kathleen Finlay	9,625.32	228.82	11.44	217.38	0.00	228.82	11.44	217.38
Keith Ballinger	288.43	6.86	0.34	6.52	0.00	6.86	0.34	6.52
Ken Davies	8,480.58	201.61	10.08	191.53	0.00	201.61	10.08	191.53
Kevin Dodge	6,458.80	153.54	7.68	145.86	0.00	153.54	7.68	145.86
Kevin Lam	2,500.00	59.43	2.97	56.46	0.00	59.43	2.97	56.46
Klm Peel	1,280.00	30.43	1.52	28.91	0.00	30.43	1.52	28.91
Kristin Sjaarda	474.92	11.29	0.56	10.73	0.00	11.29	0.56	10.73
Larry Fisher	3,572.88	84.94	4.25	80.69	0.00	84.94	4.25	80.69
LATIN STOCK COLLECTION	350.20	8.33	0.42	7.91	0.00	8.33	0.42	7.91
Laurie Rubin	1,057.50	25.14	1.26	23.88	0.00	25.14	1.26	23.88
Lev Piaseckyj	17,565.38	417.57	20.88	396.69	0.00	417.57	20.88	396.69
Lisa Brdar	329.01	7.82	0.39	7.43	0.00	7.82	0.39	7.43
Lisa Gilpin	301.74	7.17	0.36	6.81	0.00	7.17	0.36	6.81
Lloyd Sutton	8,787.86	208.91	10.45	198.46	0.00	208.91	10.45	198.46
LUMI IMAGES GBR	3,450.67	82.03	4.10	77.93	0.00	82.03	4.10	77.93
MANGO PRODUCTIONS	13,818.92	328.51	16.43	312.08	0.00	328.51	16.43	312.08
MARC SIMON PHOTOGRAPHY	1,865.13	44.34	2.22	42.12	0.00	44.34	2.22	42.12
Marc Vaughn	5,945.39	141.34	7.07	134.27	0.00	141.34	7.07	134.27

District of Ontario  
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**DIVIDEND SHEET**  
 In the matter of the proposal of  
 Masterfile Corporation  
 of the City of Toronto  
 in the Province of Ontario

Date declared: October 1, 2018

	Claim \$	Total			Interim Payment \$	Current		
		Dividend \$	Levy \$	Payment \$		Dividend \$	Levy \$	Payment \$
Mark Burstyn	3,964.20	94.24	4.71	89.53	0.00	94.24	4.71	89.53
Mark Downey	2,662.12	63.29	3.16	60.13	0.00	63.29	3.16	60.13
MARK LEIBOWITZ PHOTOGRAPHY INC	6,240.21	148.35	7.42	140.93	0.00	148.35	7.42	140.93
Mark Peter Drolet	2,430.26	57.77	2.89	54.88	0.00	57.77	2.89	54.88
MARK TOMALTY	14,900.35	354.22	17.71	336.51	0.00	354.22	17.71	336.51
Markus Möllenberg	2,076.64	49.37	2.47	46.90	0.00	49.37	2.47	46.90
Martin Förster	374.89	8.91	0.45	8.46	0.00	8.91	0.45	8.46
Martin Ruegner	19,642.67	466.96	23.35	443.61	0.00	466.96	23.35	443.61
MASKOT BILDBYRA AB	30,058.25	714.56	35.73	678.83	0.00	714.56	35.73	678.83
Matt Brasier	2,000.45	47.56	2.38	45.18	0.00	47.56	2.38	45.18
Matthew Plexman Photography Ltd.	4,463.21	106.10	5.30	100.80	0.00	106.10	5.30	100.80
Matthew Wiley	3,616.71	85.98	4.30	81.68	0.00	85.98	4.30	81.68
Matthias Kulka	7,715.38	183.41	9.17	174.24	0.00	183.41	9.17	174.24
Maureen Wisson	429.82	10.22	0.51	9.71	0.00	10.22	0.51	9.71
MICHAEL A. KELLER STUDIOS LTD	4,636.43	110.22	5.51	104.71	0.00	110.22	5.51	104.71
MICHAEL ALBERSTAT PHOTOGRAPHY	7,778.11	184.91	9.25	175.66	0.00	184.91	9.25	175.66
Michael Breuer	8,704.60	206.93	10.35	196.58	0.00	206.93	10.35	196.58
Michael Eudenbach	2,278.95	54.18	2.71	51.47	0.00	54.18	2.71	51.47
MICHAEL GOLDMAN PHOTOGRAPHY	2,568.13	61.05	3.05	58.00	0.00	61.05	3.05	58.00
Michael Hilsheimer	591.99	14.07	0.70	13.37	0.00	14.07	0.70	13.37
MICHAEL MAHOVLICH PHOTOGRAPHY	18,001.28	427.94	21.40	406.54	0.00	427.94	21.40	406.54
MIKE DOBEL IMAGES	2,709.51	64.41	3.22	61.19	0.00	64.41	3.22	61.19
Mike Lorig	679.79	16.16	0.81	15.35	0.00	16.16	0.81	15.35
Mike Randolph	6,022.91	143.18	7.16	136.02	0.00	143.18	7.16	136.02
Min Roman	698.60	16.61	0.83	15.78	0.00	16.61	0.83	15.78
MINDEN PICTURES	40,116.13	953.66	47.68	905.98	0.00	953.66	47.68	905.98
MINT IMAGES LIMITED	9,857.43	234.34	11.72	222.62	0.00	234.34	11.72	222.62
Mirian Annoni	1,542.04	36.66	1.83	34.83	0.00	36.66	1.83	34.83
MITO IMAGES GMBH	1,964.02	46.69	2.33	44.36	0.00	46.69	2.33	44.36
Mohammad Fattahian	6,235.10	148.22	7.41	140.81	0.00	148.22	7.41	140.81
Mok Kien Fatt	288.71	6.86	0.34	6.52	0.00	6.86	0.34	6.52
MOLYNEAUX PRODUCTIONS INC.	775.31	18.43	0.92	17.51	0.00	18.43	0.92	17.51
MOODBOARD PREMIUM	6,960.84	165.48	8.27	157.21	0.00	165.48	8.27	157.21
Mui Chao	2,754.61	65.48	3.27	62.21	0.00	65.48	3.27	62.21
NATASHA NICHOLSON PHOTOGRAPHY	2,113.67	50.25	2.51	47.74	0.00	50.25	2.51	47.74
NATASHA V. PHOTOGRAPHY	157.06	3.73	0.19	3.54	0.00	3.73	0.19	3.54
NEW PARADIGM IMAGES LTD.(IKON)	14,492.66	344.53	17.23	327.30	0.00	344.53	17.23	327.30

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	Claim \$	Total			Interim Payment \$	Current		
		Dividend \$	Levy \$	Payment \$		Dividend \$	Levy \$	Payment \$
NEWCO 500 LIMITED(CAIA IMAGES)	81,467.39	1,936.69	96.83	1,839.86	0.00	1,936.69	96.83	1,839.86
Nicholas Rigg	314.08	7.47	0.37	7.10	0.00	7.47	0.37	7.10
Nora Good	2,086.31	49.60	2.48	47.12	0.00	49.60	2.48	47.12
Norbert Schäfer	10,158.91	241.50	12.07	229.43	0.00	241.50	12.07	229.43
OLD VISUALS-EVERETT COLLECTION	1,540.05	36.61	1.83	34.78	0.00	36.61	1.83	34.78
Olivier Foulon	1,149.09	27.32	1.37	25.95	0.00	27.32	1.37	25.95
Osler, Hoskin & Harcourt LLP 209981	8,059.06	191.58	9.58	182.00	0.00	191.58	9.58	182.00
Patrick Jelen	2,286.40	54.35	2.72	51.63	0.00	54.35	2.72	51.63
Paul Knight	97.89	2.33	0.12	2.21	0.00	2.33	0.12	2.21
PETER CHRISTOPHER	5,488.16	130.47	6.52	123.95	0.00	130.47	6.52	123.95
Peter Reali	2,026.86	48.18	2.41	45.77	0.00	48.18	2.41	45.77
PhotoAlto Agency	29,659.60	705.08	35.25	669.83	0.00	705.08	35.25	669.83
PHOTONONSTOP - ONOKY	15,778.47	375.09	18.75	356.34	0.00	375.09	18.75	356.34
PICTUREINDIA-ASIA IMAGES GROUP	9,596.22	228.13	11.41	216.72	0.00	228.13	11.41	216.72
PIERRE ARSENAULT PHOTOGRAPHE	7,483.18	177.89	8.89	169.00	0.00	177.89	8.89	169.00
R. Aaron Raymond	1,217.87	28.95	1.45	27.50	0.00	28.95	1.45	27.50
R. Ian Lloyd	21,040.65	500.19	25.01	475.18	0.00	500.19	25.01	475.18
Raimund Linke	24,159.78	574.34	28.72	545.62	0.00	574.34	28.72	545.62
Raoul Minsart	7,350.03	174.73	8.74	165.99	0.00	174.73	8.74	165.99
Raymond Forbes	6,387.20	151.84	7.59	144.25	0.00	151.84	7.59	144.25
RELAXIMAGES	2,187.50	52.00	2.60	49.40	0.00	52.00	2.60	49.40
RGB VENTURES DBA SUPERSTOCK	25,507.59	606.38	30.32	576.06	0.00	606.38	30.32	576.06
Ric Frazier	383.80	9.12	0.46	8.66	0.00	9.12	0.46	8.66
Richard Smith	1,278.08	30.38	1.52	28.86	0.00	30.38	1.52	28.86
Robert G. Young	1,148.91	27.31	1.37	25.94	0.00	27.31	1.37	25.94
ROBERT HARDING PICTURE LIBRARY	28,377.35	627.06	31.35	595.71	0.00	627.06	31.35	595.71
Robert Karpa	1,968.31	46.79	2.34	44.45	0.00	46.79	2.34	44.45
Robin Wong	132.20	3.14	0.16	2.98	0.00	3.14	0.16	2.98
Rommel Bengson	8,163.36	194.06	9.70	184.36	0.00	194.06	9.70	184.36
RON FEHLING PHOTOGRAPHY	11,697.96	278.09	13.90	264.19	0.00	278.09	13.90	264.19
RON STROUD PHOTOGRAPHY INC.	6,720.97	159.77	7.99	151.78	0.00	159.77	7.99	151.78
Roy Ooms	15,498.26	368.43	18.42	350.01	0.00	368.43	18.42	350.01
RUBBERBALL PRODUCTIONS LLC	18,270.18	434.33	21.72	412.61	0.00	434.33	21.72	412.61
Rudy Sulgan	1,356.25	32.24	1.61	30.63	0.00	32.24	1.61	30.63
Sabrina Vani	866.28	20.59	1.03	19.56	0.00	20.59	1.03	19.56
SARAH MURRAY PHOTOGRAPHY	2,203.34	52.38	2.62	49.76	0.00	52.38	2.62	49.76
SCIENCE PHOTO LIBRARY	23,746.74	564.52	28.23	536.29	0.00	564.52	28.23	536.29

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**DIVIDEND SHEET**  
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		Dividend \$	Levy \$	Payment \$		Dividend \$	Levy \$	Payment \$
Scott Tysick	3,561.28	84.66	4.23	80.43	0.00	84.66	4.23	80.43
Seneca Cunningham	1,251.92	29.76	1.49	28.27	0.00	29.76	1.49	28.27
SHAMPERS BLUFF LTD	7,808.59	185.63	9.28	176.35	0.00	185.63	9.28	176.35
SHAPTON & ASSOCIATES LTD.	3,070.35	72.99	3.65	69.34	0.00	72.99	3.65	69.34
Sharon Snow	636.00	15.12	0.76	14.36	0.00	15.12	0.76	14.36
Shawnae Lorenz	6,108.52	145.22	7.26	137.96	0.00	145.22	7.26	137.96
Shelley Smith	593.63	14.11	0.71	13.40	0.00	14.11	0.71	13.40
Steve McDonough	1,294.67	30.78	1.54	29.24	0.00	30.78	1.54	29.24
Steve Prezant	1,963.02	46.67	2.33	44.34	0.00	46.67	2.33	44.34
STOCKFOOD GMBH	38,184.22	907.74	45.39	862.35	0.00	907.74	45.39	862.35
Susan Findlay	8,810.71	209.45	10.47	198.98	0.00	209.45	10.47	198.98
Susan Morissette	320,313.54	7,614.66	380.73	7,233.93	0.00	7,614.66	380.73	7,233.93
Tanya Gangursky	1,036.15	24.63	1.23	23.40	0.00	24.63	1.23	23.40
TETRA IMAGES LLC	68,216.71	1,621.69	81.08	1,540.61	0.00	1,621.69	81.08	1,540.61
The Estate of Rick Fischer	8,054.06	191.47	9.57	181.90	0.00	191.47	9.57	181.90
Theo Allofs	3,750.69	89.16	4.46	84.70	0.00	89.16	4.46	84.70
Thomas Dannenberg	1,974.98	46.95	2.35	44.60	0.00	46.95	2.35	44.60
Thomas Kokta	4,046.16	96.19	4.81	91.38	0.00	96.19	4.81	91.38
Tim Fitzharris	225.20	5.35	0.27	5.08	0.00	5.35	0.27	5.08
Tim Hurst	2,710.37	64.43	3.22	61.21	0.00	64.43	3.22	61.21
TOM COLLICOTT PHOTOGRAPHY	1,104.28	26.25	1.31	24.94	0.00	26.25	1.31	24.94
Tom Feiler	775.39	18.43	0.92	17.51	0.00	18.43	0.92	17.51
TONGRO IMAGES	11,051.64	262.73	13.14	249.59	0.00	262.73	13.14	249.59
Ty Milford	21,789.51	517.99	25.90	492.09	0.00	517.99	25.90	492.09
Uline 9380805	65.66	1.56	0.08	1.48	0.00	1.56	0.08	1.48
UNIVERSAL IMAGES GROUP - JTB	2,703.66	64.27	3.21	61.06	0.00	64.27	3.21	61.06
URBANLIP.COM LTD.	2,030.27	48.26	2.41	45.85	0.00	48.26	2.41	45.85
Ursula Klawitter	3,383.88	80.44	4.02	76.42	0.00	80.44	4.02	76.42
Uwe Umstätter	25,019.93	594.79	29.74	565.05	0.00	594.79	29.74	565.05
WATER RIGHTS IMAGES	602.51	14.32	0.72	13.60	0.00	14.32	0.72	13.60
WAVEBREAK MEDIA LTD.	8,143.82	193.60	9.68	183.92	0.00	193.60	9.68	183.92
WESTEND 61 GMBH	73,413.45	1,745.23	87.26	1,657.97	0.00	1,745.23	87.26	1,657.97
Wintech Air Systems Inc. 100282	13,517.51	321.35	16.07	305.28	0.00	321.35	16.07	305.28
XIXINXING	1,657.84	39.41	1.97	37.44	0.00	39.41	1.97	37.44
Yvonne Duivenvoorden	6,683.17	158.88	7.94	150.94	0.00	158.88	7.94	150.94
<b>Total:</b>	<b>2,944,572.29</b>	<b>70,000.00</b>	<b>3,500.00</b>	<b>66,500.00</b>	<b>0.00</b>	<b>70,000.00</b>	<b>3,500.00</b>	<b>66,500.00</b>
<b>Grand Totals:</b>	<b>2,993,922.27</b>	<b>119,349.98</b>	<b>5,967.50</b>	<b>113,382.48</b>	<b>46,882.48</b>	<b>70,000.00</b>	<b>3,500.00</b>	<b>66,500.00</b>

# APPENDIX "B"



Masterfile Corporation  
300-111 Richmond Street West  
Toronto, ON M5H 2G4

Invoice: 7973672

21 Apr, 2017

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For Professional Services	
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For professional services rendered as proposal Trustee for the period ending April 18, 2017	41,108.70
Harmonized Sales Tax	5,344.13
Total (CDN)	<u>46,452.83</u>

**Invoices are due and payable upon receipt.**

Account No: 0654519 ST  
HST Registration Number: 103697215 RT 0001

**A service charge of 1.5% per month (19.56% per annum) will be added to any invoice not paid within 30 days of billing.**



LICENSED INSOLVENCY TRUSTEES  
SUITE 300, 111 RICHMOND STREET W, TORONTO ON, M5H 2G4  
1.877.251.2922 T: 416.596.1711 F: 416.596.7894 MNPdebt.ca

**MNP LTD.**  
**IN THE MATTER OF THE PROPOSAL OF MASTERFILE CORPORATION**

**FOR THE PERIOD ENDED APRIL 18, 2017**

DATE	PROFESSIONAL	HOURS	DESCRIPTION	HOURLY RATE	AMOUNT
17-Mar-2017	Echa Odeh	0.20	print engagement letter on letterhead and created retainer wire transfer document to attach.		
21-Mar-2017	Echa Odeh	0.20	Prepared receipt voucher and recorded transaction in Quicken.		
22-Mar-2017	Echa Odeh	0.10	Put request through IT to have email address created.		
28-Mar-2017	Echa Odeh	0.50	Create interview in ascend for Masterfile as per preliminary information.		
29-Mar-2017	Echa Odeh	0.90	Created Q&A document for suppliers and the debtor. Emailed to Henry L for review.		
29-Mar-2017	Echa Odeh	0.50	Made amendments to formatting of proof of claim form.		
31-Mar-2017	Echa Odeh	1.50	Review creditor listing, make amendments to addresses where necessary, upload to Ascend, validate initial documents and update areas where ascend identifies an error.		
03-Apr-2017	Echa Odeh	0.30	Save PDF documents of bank statements from Dropbox, Printed for preference check and discussed with Henry L. Diarised to complete at later time.		
04-Apr-2017	Echa Odeh	1.00	Email to marketing/IT to confirm vanity URL available. Make amendments to new creditor listing in line with ascend requirements, uploaded listing to ascend. Drafted cover letter for proposal and draft email for distribution.		
04-Apr-2017	Echa Odeh	0.20	Made amendments to proposal as instructed by Sheldon T.		
04-Apr-2017	Echa Odeh	0.80	Made amendments to assets as per info provided by debtor. Emailed SOA. Made further amendments and emailed SOA to debtors and lawyers.		
04-Apr-2017	Echa Odeh	0.50	Made further amendments to statement of affairs and emailed to all parties.		
05-Apr-2017	Echa Odeh	0.50	Made further amendments to the statement of affairs.		
05-Apr-2017	Echa Odeh	0.40	Prepare WIP docket for billing till April 4, 2017. Emailed to Henry L.		
05-Apr-2017	Echa Odeh	3.70	Complete review of statements for last 12 months with HSBC, BMO, Barclays, PayPal and RBC accounts. Documented results in excel spreadsheets. Noted missing information and email sent to request information. Made amendments to excel spreadsheet as instructed by Henry L. Printed for management review.		
05-Apr-2017	Echa Odeh	1.50	Made further amendments to the statement of affairs, fixed formatting on proposal. Scanned, saved and E-filed proposal, statement of affairs, cash flow statement, corresponding reports and directors resolution. Saved e-file confirmations to the file. Email sent to marketing to confirm vanity URL availability. Set up website in the system in preparation for tomorrow.		
06-Apr-2017	Echa Odeh	1.50	Save certificate of filing to the file, update documents onto website, emailed IT to create vanity URL. Updated details in ascend and transfer to active file. Answer questions from Masterfile regarding bank statements. Discussion with Henry L. regarding tomorrow's mailing. Printed Notice of proposal and attaching documents for signing tomorrow.		
07-Apr-2017	Echa Odeh	0.50	prepared labels and put on envelopes in preparation for mailing today.		
07-Apr-2017	Echa Odeh	0.50	Made amendments to notice of proposal cover page and email to be sent to image distributors.		

**MNP LTD.  
IN THE MATTER OF THE PROPOSAL OF MASTERFILE CORPORATION**

**FOR THE PERIOD ENDED APRIL 18, 2017**

DATE	PROFESSIONAL	HOURS	DESCRIPTION	HOURLY RATE	AMOUNT
10-Apr-2017	Echa Odeh	0.70	Reviewed additional statements provided. Call with Geoff C. of Masterfile and email sent confirming information required.		
11-Apr-2017	Echa Odeh	0.50	Review secondary information, updated preference review spreadsheet. Fixed formatting, read report and made amendments to report, Printed for signing.		
11-Apr-2017	Echa Odeh	2.50	Scanned and saved the report, made 68 copies, stamped envelopes and mailed to creditors. E-filed notice and report to creditors. Saved confirmations to the file. Updated documents to the website and email sent to image distributors.		
11-Apr-2017	Echa Odeh	1.60	Clean up Masterfile email folder, create sub folders, update proof of claims and addresses in ascend. Respond to creditor queries and phone calls. Email sent to Documented in excel spreadsheet all emails that were undelivered. Emailed Masterfile with emails that were undelivered.		
12-Apr-2017	Echa Odeh	2.00	Discussions with Masterfile regarding alternate email addresses, re-sent Notice to creditors whose emails had bounced back by both email and post. Prepared affidavit of mailing. Response to creditor emails and phone calls regarding proof of claims. Discussion with Sheldon T regarding exchange rates.		
17-Apr-2017	Echa Odeh	4.30	Review of claims, save to file, update in ascend, answer numerous creditor queries and phone calls and respond to creditor emails regarding proof of claim and voting, draft and amend letter to image contributors regarding the proposal.		
18-Apr-2017	Echa Odeh	3.50	Save proof of claims to file, review proof of claims and update details in ascend, respond to creditor phone calls and emails regarding proof of claims, voting and proposal.		
		<b>30.40</b>			
09-Mar-2017	Henry Louis	1.20	Review of AP, AR, discussion with S. Title.		
27-Mar-2017	Henry Louis	0.40	Discussion with S. Title, initial planning.		
28-Mar-2017	Henry Louis	1.00	Planning meeting with counsel and company.		
29-Mar-2017	Henry Louis	6.00	Correspondence with company, review cash forecast and discussions with company re same, draft Q&As, draft template artist letter.		
30-Mar-2017	Henry Louis	1.50	Discussions and correspondence with company re employees / AR, conference call with company and counsel.		
31-Mar-2017	Henry Louis	6.00	Review of cash flows with S. Pigeon, discussion of same with S Title, review employee claim schedule, instructions to E. Odeh, creditor class analysis.		
03-Apr-2017	Henry Louis	3.50	Discussion of preference review with E. Odeh, analysis of convenience class, edits to employee letter, planning with S. Title and E. Odeh.		
04-Apr-2017	Henry Louis	5.00	Draft supplier letter, edits to FAQs, edits to artist letter and proof of claim form, review and edits to Statement of Affairs, discussion with S. Pigeon re convenience class and other matters, edits to Cash Flow forecast and assumptions, correspondence with F. Spizzirri.		
05-Apr-2017	Henry Louis	8.00	Prepare updated cash flow and assumptions, finalize statement of affairs, review and finalize proposal, edits to supplier letter, correspondence with company, work on report to creditors.		
				<b>202.00</b>	<b>6,140.80</b>



**MNP LTD.**  
**IN THE MATTER OF THE PROPOSAL OF MASTERFILE CORPORATION**

**FOR THE PERIOD ENDED APRIL 18, 2017**

DATE	PROFESSIONAL	HOURS	DESCRIPTION	HOURLY RATE	AMOUNT
06-Apr-2017	Henry Louis	7.00	Attend at employee meeting, edits to creditor mailout documents and correspondence with company re same, draft report to creditors.		
07-Apr-2017	Henry Louis	2.50	Correspondence with E. Odeh re mailout, edits to trustee's report, preference review, correspondence with company.		
10-Apr-2017	Henry Louis	1.50	Edits to trustee's report, correspondence with company.		
13-Apr-2017	Henry Louis	2.50	Review Masterfile correspondence of previous two days and attend to emails requiring action, correspondence with company, review AP and update preference review, correspondence with E. Odeh.		
17-Apr-2017	Henry Louis	1.70	Review draft employee POC and prepare comments on same, general correspondence with company re meeting, cash flow monitoring and specific creditor claims, correspondence with E. Odeh re artist responses, correspondence with creditors, draft FAQs.		
18-Apr-2017	Henry Louis	2.50	edits to email to employees, correspondence with creditors, prepare for and attend conference call,		
		<b>50.30</b>		<b>341.00</b>	<b>17,152.30</b>
09-Mar-2017	Jessie Hue	0.20	PPSA search.		
29-Mar-2017	Jessie Hue	2.60	Prepare proof of claim word template.		
		<b>2.80</b>		<b>202.00</b>	<b>565.60</b>
28-Feb-2017	Sheldon Title	0.70	call with Pigeon and Cannon on various questions posed on process		
08-Mar-2017	Sheldon Title	0.70	review of agreement with artists, other documents		
09-Mar-2017	Sheldon Title	4.50	attendance at meeting with Geoff and Stephen to go over lengthy agenda (2:15-5:30) and prep time ahead of meeting		
10-Mar-2017	Sheldon Title	0.20	email names of lawyers to act as counsel to company		
13-Mar-2017	Sheldon Title	0.30	review of CAFO agreement forwarded by Pigeon and email to Pigeon on my comments concerning same; follow up email from Pigeon		
14-Mar-2017	Sheldon Title	0.60	call with Pigeon on international brokerage claims and preparation of resolution		
17-Mar-2017	Sheldon Title	0.20	review of amended resolution and provide Pigeon my comments on same		
22-Mar-2017	Sheldon Title	0.80	email to Pigeon as follow up to meeting on creditor profile/corporate info; email re: timing of provable claims; response to Pigeon/research		
23-Mar-2017	Sheldon Title	0.40	email and call with Pigeon, David on proof of claim related issues		
24-Mar-2017	Sheldon Title	0.80	prepare proposal; email to Pigeon to respond to his questions of March 23rd via email; email related to level of disclosure on cash flow projections		
24-Mar-2017	Sheldon Title	1.00	mtg Spizzirri to discuss various issues;		
26-Mar-2017	Sheldon Title	0.40	Answer questions posed by Pigeon		
27-Mar-2017	Sheldon Title	3.00	Answering numerous questions and posing a number of questions; via email; finalize proposal and forward same to Spizzirri; analyze the l/c balances as between the subs and Masterfile Corp.; review of payroll/vacation pay; consideration of pre-populated claim issue with Braovac; consideration of Spizzirri's amendments to the proposal; review of business Corporations Act re: director liability		
28-Mar-2017	Sheldon Title	0.40	discussion of proposal/other issues with Spizzirri		
28-Mar-2017	Sheldon Title	2.00	Meeting with Louis, Spizzirri, Pigeon, Cannon and Mosely		
29-Mar-2017	Sheldon Title	0.70	review of FAQ, notices etc.		

MNP LTD.  
 IN THE MATTER OF THE PROPOSAL OF MASTERFILE CORPORATION

FOR THE PERIOD ENDED APRIL 18, 2017

DATE	PROFESSIONAL	HOURS	DESCRIPTION	HOURLY RATE	AMOUNT
30-Mar-2017	Sheldon Title	1.30	discussion with Spizzirri on timing of debt obligation particularly centred around pay when paid concept; review of FAQ's and other notices; receipt of creditors list/review of same; consideration of cash flow projection re: pay when paid issue;		
30-Mar-2017	Sheldon Title	1.30	conference call with Louis, Spizzirri, C		
31-Mar-2017	Sheldon Title	1.30	Call with Pigeon on projections, staff terminations, proposal planning (convenience class, etc); call with Louis on the results of his visit, call with Spizzirri on next steps'		
02-Apr-2017	Sheldon Title	1.00	review of three scenarios of cash flows; email to Pigeon on results of review		
04-Apr-2017	Sheldon Title	1.30	call with Pigeon, Louis and Cannon; call with Spizzirri on Pigeon emails sent overnight; respond to Pigeon emails sent overnight; review/amend proposal, statement of affairs; arrange call;		
04-Apr-2017	Sheldon Title	1.00	Conference call with Pigeon, Louis, cannon and Spizzirri; revisions to proposal resulting therefrom; review of statement of affairs		
05-Apr-2017	Sheldon Title	3.00	review of statement of affairs, respond to Pigeon's email of April 4th with regards to soa, email to Odeh on change to soa, respond to Pigeon email of April 4 at 11:12 re: employee claims & proposal; review and amend FAQ, letter to vendors; letter to artist on pre-populated info; review of assumptions/notes; emails to Spizziri and Louis on proposal/mtg with staff; further response to email from Pigeon, revisions to proposal to clarify payments from MFC and forward to Spizziri a blacklined version; review of Pollack's questions/comments on image supplier letter and email back revised version; email to Pigeon on cash flow projections; call with Pigeon on timing of filing; further review of proposal; call with Pigeon on signed resolution; eis reviewed; email response to Pigeon's question on the need to host a publicly available website re: the restructuring;		
07-Apr-2017	Sheldon Title	1.30	Review/amend of report; emails to Pigeon/cannon on need for Mediapro info; call with Spizzirri		
07-Apr-2017	Sheldon Title	0.30	Further revision to report		
09-Apr-2017	Sheldon Title	2.00	complete report and forward same to Pigeon/Cannon/Spizzirri for review; review of		
11-Apr-2017	Sheldon Title	1.50	Finalize report; answer questions throughout day from Echa and Steve on various issues		
12-Apr-2017	Sheldon Title	0.80	Emails with Pigeon, Spizzirri, calls with Pigeon, Spizzirri, exchange with Yana at OSB office concerning its chairing the meeting of creditors; review of issue of 341 creditors having		
13-Apr-2017	Sheldon Title	0.20	info that has error in computation; respond to emails during the day		
17-Apr-2017	Sheldon Title	1.50	receipt of, and response to Cannon email re: set off of claim re: Italian agency; receipt of email re: employee proof of claim and delegate to Henry; receipt of lengthy email from Pigeon on questions relating to protocol at meeting; receipt of messages throughout day including email from Elizabeth Henry on international a/c's; exchange of emails and phone call with Spizzirri on MFC's handling of US \$ currency conversions re: Canadian image contributors; email from, and response to Pigeon on question from artist re: security for post-filing obligations		
		<u>34.50</u>		<u>500.00</u>	<u>17,250.00</u>

MNP LTD.  
IN THE MATTER OF THE PROPOSAL OF MASTERFILE CORPORATION

FOR THE PERIOD ENDED APRIL 18, 2017

DATE	PROFESSIONAL	HOURS	DESCRIPTION	HOURLY RATE	AMOUNT
		<u>118.00</u>			<u>41,108.70</u>

# Invoice



Invoice Number : 8214669

Client Number : 0654519

Invoice Date : Jan 9 2018

Invoice Terms : Due Upon Receipt

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Masterfile Corporation  
300-111 Richmond Street West  
Toronto, ON M5H 2G4

## For Professional Services Rendered :

For professional services rendered as proposal Trustee for the period ending  
December 19, 2017 33,599.40

Harmonized Sales Tax : 4,367.92

**Total (CDN) :** 37,967.32

HST Registration Number : 103697215 RT 0001

**Invoices are due and payable upon receipt.**

Thank you for your business. We  
sincerely appreciate your trust in us.

Licensed Insolvency Trustees  
111 RICHMOND STREET WEST, SUITE 300;  
TORONTO ON; M5H 2G4  
P: (416) 596-1711 F: (416) 596-7894 [www.MNP.ca](http://www.MNP.ca)

**MNP LTD.  
IN THE MATTER OF THE PROPOSAL OF MASTERFILE CORPORATION**

**FOR THE PERIOD ENDED DECEMBER 19, 2017**

DATE	PROFESSIONAL	HOURS	DESCRIPTION	HOURLY RATE	AMOUNT
19-Apr-2017	Echa Odeh	1.10	Setting up conference call, discussions numerous InterCall employees, discussions with Eugene at Intercall, complete InterCall request form, further discussions with InterCall in preparation for Townhall conference call with image contributors. Emailed conference details to image contributors.		
19-Apr-2017	Echa Odeh	3.10	Answer creditor phone calls and emails regarding proposal and completing proof of claims, save proof of claims to the file update in ascend, attach Schedule A where required.		
20-Apr-2017	Echa Odeh	3.00	Answer creditor phone calls and emails in relation to proposal. Make amendments to conference call details and resend invite to image contributors. Input proof of claims into ascend and save to the file.		
21-Apr-2017	Echa Odeh	3.70	Answer creditor phone calls and emails, save proof of claims, update claims and voting in ascend. Collate all questions for Townhall and email to Sheldon T in preparation for the meeting.		
21-Apr-2017	Echa Odeh	0.20	Invoiced fees and saved to file. Emailed copy to Sheldon T and diarised to follow up for wire payment on Monday.		
24-Apr-2017	Echa Odeh	5.50	Answer creditor phone calls and emails, save proof of claims to the file, attach supporting documents, update details in ascend. Discussions with Masterfile regarding claims and voting register.		
25-Apr-2017	Echa Odeh	4.10	Answer creditor emails and phone calls, input proof of claims into system. prepare meeting room for meeting of creditors, attend meeting of creditors including taking notes and update voting register. Organise for court date for hearing. Prepared draft Notice of hearing.		
26-Apr-2017	Echa Odeh	2.50	Collate emails for image contributors who have filed a claim, saved in excel spreadsheet. Scanned and saved Notice of Hearing. Emailed to Image contributors who have filed a claim and mailed to remaining creditors including employees. prepared affidavit of mailing. Update notice to the website.		
27-Apr-2017	Echa Odeh	0.50	Respond to creditor emails and phone calls regarding meeting and court hearing date.		
28-Apr-2017	Echa Odeh	0.10	Scanned and saved affidavit of mailing		
28-Apr-2017	Echa Odeh	0.30	Answer creditor phone calls and queries.		
01-May-2017	Echa Odeh	1.20	Save proof of claims to file, enter details into ascend, answer creditor queries and phone calls.		
01-May-2017	Echa Odeh	0.50	Made amendments to the court report and collated exhibits for report. Email sent to Sheldon T to request update on exhibits.		
02-May-2017	Echa Odeh	0.10	respond to creditor query regarding images		
03-May-2017	Echa Odeh	0.30	Answer creditor queries regarding proposal.		
04-May-2017	Echa Odeh	0.70	Made amendments to meeting minutes, added additional notes and fixed formatting.		
04-May-2017	Echa Odeh	0.30	Updated address in Ascend and answered some creditor queries.		
06-May-2017	Echa Odeh	0.30	Made further amendments to meeting minutes as instructed by Sheldon T.		
08-May-2017	Echa Odeh	0.40	Scan and save proof of claims to file, update in ascend and email sent to creditor requesting confirmation of address due to conflicting information.		

**MNP LTD.**  
**IN THE MATTER OF THE PROPOSAL OF MASTERFILE CORPORATION**

**FOR THE PERIOD ENDED DECEMBER 19, 2017**

DATE	PROFESSIONAL	HOURS	DESCRIPTION	HOURLY RATE	AMOUNT
09-May-2017	Echa Odeh	0.50	assist with making amendments to meeting minutes and reviewing revisions.		
11-May-2017	Echa Odeh	0.20	Completed April bank rec		
11-May-2017	Echa Odeh	0.20	Fixed formatting of minutes and emailed to Mike at the OSB.		
11-May-2017	Echa Odeh	0.30	Make sure all appendices collated. Print report and appendices for signing.		
12-May-2017	Echa Odeh	0.50	Scan and saved report to the file, e-filed with the OSB and contacted OSB to obtain copies of minutes		
12-May-2017	Echa Odeh	0.20	Updated creditor address and confirmation email sent.		
15-May-2017	Echa Odeh	0.70	Scanned and saved report with minutes of FMOC. Binded 3 copies of the report and couriered a copy to the courts and Frank Spizzirri		
16-May-2017	Echa Odeh	0.20	Answer creditor queries and forwarded email to Masterfile to respond to creditor.		
17-May-2017	Echa Odeh	0.20	Made amendments to order and printed two copies with backing sheet. Emailed a copy to Frank Spizzirri.		
18-May-2017	Echa Odeh	0.20	Respond to creditor email regarding statement for April.		
23-May-2017	Echa Odeh	0.20	Make further copies of order for Matthew L.		
23-May-2017	Echa Odeh	0.60	Go to bankruptcy court to have court order stamped. Scanned and saved court order to the file and uploaded to the website.		
29-May-2017	Echa Odeh	0.20	Uploaded court report to the website.		
30-May-2017	Echa Odeh	1.50	Respond to creditor queries, print and save proof of claims, update claims and address details in ascend, response emails sent requesting further information. Email sent to debtor confirming employees who have filed a claim so far. Provided debtor with bank account details.		
06-Jun-2017	Echa Odeh	0.30	Made amendments to claims entered into ascend that should have been preferred claims. Updated preferred claim list sent to management.		
07-Jun-2017	Echa Odeh	0.50	Checked TD trust account and prepared deposit slip for funds received for preferred claims. Transferred funds from retainer recorded in ascend and quicken and prepared deposit slip and cheque req.		
08-Jun-2017	Echa Odeh	0.50	Check creditor emails, answer emails and save proof of claim forms. Updated in Ascend.		
09-Jun-2017	Echa Odeh	0.70	Answer creditor emails, save proof of claim forms to the file and update details in ascend.		
13-Jun-2017	Echa Odeh	1.00	Save proof of claims to the file, update details in ascend. Respond to creditor queries and phone call made to FedEx as requested by Masterfile.		
14-Jun-2017	Echa Odeh	0.60	Save proof of claim to the file, update in ascend and response email sent to creditors regarding proposal.		
19-Jun-2017	Echa Odeh	0.50	Respond to creditor phone calls and email queries. Review proof of claim from Kevin Lam and email sent to Steve Pigeon requesting further information.		
22-Jun-2017	Echa Odeh	0.40	Answer creditor emails and phone calls.		
29-Jun-2017	Echa Odeh	0.30	Answer creditor emails.		
04-Jul-2017	Echa Odeh	0.70	Prepared notice of disallowances and created dividend sheet.		
05-Jul-2017	Echa Odeh	1.10	Made amendments to notice of disallowances and printed for signing. Made amendments to the notes in the SRD, accrued for refund to debtor and bank charges for employee preferred claim cheques.		

**MNP LTD.**  
**IN THE MATTER OF THE PROPOSAL OF MASTERFILE CORPORATION**

**FOR THE PERIOD ENDED DECEMBER 19, 2017**

DATE	PROFESSIONAL	HOURS	DESCRIPTION	HOURLY RATE	AMOUNT
05-Jul-2017	Echa Odeh	0.30	Scan, save and email notice of disallowance to the creditors.		
06-Jul-2017	Echa Odeh	0.80	Made amendments to R&D notes as instructed by S. Title. Made further amendments.		
06-Jul-2017	Echa Odeh	0.20	Incoming call from employee regarding claim		
07-Jul-2017	Echa Odeh	0.20	Make amendments to notes in SRD.		
12-Jul-2017	Echa Odeh	0.70	Update creditor addresses, respond to creditor emails and phone calls.		
13-Jul-2017	Echa Odeh	0.30	Answer creditor and employee phone calls and emails.		
21-Jul-2017	Echa Odeh	0.50	Answer creditor and employee phone calls and emails.		
24-Jul-2017	Echa Odeh	0.90	Calls to creditors, response emails to creditor queries. Create calendar invite for proposal payment due dates.		
25-Jul-2017	Echa Odeh	0.50	Prepare draft cover letter, make amendments and stuffed envelopes. Frank envelopes and put in mailbox.		
26-Jul-2017	Echa Odeh	0.20	Prepared affidavit of mailing and printed supporting documents.		
26-Jul-2017	Echa Odeh	0.50	Answer creditor phone calls and emails.		
28-Jul-2017	Echa Odeh	0.40	Call with employees regarding distribution and levy.		
31-Jul-2017	Echa Odeh	1.50	Answer creditor emails, save proof of claims and update in ascend, update claims and phone calls to creditors.		
02-Aug-2017	Echa Odeh	0.10	respond to email from Geoff Cannon.		
02-Aug-2017	Echa Odeh	0.30	Answer creditor and employee phone calls regarding levy.		
08-Aug-2017	Echa Odeh	0.50	Respond to creditor emails and phone calls.		
15-Aug-2017	Echa Odeh	0.20	Respond to creditor emails regarding proposal process.		
16-Aug-2017	Echa Odeh	1.00	Phone call with Sharon, employee, prepared stop payment form and emailed to TD bank. Answering creditor emails and corresponding with Masterfile regarding creditor claim.		
17-Aug-2017	Echa Odeh	0.70	Responding to creditor emails and queries update details in ascend to add Imtek.		
23-Aug-2017	Echa Odeh	0.70	Phone calls and emails with creditors regarding proposal and proof of claims.		
24-Aug-2017	Echa Odeh	0.70	Work with Henry L to provide estimates for issuing distributions quarterly.		
28-Aug-2017	Echa Odeh	0.20	Added additional estimates to spreadsheet regarding time billing.		
29-Aug-2017	Echa Odeh	0.10	Call with Service Canada regarding Kara Bowerman		
12-Oct-2017	Echa Odeh	0.50	Answer creditor emails and phone calls.		
17-Oct-2017	Echa Odeh	0.70	Call to employee, Susan M. Check proof of claim and calculations provided by Masterfile. Emailed to Sheldon T. Respond to creditor queries and phone calls.		
19-Oct-2017	Echa Odeh	0.20	Answer creditor emails.		
23-Oct-2017	Echa Odeh	0.30	Call to Susan Morisset to obtain employment contract for claims review. Email to Steve to request a copy of employee contract. Answer creditor emails.		
24-Oct-2017	Echa Odeh	0.50	Answer creditor emails and phone calls and email correspondence with debtor regarding employee contracts.		
30-Oct-2017	Echa Odeh	0.30	Respond to creditor queries.		
01-Nov-2017	Echa Odeh	1.00	Drafted letter to creditor regarding proposal process		
06-Nov-2017	Echa Odeh	0.10	Phone call with Suzanne M regarding claims review.		
14-Nov-2017	Echa Odeh	1.00	Made amendments to letter to creditors providing an update regarding distribution and proposal process.		
20-Nov-2017	Echa Odeh	0.20	Response email sent to creditor attaching notice and pre-filled proof of claim.		
29-Nov-2017	Echa Odeh	0.20	Obtain wire details and email sent to debtor reminding of proposal payment.		

**MNP LTD.**  
**IN THE MATTER OF THE PROPOSAL OF MASTERFILE CORPORATION**

**FOR THE PERIOD ENDED DECEMBER 19, 2017**

DATE	PROFESSIONAL	HOURS	DESCRIPTION	HOURLY RATE	AMOUNT
30-Nov-2017	Echa Odeh	0.10	Respond to creditor email.		
04-Dec-2017	Echa Odeh	0.20	Check online banking for payment, created deposit slip.		
05-Dec-2017	Echa Odeh	0.10	Provided claims register to Steven P.		
		<u>57.10</u>		<u>202.00</u>	<u>11,534.20</u>
19-Apr-2017	Henry Louis	0.30	Correspondence with company re employee question, correspondence with creditors.		
21-Apr-2017	Henry Louis	1.50	Conference call with creditors, correspondence with creditors.		
24-Apr-2017	Henry Louis	1.50	Correspondence with company, review of cash flows, correspondence with creditors.		
25-Apr-2017	Henry Louis	0.70	Prepare for creditors meeting, correspondence with creditors.		
26-Apr-2017	Henry Louis	0.30	Review preference review, comments to E. Odeh re same.		
27-Apr-2017	Henry Louis	0.20	call to S. Pigeon re accounting.		
01-May-2017	Henry Louis	0.20	Phone call Steve Pigeon, review cash flows.		
08-May-2017	Henry Louis	0.50	Prepare and send management rep letter to S. Pigeon, review cash flows		
09-May-2017	Henry Louis	0.60	Updates to rep letter, review cash flow and correspondence with company re same.		
26-May-2017	Henry Louis	0.40	Correspondence with company.		
29-May-2017	Henry Louis	0.30	Replies to queries of S. Pigeon, correspondence with E. Odeh.		
30-May-2017	Henry Louis	0.30	Respond to S. Pigeon questions.		
01-Jun-2017	Henry Louis	0.30	Return messages of S. Pigeon.		
05-Jun-2017	Henry Louis	0.70	Correspondence with creditors, cash flow monitoring, review preferred claims and send details to S. Pigeon.		
06-Jun-2017	Henry Louis	0.50	Review, updated preferred claims		
21-Jun-2017	Henry Louis	0.70	Review employee claims, correspondence with company re same.		
23-Jun-2017	Henry Louis	0.50	Review support for employee claims, correspondence with G. Cannon re same.		
27-Jun-2017	Henry Louis	1.70	Review payroll source documents and tie in to calculations of preferred claims.		
28-Jun-2017	Henry Louis	0.40	Review cash flows, correspondence with S. Pigeon re same.		
04-Jul-2017	Henry Louis	1.50	Discussion with S. Title, prepare R&D, review claims, prepare disallowance notices, instructions to E. Odeh.		
24-Aug-2017	Henry Louis	0.70	Create time budget.		
11-Oct-2017	Henry Louis	0.50	Look into Employment Standards Act and eligibility of employees to claim severance pay.		
17-Oct-2017	Henry Louis	0.30	Review claim of Susan Morissette.		
		<u>14.60</u>		<u>341.00</u>	<u>4,978.60</u>
19-Apr-2017	Jessie Hue	3.80	Enter and save proof of claims and respond to various emails and calls.		
20-Apr-2017	Jessie Hue	3.40	Review of enter proof of claims and responses to various emails.		
21-Apr-2017	Jessie Hue	4.60	Entry and save proof of claims, attached supporting documentation and email/t/cs with creditors.		
24-Apr-2017	Jessie Hue	4.50	Review of and entry of claims. Prepare for the meeting of creditor with extra copies of Proof of claim, proxies and voting sheet. T/c and email with creditors.		
24-Apr-2017	Jessie Hue	0.20	Letter of direction to open bank account.		
25-Apr-2017	Jessie Hue	3.80	Enter and save proof of claims, attached the schedule A. Prepare for the meeting room, attendance at the meeting of creditors and enter proof of claims received at meeting.		
26-Apr-2017	Jessie Hue	0.20	Set up banking information in Ascend.		



**MNP LTD.  
IN THE MATTER OF THE PROPOSAL OF MASTERFILE CORPORATION**

**FOR THE PERIOD ENDED DECEMBER 19, 2017**

DATE	PROFESSIONAL	HOURS	DESCRIPTION	HOURLY RATE	AMOUNT
28-Apr-2017	Jessie Hue	0.10	Efile and mail filing remittance with the OSB.		
01-May-2017	Jessie Hue	0.40	Review of and entry of claims.		
04-May-2017	Jessie Hue	0.50	Dealing with creditors and proof of claims.		
18-May-2017	Jessie Hue	0.50	Dealing with creditors inquiries.		
24-May-2017	Jessie Hue	0.40	T/c and entry of proof of claims.		
25-May-2017	Jessie Hue	0.10	Proof of claim.		
30-May-2017	Jessie Hue	0.10	RTS mail, update mailing address and resend.		
06-Jun-2017	Jessie Hue	0.50	Enter and save claim, t/c with creditors.		
14-Jul-2017	Jessie Hue	0.20	Enter and save proof of claim.		
21-Jul-2017	Jessie Hue	1.00	Cheque req for preferred creditors.		
10-Oct-2017	Jessie Hue	0.60	Emails to creditors re; status of proposal and enter and save claim.		
13-Oct-2017	Jessie Hue	0.50	Entered and saved claim. Dealing with creditors and emails as to status of Proposal.		
16-Oct-2017	Jessie Hue	0.10	Dealing with creditors and email response on timing of distribution.		
26-Oct-2017	Jessie Hue	0.20	Save schedule A, email creditor for revision to proof of claim.		
31-Oct-2017	Jessie Hue	0.20	Enter and save claims.		
01-Nov-2017	Jessie Hue	0.20	Dealing with creditors.		
		<b>26.10</b>		<b>202.00</b>	<b>5,272.20</b>
11-May-2017	Matthew Lem	0.80	Review draft report on the proposal.		
17-May-2017	Matthew Lem	0.10	Review of correspondence received		
19-May-2017	Matthew Lem	0.20	Review proposal re court approval motion.		
23-May-2017	Matthew Lem	1.60	Review file in anticipation of court; attendance at court for proposal approval; discussion with staff re order to be entered and other		
26-May-2017	Matthew Lem	0.30	Attend to correspondence; discussion with H. Louis re file issues.		
29-May-2017	Matthew Lem	0.10	Discussion with E. Odeh re Masterfile communications; call to S. Pigeon re same.		
30-May-2017	Matthew Lem	0.10	Discussion with S. Pigeon re communications with creditors and others.		
		<b>3.20</b>		<b>500.00</b>	<b>1,600.00</b>
18-Jul-2017	Patricia Ball	0.10	June bank rec		
24-Aug-2017	Patricia Ball	0.10	July bank rec		
18-Oct-2017	Patricia Ball	0.10	Sept bank rec		
17-Nov-2017	Patricia Ball	0.10	oct bank rec		
		<b>0.40</b>		<b>161.00</b>	<b>64.40</b>
19-Apr-2017	Sheldon Title	1.40	Edit letter re: town hall; arrange town hall; call with OSB representative re: mtg; numerous emails and discussions during the day with Echa and Henry re: issues raised by image contributors and employees		
20-Apr-2017	Sheldon Title	0.70	email to Pigeon re: return of images; planning townhall; email from Pigeon re: John Lee being subject to CRA RTP; email re: strategy for dealing with return of images		
21-Apr-2017	Sheldon Title	1.50	town hall meeting & advance planning meeting with Cannon and Pigeon		
25-Apr-2017	Sheldon Title	4.00	Review of claims; prep/planning with debtor and OSB reps and attendance at general meeting of creditors; follow up with Michael Mahovlich		
26-Apr-2017	Sheldon Title	0.90	Report to court; respond to email from Steve re: court approval; email re: Inspector		
27-Apr-2017	Sheldon Title	0.20	call from Pigeon; call to Pigeon on credit card processing firm		

**MNP LTD.**  
**IN THE MATTER OF THE PROPOSAL OF MASTERFILE CORPORATION**

**FOR THE PERIOD ENDED DECEMBER 19, 2017**

<b>DATE</b>	<b>PROFESSIONAL</b>	<b>HOURS</b>	<b>DESCRIPTION</b>	<b>HOURLY RATE</b>	<b>AMOUNT</b>
02-May-2017	Sheldon Title	0.50	review of minutes; call with Spizzirri on f/u on contracts		
06-May-2017	Sheldon Title	0.30	review of minutes and amend accordingly		
08-May-2017	Sheldon Title	0.30	Exchange with Louis re: rep letter and review of actual results CA budget for w/e May 5		
09-May-2017	Sheldon Title	1.00	revise minutes and answer 3 emails from Pigeon re: implementation of proposal; call with Spizzirri; finalization of report on proposal and forward same to Spizzirri for his review		
06-Jun-2017	Sheldon Title	0.40	call with Pigeon on update/terms of proposal; emails on employee payments		
07-Jun-2017	Sheldon Title	0.10	emails with Echa		
12-Jun-2017	Sheldon Title	0.40	email to Henry/Echa re: MF employee claims		
16-Jun-2017	Sheldon Title	0.30	respond to Pamela Strauss email concerning proposal terms		
21-Jun-2017	Sheldon Title	0.40	review of employee claims, including Lam's claim		
28-Jun-2017	Sheldon Title	0.40	email and call with Cannon on employee proofs of claim		
05-Jul-2017	Sheldon Title	0.80	Revise SRD and add additional comments and finalize disallowance email to Echa on service of disallowances		
06-Jul-2017	Sheldon Title	0.30	email from Cannon and response thereto; email from Pigeon		
07-Jul-2017	Sheldon Title	0.30	email to Mahovlich to set Inspector meeting with agenda; call from Susan (employee) and leave voice message for her		
14-Jul-2017	Sheldon Title	1.10	Inspector meeting; follow up question to Pigeon re: former employees; email to Mahovlich on same		
22-Aug-2017	Sheldon Title	0.30	Discussion with Pigeon on first payment		
30-Aug-2017	Sheldon Title	0.50	lengthy email to Inspector on proposed set-off/reduction in proposal payment;		
31-Aug-2017	Sheldon Title	0.80	Inspector meeting and subsequent calls with Pigeon		
10-Oct-2017	Sheldon Title	1.50	claims review- emails to a number of creditors asking that each shore up their claims or provide additional support; emails to Cannon		
30-Nov-2017	Sheldon Title	0.40	exchanges of emails with Pigeon re: quarterly payment and request for set off		
01-Dec-2017	Sheldon Title	1.00	further amendments to letter; email from Pigeon re: HSBC applying credit card balances to bank accounts creating overdraft		
03-Dec-2017	Sheldon Title	0.20	email to Pigeon re: HSBC participation in proposal		
06-Dec-2017	Sheldon Title	0.30	email to Pigeon on draft letter being sent to creditors; follow up emails to address his questions		
		<u>20.30</u>		<u>500.00</u>	<u>10,150.00</u>
		<u>121.70</u>			<u>33,599.40</u>

**Arturo R. Pugliese o/a AUDAX Law**  
**Barrister & Solicitor**

20 Queen Street West  
Suite 3000  
Toronto, ON M5H 3R3

Phone: 416-862-8329

Fax: 416-862-8330

Masterfile Corporation  
3 Concorde Gate, 4th Floor  
Toronto, ON M3C 3N7 Canada

Apr 04, 2017

File #: 17-233

**Attention:** Steve Pigeon

Inv #: 2052

**RE:** Restructuring under the Bankruptcy and Insolvency Act

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Lawyer</u>
Mar-21-17	TO PROFESSIONAL SERVICES RENDERED HEREIN INCLUDING: Review client documents and draft cash flow projections; discussion with S. Title; meeting with clients and S. Title;	3.30	FS
Mar-22-17	Review additional client documents: Class B shares; discussion with S. Title regarding draft proposal;	0.60	FS
Mar-23-17	Review additional client documents: supplier agreements, executive employment contracts; exchange of correspondence with clients, and proposed trustee; review case law re legal issues raised with terminations;	2.40	FS
Mar-24-17	Review and respond to client questions and emails; discussion with S. Title regarding status and draft proposal terms; review case law regarding supplier agreements;	1.90	FS
Mar-25-17	Review client email and respond;	0.40	FS
Mar-26-17	Review client emails regarding updated information; exchange of correspondence with client and proposal trustee;	0.60	FS
Mar-27-17	Review additional client documents and exchange of correspondence regarding	1.80	FS

questions and answers; review draft proposal;

Mar-28-17	Exchange of correspondence with S. Title; all party meeting to discuss outstanding questions and draft proposal;	1.60	FS
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Mar-29-17	Review and respond to various questions; mark up draft proposal; discussion with S. Title regarding status of proposal and concerns regarding variables;	1.40	FS
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Mar-30-17	Conference call with client; Exchange of calls with S. Title regarding draft proposal and status; all party conference call regarding draft proposal.	2.10	FS
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<b>Total Fees</b>	-----	\$7,969.50	
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<b>HST on Fees</b>	\$1,036.04		
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**DISBURSEMENTS**

**Disbursements**

**Receipts**

Mar-23-17	Corporation Profile Report	14.00	
	Corporation Profile Report - Ontario Gov' Fees*	8.00	
	PPSA Search	12.85	
	PPSA Search - Ontario Gov' Fees	8.00	
	<b>Total Disbursements</b>	----- \$42.85	\$0.00
	<b>HST on Disbursements</b>	\$4.53	

**Total Fees, Disbursements & HST**

**\$9,052.92**

Balance Owing as of Last Billing

\$0.00

Payment Received Since Last Billing

\$0.00

**Balance Due Now**

**\$0.00**

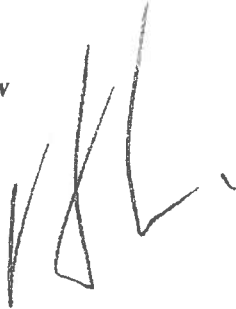
Total HST: \$1,040.57

HST #: 87666 6710 RT0001

\* tax-exempt

E. & O.E.  
AUDAX law

Per:



**Arturo R. Pugliese**

Accounts due when rendered. Interest will be charged at the rate of 2.50% per annum (or as otherwise permitted by the Courts of Justice Act, or at law) on unpaid fees, charges and disbursements, calculated from a date that is one month after this statement is delivered.

**TRUST STATEMENT**

		<b><u>Disbursements</u></b>	<b><u>Receipts</u></b>
Mar-23-17	Received From: Masterlife Corporation		10,000.00
	Funds Received on Account		
Apr-04-17	Paid To: Arturo R. Pugliese o/a AUDAX Law	9,052.92	
	Payment for invoice: 2052		
	Total Trust	<u>\$9,052.92</u>	<u>\$10,000.00</u>
	<b><u>Trust Balance</u></b>		<b><u>\$947.08</u></b>

**TRUST STATEMENT**

		<b><u>Disbursements</u></b>	<b><u>Receipts</u></b>
Mar-23-17	Received From: Masterlife Corporation		10,000.00
	Funds Received on Account		
Apr-04-17	Paid To: Arturo R. Pugliese o/a AUDAX Law	9,052.92	
	Payment for invoice: 2052		
Apr-24-17	Received From: Masterfile Corporation		7,500.00
	Funds Received on Account		
Jun-15-17	Paid To: Arturo R. Pugliese o/a AUDAX Law	8,447.08	
	Payment for invoice: 2137		
	Total Trust	\$17,500.00	\$17,500.00
	<b><u>Trust Balance</u></b>		<b><u>\$0.00</u></b>

**Arturo R. Pugliese o/a AUDAX Law  
Barrister & Solicitor**

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Suite 3000  
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Phone: 416-862-8329

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Masterfile Corporation  
3 Concorde Gate, 4th Floor  
Toronto, ON M3C 3N7 Canada

Jun 15, 2017

File #: 17-233

**Attention:** Steve Pigeon

Inv #: 2137

**RE:** Restructuring under the Bankruptcy and Insolvency Act

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Lawyer</u>
Apr-01-17	TO PROFESSIONAL SERVICES RENDERED HEREIN INCLUDING: Review correspondence regarding filing materials; exchange of correspondence with S. Title regarding material to file;	0.50	FS
Apr-02-17	Review revised filing documents; call to S. Title;	0.40	FS
Apr-03-17	Review correspondence; respond to email questions; call to S. title; review gudmund contract; review further correspondence and drafts; review updated list of creditors;	2.60	FS
Apr-04-17	Review correspondence and draft documents for final sign off; call to S. Title; review income and balance sheet; review and revise draft proposal (x3);	2.30	FS
Apr-05-17	Work with S. Title and company to finalize filing documents and proposal; various emails to settle proposal; call to S. Title; finalize all filing materials and call with S. Title;	2.30	FS
Apr-06-17	Post-filing discussions with S. Pigeon; review correspondence regarding filing and meeting with creditors; review responses to trustee requests; review template regarding creditors claims;	0.70	FS



Apr-07-17	Review correspondence and attachments; call to S. Title;	0.60	FS
Apr-09-17	Review correspondence and questions from client; correspondence to client;	0.40	FS
Apr-10-17	Review correspondence; review questions from client and respond; discuss with S. Title; exchange of correspondence regarding creditors meeting and shareholder issues with S. Pigeon and G. Cannon;	0.90	FS
Apr-11-17	Exchange of correspondence with S. Pigeon regarding contract termination; call with S. Pigeon; correspondence with S. Title regarding chairing of meeting; review creditors list;	1.40	FS
Apr-13-17	Exchange of correspondence with S. Pigeon; exchange of correspondence regarding next steps and proxies/voting;	0.80	FS
Apr-17-17	Review correspondence regarding creditors meeting; call with S. Pigeon; correspondence to S. Title regarding meeting; call to S. Title regarding preparations for meeting;	0.90	FS
Apr-18-17	Various emails and responses regarding claims and artists agreements; call to S. Title; call to S. Pigeon; review draft response to artist;	1.10	FS
Apr-19-17	Review exchange of email regarding town hall meeting and issues relating to creditors seeking to terminate contracts; exchange of correspondence with S. Title regarding townhall meeting;	0.90	FS
Apr-20-17	Review exchange of correspondence and response relating to return of images to artists; review draft response to artist; exchange of correspondence with S. Title;	1.20	FS
Apr-21-17	Participate in town hall conference call for creditors; review outline of agenda and questions to be answered prepared by the trustee; post-townhall discuss with trustee;	1.60	FS
Apr-24-17	Review correspondence regarding Class B shares and respond; exchange of emails	0.60	FS

with S. Title regarding voting issues;

Apr-25-17	Meet with trustee and company before meeting of creditors; attend meeting of creditors; post-meeting discussion with S. Title;	2.80	FS
Apr-26-17	Correspondence from S. Pigeon; call to S. Pigeon; review TinEye documents; exchange of correspondence with S. Title.	0.90	FS
Apr-30-17	Professional Courtesy Discount of \$1,335.50		FS

<b>Total Fees</b>	\$10,000.00	
<b>HST on Fees</b>	\$1,300.00	
<b>Total Disbursements</b>	\$0.00	\$0.00
<b>HST on Disbursements</b>	\$0.00	
<b>Total Fees, Disbursements &amp; HST</b>	<b>\$11,300.00</b>	
Balance Owing as of Last Billing		\$0.00
Payment Received Since Last Billing		\$0.00
<b>Balance Due Now</b>		<b>\$2,852.92</b>

Total HST: \$1,300.00

HST #: 87666 6710 RT0001

\* tax-exempt

E. & O.E.  
AUDAX law

Per:



**Arturo R. Pugliese**

Accounts due when rendered. Interest will be charged at the rate of 2.50% per annum (or as otherwise permitted by the Courts of Justice Act, or at law) on unpaid fees, charges and disbursements, calculated from a date that is one month after this statement is delivered.

**TRUST STATEMENT**

		<b><u>Disbursements</u></b>	<b><u>Receipts</u></b>
Mar-23-17	Received From: Masterlife Corporation		10,000.00
	Funds Received on Account		
Apr-04-17	Paid To: Arturo R. Pugliese o/a AUDAX Law	9,052.92	
	Payment for invoice: 2052		
Apr-24-17	Received From: Masterfile Corporation		7,500.00
	Funds Received on Account		
Jun-15-17	Paid To: Arturo R. Pugliese o/a AUDAX Law	8,447.08	
	Payment for invoice: 2137		
	Total Trust	\$17,500.00	\$17,500.00
	<b><u>Trust Balance</u></b>		<b><u>\$0.00</u></b>

**Arturo R. Pugliese o/a AUDAX Law**  
**Barrister & Solicitor**

20 Queen Street West  
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Phone: 416-862-8329

Fax: 416-862-8330

Masterfile Corporation

Aug 08, 2017

3 Concorde Gate, 4th Floor  
Toronto, ON M3C 3N7 Canada

File #: 17-233

**Attention:** Steve Pigeon

Inv #: 2182

**RE:** Restructuring under the Bankruptcy and Insolvency Act

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Lawyer</u>
May-01-17	TO PROFESSIONAL SERVICES RENDERED HEREIN INCLUDING:  TO correspondence from S. Pigeon regarding contract terminations; TO correspondence to client; TO call with S. Pigeon; TO call to S. Title;	0.80	FS
May-02-17	TO call with S. Title regarding status and motion to approve;	0.60	FS
May-08-17	TO review draft representation letter;	0.20	FS
May-09-17	TO call with S. Title regarding report; exchange of correspondence with S. Pigeon regarding attendance at court;	0.40	FS
May-10-17	TO review draft report and provide comments to trustee; TO review draft order and revise;	0.60	FS
May-12-17	TO correspondence from S. Pigeon regarding attendance at court; TO review and finalize draft order;	0.30	FS
	TO correspondence from client; TO review and finalize draft order;	0.30	FS
May-16-17	TO review package from MNP regarding approval motion;	0.30	FS
May-18-17	TO call with M. Lem regarding motion to approve the proposal; TO review court materials;	0.40	FS
May-23-17	TO prepare for and attend court for approval motion; TO post-order discussion with S. Pigeon;	1.10	FS

May-31-17	TO review correspondence from S. Pigeon regarding K. Lam claim; TO call with S. Pigeon regarding K. Lam claim;	0.40	FS
	TO exchange of correspondence with S. Pigeon regarding K. Lam claim; TO review correspondence with trustee;	0.40	FS
Jun-05-17	TO review correspondence regarding K. Lam claim between S. Pigeon and trustee.	0.30	FS

Jul-31-17 Professional Courtesy Discount in the amount of \$519.50. FS

<b>Total Fees</b>		\$2,500.00	
<b>HST on Fees</b>		\$325.00	
<b>Total Disbursements</b>		\$0.00	\$0.00
<b>HST on Disbursements</b>		\$0.00	
<b>Total Fees, Disbursements &amp; HST</b>			<b>\$2,825.00</b>

**Balance Due Now** **\$2,825.00**

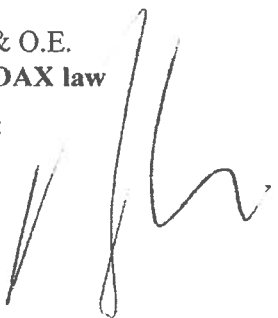
Total HST: \$325.00

HST #: 87666 6710 RT0001

\* tax-exempt

E. & O.E.  
AUDAX law

Per:



**Arturo R. Pugliese**

Accounts due when rendered. Interest will be charged at the rate of 2.50% per annum (or as otherwise permitted by the Courts of Justice Act, or at law) on unpaid fees, charges and disbursements, calculated from a date that is one month after this statement is delivered.

**TRUST STATEMENT**

		<b><u>Disbursements</u></b>	<b><u>Receipts</u></b>
Mar-23-17	Received From: Masterlife Corporation		10,000.00
	Funds Received on Account		
Apr-04-17	Paid To: Arturo R. Pugliese o/a AUDAX Law	9,052.92	
	Payment for invoice: 2052		
Apr-24-17	Received From: Masterfile Corporation		7,500.00
	Funds Received on Account		
Jun-15-17	Paid To: Arturo R. Pugliese o/a AUDAX Law	8,447.08	
	Payment for invoice: 2137		
	Total Trust	\$17,500.00	\$17,500.00
	<b><u>Trust Balance</u></b>		<b><u>\$0.00</u></b>

## **Appendix “C”**

District of Ontario  
Division No. 09 – Toronto  
Court File Number: 31-2237353  
Estate File Number: 31-2237353

ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY

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

MINUTES OF THE SECOND MEETING OF CREDITORS

These are the Minutes of the second meeting of creditors (the "**Meeting**") held at Trustee's office on the 4th day of December 2018 at the hour of 11:00 a.m.

<u>Present:</u>	<u>Representing</u>
Sheldon Title	Trustee
Patrick Shea	Gowlings/Trustee's counsel
Steve Pigeon	Masterfile Corporation
Michael Mahovlich	Inspector

See attached attendance sheet for additional individuals present.

**CALL TO ORDER**

Sheldon Title acted as the Chairperson and acted as Secretary of the meeting. The Chairperson informed the Meeting that pursuant to section 105(2) of the *Bankruptcy and Insolvency Act (the "Act")*, he would act as Chairperson and would decide any questions or disputes arising at the meeting and from such decision any creditor may appeal to the court. The Chairperson examined the Proofs of Claim and Proxies in favour of the Trustee and determined that there was a quorum. The Chairperson declared the Meeting duly convened and called the Meeting to order.

The Chairperson tabled the following documents:

- Affidavit of Mailing re: Notice of the Meeting
- Proofs of Claim filed by creditors

**UPDATE TO CREDITORS**

Prior to the Meeting, the Trustee circulated notice of the Meeting, an agenda and a Report of Trustee to the Creditors, dated November 15, 2018 (the "**Report**"). The Report provided an interim Statement of Receipts and Disbursements, dated October 1, 2018 (the "**SRD**"). The Trustee informed the creditors that since issuing the Report, Masterfile Corporation ("**Masterfile**" or the "**Company**") remitted a further instalment payment of \$40,000 and remains in compliance with the terms of the Proposal.



## QUESTION PERIOD

The Trustee opened the floor to questions.

Michael Mahovlich asked for an estimate of the cost of bringing a court application to seek approval permitting the Trustee to make payments/distributions to creditors electronically from the trust account rather than by printed cheque. Patrick Shea estimated that the cost of such an application to be \$5,000 provided there was no opposition to the application. A discussion followed wherein the Trustee advised the Meeting that the Bankruptcy and Insolvency Act requires payments to be made by cheque.

The creditors expressed concern about spending \$5,000 in legal fees to protect smaller foreign based creditors. The Trustee reiterated the contents of the Report, noting that 140 of the 271 creditors that had filed claims (as at the date of the Report) were located outside of Canada. Questions arose as to why the matter was not addressed as part of the proposal. The Trustee and its counsel advised that the Trustee would generally not contemplate bringing an application to Court until the issue needed to be determined. Steve Pigeon asked if it would be beneficial to pre-empt the issue by bringing the application to Court before creditors have trouble in cashing the cheques.

The creditors debated the merits of bringing an application pre-emptively versus waiting until the creditors have difficulty cashing cheques, which resulted in the creditors asking for an estimate of the costs of a cheque run. The Trustee estimated that its costs (time, processing costs, disbursements, bank fees and mailing to approximately 300 creditors) to process each distribution to be approximately \$3,000. The creditors also asked how quickly the application could be brought to court. The Trustee and its counsel indicated it would be based on availability of court time, but that it should be possible to bring the application prior to December 31, 2018.

Michael Mahovlich asked the Trustee to comment on the extent to which funds would be retained if the Trustee were to make a distribution to creditors now that Masterfile had made a further instalment payment. The Trustee advised that with Masterfile's recent payment, there is now approximately \$130,000 in trust (after deducting the accruals that were reflected on the SRD and reserving funds for the Motion (defined below) and that there would be approximately \$100,000 available for distribution.

Michael Mahovlich asked whether it would assist to have creditors attend the hearing. Patrick Shea advised that if the matter is heard on an unopposed basis that there is good chance that the Court would grant the order approving a distribution by electronic transfer and that there is no need for creditors to attend in support of the motion.

After discussion, Michael Mahovlich moved, and the Trustee as proxyholder for Garry Black, seconded the following motion:

The Trustee is to bring a motion (the "**Motion**") to Bankruptcy Court seeking authority to make a distribution to creditors by electronic means on information provided by the Company, and if there is opposition to the motion, the Trustee is to communicate the opposition to the creditors.

The results of the vote are as follows:

	<b>For</b>	<b>Against</b>
Dollar Amount	\$1,069,945.32	\$23,348.49
%	97.9%	2.1%

Patrick Shea indicated that he would contact the court after the Meeting to book a court date for the Motion<sup>1</sup>.

### **FREQUENCY OF DISTRIBUTIONS**

The Trustee reminded the Meeting that the Proposal is silent on the issue of the frequency of payments. Regardless of the outcome of the Motion, there will be additional costs associated with making more frequent distributions. The creditors advised that in order to provide direction to the Trustee concerning the frequency of distributions to creditors requires that they be provided additional information concerning the costs associated with making distributions electronically. The Trustee will investigate the options available, and the costs associated with making electronic transfers, and present its findings for consideration by the Inspectors.

### **ADMINISTRATIVE FEES AND EXPENSES**

The Trustee had distributed copies of its accounts and the accounts of Masterfile's counsel with the notice of the Meeting. Michael Mahovlich advised that a group of creditors was looking to retain counsel and asked whether this matter could be deferred until the creditors have counsel. The Trustee advised that it was acceptable to defer the issue but inquired as to when the creditors contemplated hiring counsel. Patrick Shea advised the Meeting that the Trustee's fees, even if approved, are subject to final taxation by the Court.

The Inspector asked whether there were any invoices that he had not approved. The Trustee advised that in order to draw payment it requires Inspector, Creditor or Court approval and the approval must be in writing. The Trustee informed the Meeting that the Inspector had provided written approval for one invoice and verbal approval for the second. The written approval formed part of the minutes of the October 1<sup>st</sup> meeting, which the Inspector did not sign. The Inspector asked for the Trustee to send him a document to sign to acknowledge his approval of the payment of the Trustee's second invoice. The Inspector also asked for payment of his Inspector fee, which the Trustee undertook to do.

### **INSPECTORS**

Michael Mahovlich is the sole Inspector appointed to act in the Proposal. As noted in the Report, the Trustee was contacted by another party interested in being added to the board of inspectors. The Trustee advised the Meeting that John McDonald had expressed an interest in acting as Inspector.

Michael Mahovlich asked why the name of the additional Inspector was not put forward in the agenda or the Report. The Trustee responded by noting only those creditors in attendance in person or by proxy had a right to vote on the slate of Inspectors. Further, the creditor that first approached the trustee with an interest in acting as Inspector is not the same individual being put forward as an

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<sup>1</sup> The motion is scheduled to be heard on December 21, 2018

Inspector candidate today. Patrick Shea indicated that the appointment of Inspectors is unlike a government election in that the parties do not to campaign for the support of the creditors.

A formal motion to accept the John McDonald as Inspector was moved by the Trustee, as proxyholder for Garry Black and seconded by the Trustee, as proxyholder for H. Armstrong Roberts Company. The motion was put to vote, with the results of the voting summarized below:

	<b>For</b>	<b>Against</b>
Dollar Amount	\$500,662.03	\$583,014.21
%	46.2%	53.8%

The Motion failed.

Susan Morissette asked for the Trustee to summarize the role of the Inspector, after which she advised the Meeting that she would be prepared to act as Inspector. A formal motion to add Susan Morissette and John McDonald as Inspectors was the Trustee, as proxyholder for Garry Black and seconded by the Trustee, as proxyholder for H. Armstrong Roberts Company. The motion was put to vote, with the results of the voting summarized below:

	<b>For</b>	<b>Against</b>
Dollar Amount	\$562,994.87	\$520,681.37
%	52.0%	48.0%

The motion carried, with the result that the Inspectors are:

1. Michael Mahovlich
2. Susan Morissette
3. John McDonald

### **DIRECTIONS TO THE TRUSTEE**

Michael Mahovlich asked for the trustee to release the creditors email addresses to him to enable him to communicate with the creditors. The Trustee's counsel advised that due to privacy concerns, the Trustee would not be able to comply with such a request. The Trustee's counsel advised the Meeting that the *Bankruptcy and Insolvency Act* permits the creditors to see and examine the proofs of claims of other creditors. The email addresses are found on the individual proofs of claim forms and the Inspector (or creditors) are free to arrange a meeting at the Trustee's office to inspect the proofs of claim.

Michael Mahovlich moved for a motion requiring the Trustee to provide the Inspectors with the email addresses for those creditors with proven claims. The motion was seconded by Allyson Scott. The motion was put to a vote and the creditors voted as follows:

	For	Abstain
Dollar value	\$1,007,612.48	\$85,681.33
%	92.2%	7.8%

The Trustee's counsel advised the Meeting that due to the Trustee's inability to comply with this requirement that the Trustee will seek the Court's advice and direction on this matter as part of the Motion.

**CONCLUSION**

A motion was moved by Michael Mahovlich and seconded by the Trustee, as proxyholder for. There being no further business, the Meeting was concluded at approximately 12:20 p.m.

DATED AT TORONTO, Ontario this 4th day of December, 2018.

**MNP Ltd.**  
**Trustee in re: the proposal of**  
**Masterfile Corporation**

Per:







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

Sheldon Title

**Masterfile Corporation**

File No. 31-2237153

**Attendance Sheet – Second Meeting of Creditors**

Name (print)	Signature	Representing	Amount of Claim	Remarks
Sheldon Title		MNP Ltd - Trustee	N/A	
Sheldon Title		Bettina Salomon	\$2,514.16	
Sheldon Title		Garry Black	\$23,798.86	
Sheldon Title		Mohammad Fattahian	\$8,235.10	
Sheldon Title		H. Armstrong Roberts Company	\$27,784.72	
Michael Mahovlich		ALISON BARNES MARTIN	\$2,024.19	
Michael Mahovlich		Allan Baxter	\$5,471.92	
Michael Mahovlich		Andrew Kolb	\$4,310.52	
Michael Mahovlich		ANDREW OLNEY PHOTOGRAPHY LTD.	\$1,349.51	
Michael Mahovlich		Anthony Redpath	\$1,547.90	
Michael Mahovlich		BARRETT ADVERTISING PHOTO.INC.	\$5,563.66	
Michael Mahovlich		Ben Seelt b.v. Publiciteitsfotografie	\$157.05	

Masterfile Corporation

File No. 31-2237153

Attendance Sheet – Second Meeting of Creditors

Name (print)	Signature	Representing	Amount of Claim	Remarks
Michael Mahovlich	<i>M. Mahovlich</i>	Beth Dixon	\$1,681.58	
Michael Mahovlich	<i>M. Mahovlich</i>	BLUE IMAGES LLC	\$12,111.78	
Michael Mahovlich	<i>M. Mahovlich</i>	Bob Anderson	\$3,407.23	
Michael Mahovlich	<i>M. Mahovlich</i>	Brian Sytnyk	\$7,699.93	
Michael Mahovlich	<i>M. Mahovlich</i>	Bruce Fleming	\$677.64	
Michael Mahovlich	<i>M. Mahovlich</i>	Carl Warner	\$2,208.92	
Michael Mahovlich	<i>M. Mahovlich</i>	Christina Krutz	\$6,234.54	
Michael Mahovlich	<i>M. Mahovlich</i>	Christopher Hendrickson	\$2,343.94	
Michael Mahovlich	<i>M. Mahovlich</i>	CONTORAKES PRODUCTIONS LLC	\$2,611.86	
Michael Mahovlich	<i>M. Mahovlich</i>	DAN LIM PHOTOGRAPHY INC.	\$5,613.23	
Michael Mahovlich	<i>M. Mahovlich</i>	Daniel Jurak	\$800.25	
Michael Mahovlich	<i>M. Mahovlich</i>	DARRYL LENIUK PHOTOGRAPHY	\$6,139.32	

Masterfile Corporation

File No. 31-2237153

Attendance Sheet – Second Meeting of Creditors

Name (print)	Signature	Representing	Amount of Claim	Remarks
Michael Mahovlich	<i>M. Mahovlich</i>	Dale Sanders	\$5,391.32	
Michael Mahovlich	<i>M. Mahovlich</i>	Mark Burstyn	\$3,964.20	
Michael Mahovlich	<i>M. Mahovlich</i>	Artiga Photos	\$4,626.07	
Michael Mahovlich	<i>M. Mahovlich</i>	Gary Gerovac Photography	\$2,352.51	
Michael Mahovlich	<i>M. Mahovlich</i>	R. Aaron Raymond	\$1,217.87	
Michael Mahovlich	<i>M. Mahovlich</i>	Peter Reali	\$2,026.86	
Michael Mahovlich	<i>M. Mahovlich</i>	Matt Brasier	\$2,000.45	
Michael Mahovlich	<i>M. Mahovlich</i>	Mark Downey	\$2,662.12	
<i>Susan Moniselle</i>		<i>Susan Moniselle</i>		
<i>Susan Moniselle</i>		<i>John Macdonald</i>		
<i>LEV PIASECKYJ</i>		<i>LEV PIASECKYJ</i>	<i>~\$17.5k</i>	
<i>LEV PIASECKYJ</i>		<i>BARBARA MILLER</i>	<i>~\$3.7k</i>	






Masterfile Corporation

File No. 31-2237153

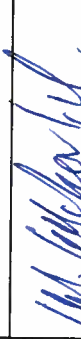
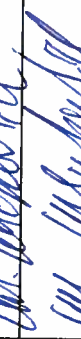



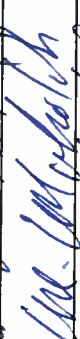
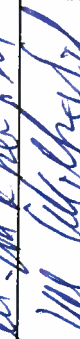


Attendance Sheet – Second Meeting of Creditors

Name (print)	Signature	Representing	Amount of Claim	Remarks
Michael Mahovlich		DAVE ROBERTSON PHOTOGRAPHY INC	\$9,377.92	
Michael Mahovlich		FRY DESIGN	\$62,707.85	
Michael Mahovlich		George Simhoni	\$3,864.64	
Michael Mahovlich		Halasz + Burow GbR	\$13,781.93	
Michael Mahovlich		HENDRICKSON PHOTOGRAPHY	\$4,835.06	
Michael Mahovlich		Janet Foster	\$4,065.55	
Michael Mahovlich		JAZHART STUDIOS INC.	\$4,160.97	
Michael Mahovlich		Jerzyworks	\$25,134.14	
Michael Mahovlich		Jim Craigmyle	\$2,400.69	
Michael Mahovlich		Jodi Pudge	\$4,578.51	
Michael Mahovlich		John Curtis & Pamela Strauss	\$1,176.57	
Michael Mahovlich		John Foster	\$3,766.23	

**Masterfile Corporation**

File No. 31-2237153

**Attendance Sheet – Second Meeting of Creditors**

Name (print)	Signature	Representing	Amount of Claim	Remarks
Michael Mahovlich		Robert G. Young	\$1,148.91	
Michael Mahovlich		RON STROUD PHOTOGRAPHY INC.	\$6,720.97	
Michael Mahovlich		Roy Ooms	\$15,498.26	
Michael Mahovlich		Shelley Smith	\$593.63	
Michael Mahovlich		Susan Findlay	\$8,810.71	
Michael Mahovlich		Thomas Kokta	\$4,046.16	
Michael Mahovlich		TOM COLLICOTT PHOTOGRAPHY	\$1,104.28	
Michael Mahovlich		Ty Milford	\$21,789.51	
Michael Mahovlich		Uwe Umstätter	\$25,019.93	
Michael Mahovlich		Amy Whitt	\$2,773.45	
Michael Mahovlich		824387 ALBERTA LTD.	\$15,168.43	
Michael Mahovlich		Mark Tomalty	\$14,900.35	

**Masterfile Corporation**

File No. 31-2237153

**Attendance Sheet – Second Meeting of Creditors**

Name (print)	Signature	Representing	Amount of Claim	Remarks
Michael Mahovlich	<i>Mr. Michael Mahovlich</i>	Matthias Kulka	\$7,715.38	
Michael Mahovlich	<i>Mr. Michael Mahovlich</i>	MICHAEL ALBERSTAT PHOTOGRAPHY	\$7,778.11	
Michael Mahovlich	<i>Mr. Michael Mahovlich</i>	Michael Breuer	\$8,704.60	
Michael Mahovlich	<i>Mr. Michael Mahovlich</i>	Mike Lorrig	\$679.79	
Michael Mahovlich	<i>Mr. Michael Mahovlich</i>	Mike Randolph	\$6,022.91	
Michael Mahovlich	<i>Mr. Michael Mahovlich</i>	NATASHA NICHOLSON PHOTOGRAPHY	\$2,113.67	
Michael Mahovlich	<i>Mr. Michael Mahovlich</i>	NATASHA V. PHOTOGRAPHY	\$157.06	
Michael Mahovlich	<i>Mr. Michael Mahovlich</i>	Nora Good	\$2,086.31	
Michael Mahovlich	<i>Mr. Michael Mahovlich</i>	R. Ian Lloyd	\$21,040.65	
Michael Mahovlich	<i>Mr. Michael Mahovlich</i>	Raimund Linke	\$24,159.78	
Michael Mahovlich	<i>Mr. Michael Mahovlich</i>	Raymond Forbes	\$6,387.20	
Michael Mahovlich	<i>Mr. Michael Mahovlich</i>	Ric Frazier	\$383.80	

Masterfile Corporation

File No. 31-2237153








Attendance Sheet – Second Meeting of Creditors

Name (print)	Signature	Representing	Amount of Claim	Remarks
Michael Mahovlich	<i>M. Mahovlich</i>	JOHN GERTZ PHOTOGRAPHY	\$641.75	
Michael Mahovlich	<i>M. Mahovlich</i>	Jose Luis Stephens	\$16,891.87	
Michael Mahovlich	<i>M. Mahovlich</i>	Karen Whyllie	\$704.90	
Michael Mahovlich	<i>M. Mahovlich</i>	Kathleen Finlay	\$9,625.32	
Michael Mahovlich	<i>M. Mahovlich</i>	Keith Ballinger	\$288.43	
Michael Mahovlich	<i>M. Mahovlich</i>	Laurie Rubin	\$1,057.50	
Michael Mahovlich	<i>M. Mahovlich</i>	Lloyd Sutton	\$8,787.86	
Michael Mahovlich	<i>M. Mahovlich</i>	MARC SIMON PHOTOGRAPHY	\$1,865.13	
Michael Mahovlich	<i>M. Mahovlich</i>	Marc Vaughn	\$5,945.39	
Michael Mahovlich	<i>M. Mahovlich</i>	MARK LEIBOWITZ PHOTOGRAPHY INC	\$6,240.21	
Michael Mahovlich	<i>M. Mahovlich</i>	Matthew Plexman Photography Ltd.	\$4,463.21	
Michael Mahovlich	<i>M. Mahovlich</i>	Matthew Wiley	\$3,616.71	

Masterfile Corporation

File No. 31-2237153

Attendance Sheet – Second Meeting of Creditors

Name (print)	Signature	Representing	Amount of Claim	Remarks
ANDREW JUDD		ANDREW JUDD ILLUSTRATION	\$2,962.39	
GRAHAM DAVET		DAVET PHOTOGRAPHY & DIGITAL IMAGING INC	\$7,226.85	
Dan Pollock		Mustache	N/A	
Alyson Scott		Alyson Scott photos	\$3,300	
GRAHAM FRENCH		GRAHAM FRENCH	\$9,617.57	
John Lee				
Michael Mahovlich		John Lee	\$6,214.44	

## Appendix "D"



**Industry Canada**  
**Office of the Superintendent**  
**of Bankruptcy Canada**

Heritage Place  
 155 Queen Street, 4<sup>th</sup> Floor  
 Ottawa, Ontario  
 K1A 0H5  
[osb.ic.gc.ca](http://osb.ic.gc.ca)

**Industrie Canada**  
**Bureau du surintendant**  
**des faillites Canada**

Place Héritage  
 155, rue Queen, 4<sup>e</sup> étage  
 Ottawa (Ontario)  
 K1A 0H5  
[bsf.ic.gc.ca](http://bsf.ic.gc.ca)

**Date:** MAY 09 2016

**To:** Licensed Insolvency Trustees  
 and Registrars

**Subject:** Directive No. 5R5, *Estate Funds  
 and Banking*

The Office of the Superintendent of Bankruptcy (OSB) has amended Directive No. 5R4, *Estate Funds and Banking*. The objectives of the amendments are to facilitate the adoption and use of electronic financial transactions, to streamline administrative procedures for trust account reconciliations and to update and clarify directive requirements through administrative amendments. The amendments to the Directive were informed by public consultation in 2015, as well as technical consultations with Licensed Insolvency Trustees.

Key Changes to the Directive are:

**Provisions for the Establishment of a Trust Transfer Account**

*Debit Machines and Electronic Payments*

To facilitate electronic transactions, Licensed Insolvency Trustees may now use a trust transfer account to receive electronic payments from debtors and the OSB, and receive payments for estate files using a debit machine within their offices.

**Date :** 09 MAI 2016

**À :** Syndics autorisés en insolvabilité  
 et registraires

**Objet :** Instruction n° 5R5, *Les fonds de  
 l'actif et procédures bancaires*

Le Bureau du surintendant des faillites (BSF) a apporté des modifications à l'instruction n° 5R4, *Les fonds de l'actif et procédures bancaires*, dans le but de faciliter l'adoption et l'utilisation des transactions financières électroniques, de simplifier les procédures administratives pour la conciliation des comptes en fiducie ainsi que de mettre à jour et préciser les exigences de l'instruction par l'entremise de modifications administratives. Les modifications à l'instruction s'inspirent d'une consultation publique menée en 2015 et de consultations techniques auprès des syndics autorisés en insolvabilité.

Voici les principaux changements apportés à l'instruction :

**Dispositions relatives à l'établissement d'un compte en fiducie de transit**

*Terminaux de débit et paiements électroniques*

Afin de faciliter les transactions électroniques, les syndics autorisés en insolvabilité peuvent désormais utiliser un compte en fiducie de transit pour recevoir les paiements électroniques des débiteurs et du BSF ainsi que les paiements pour les dossiers d'actif effectués par carte de débit dans leurs bureaux.



### Single Destination Account and Electronic Payments from the OSB

In preparation for the implementation of the Government of Canada's Direct Deposit Initiative, which will provide for electronic receipt of payment from the government, Licensed Insolvency Trustees are required, upon request from the OSB, to use no more than one destination account for payments to be received from the OSB. Where payments consist of trust money, this single destination account shall be a trust transfer account.

### **Monthly Trust Account Reconciliations**

Trustees now have the option to sign a single consolidated monthly trust account reconciliation rather than signing an attestation for each trust account.

### **Estate Filing Fees**

For greater clarity and to codify existing practice, the Directive now confirms that estate filing fees may be paid from either an estate trust account or the trustee's corporate account.

### **Administrative Amendments**

The following administrative amendments have been made:

- Specific OSB contact titles have been updated: "Designated Senior Bankruptcy Analyst" with "OSB" and "Designated Assistant Superintendent" with "Superintendent." All administrative notifications, requests or other documents are to continue to be directed to the local OSB division office, as per current practice.
- Reporting requirements on pre-filing deposits and third-party deposits and guarantees have been removed from the
- Des titres de personnes-ressources précises au BSF ont été modifiés : « analyste principal des faillites désigné » devient « BSF » et « surintendant adjoint désigné » devient « surintendant ». Les avis, demandes et autres documents administratifs doivent toujours être transmis au bureau de division local du BSF, selon la pratique actuelle.
- Les exigences relatives à la déclaration des fonds déposés avant l'institution de procédures et des dépôts et garanties de tiers

### Compte de destination unique et paiements électroniques du BSF

En prévision de la mise en œuvre de l'Initiative sur le dépôt direct du gouvernement du Canada, laquelle permettra la réception par voie électronique des paiements provenant du gouvernement, les syndics autorisés en insolvabilité doivent, à la demande du BSF, utiliser un seul compte de destination aux fins des paiements à recevoir du BSF. Si les paiements consistent en une somme en fiducie, ce compte de destination unique doit être un compte en fiducie de transit.

### **Conciliation mensuelle des comptes en fiducie**

Les syndics peuvent désormais signer une seule conciliation mensuelle pour l'ensemble des comptes en fiducie plutôt que de signer une attestation pour chacun de ces comptes.

### **Frais de dépôt de dossier**

Par souci de clarté et pour codifier les pratiques actuelles, l'instruction vient maintenant confirmer que les frais de dépôt de dossier peuvent être payés à partir d'un compte en fiducie de l'actif ou d'un compte de société du syndic.

### **Modifications administratives**

Les modifications administratives suivantes ont été apportées :



Annual Banking Report (Schedule 2 of the Directive) as these are not considered estate funds until they are used for estate purposes.

- Existing wording was amended to clarify how remittance information is to be sent in respect of electronic payments.
- Some French terms were harmonized to be consistent with the terminology used in the *Bankruptcy and Insolvency Act* and other Directives: “syndic individuel” was replaced with “syndic particulier” and “syndic corporatif” with “personne morale agissant en qualité de syndic”.
- Section reference errors were identified and corrected throughout the Directive.

It is our understanding that software providers will be updating their systems to reflect amendments made to the Schedules attached to the Directive within six months. Current versions may be used until software changes are implemented.

#### **Coming into Force**

This Directive comes into force on the date that it is issued.

#### **Enquiries**

If you require further information, please do not hesitate to contact the OSB office nearest you.

Att.

ont été retirées du Rapport bancaire annuel (annexe 2 de l’instruction) puisque l’on considère que ces fonds ne font pas partie de l’actif tant qu’ils ne sont pas utilisés pour les besoins de l’actif.

- Certaines formulations ont été modifiées afin de préciser la façon dont les renseignements sur l’envoi de fonds doivent être transmis en cas de paiement électronique.
- Certains termes ont été modifiés par souci d’uniformité avec la terminologie employée dans la *Loi sur la faillite et l’insolvabilité* et d’autres instructions : « syndic individuel » devient « syndic particulier » et « syndic corporatif » devient « personne morale agissant en qualité de syndic ».
- Les erreurs de renvoi vers des paragraphes de l’instruction ont été relevées et corrigées dans tout le document.

Il semble que les fournisseurs de logiciels entendent mettre à jour leurs systèmes dans un délai de six mois afin de tenir compte des modifications apportées aux annexes de l’instruction. Les versions actuelles peuvent toutefois être utilisées jusqu’à ce que la mise à jour soit effectuée.

#### **Entrée en vigueur**

La présente instruction entre en vigueur à la date de son émission.

#### **Renseignements**

Si vous désirez obtenir de plus amples renseignements, veuillez communiquer avec le bureau du BSF le plus proche.

P.j.



William R. James  
Superintendent of Bankruptcy / Surintendant des faillites



## Directive / Instruction

N° 5R5

ESTATE FUNDS AND BANKING

LES FONDS DE L'ACTIF ET  
PROCÉDURES BANCAIRES

Issued: **MAY 09 2016**

Date d'émission : **09 MAI 2016**

(Supersedes Directive No. 5R4 issued on March 18, 2010, on the same topic).

(La présente instruction remplace et annule l'instruction n° 5R4 sur le même sujet émise le 18 mars 2010.)

This Directive applies to individual and corporate trustees licensed pursuant to section 13 of the *Bankruptcy and Insolvency Act* (the "Act") and to administrators of consumer proposals as defined in section 66.11 of the Act. For ease of reading, the term "trustee" in this Directive is to be read as including an administrator.

La présente instruction s'applique aux syndics (particuliers et personnes morales agissant en qualité de syndic) titulaires de licence en vertu de l'article 13 de la *Loi sur la faillite et l'insolvabilité* (la « Loi ») et aux administrateurs de propositions de consommateur tels que définis à l'article 66.11 de la Loi. Dans le but de simplifier la lecture de la présente instruction, le terme « syndic » désigne également un administrateur.

### Interpretation

1. (1) In this Directive,

"Act" means the *Bankruptcy and Insolvency Act*;

"bank" means a bank as defined in section 2 of the Act;

"consolidated trust account" means a bank account operated pursuant to paragraph 155(g) or subsection 66.26(2) of the Act;

"control ledger" means a record maintained by

### Interprétation

1. (1) Les définitions qui suivent s'appliquent à la présente instruction :

« actif » Une faillite, une proposition déposée aux termes de la section I ou de la section II de la partie III de la Loi, un avis d'intention ou la nomination d'un séquestre intérimaire en vertu de l'article 46 ou de l'article 47.1 de la Loi;

« banque » Les banques définies à l'article 2 de la Loi;

« BSF » Le Bureau du surintendant des faillites;

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5R5

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2016

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1

the trustee that reports the balance of funds held in an estate trust account. In the case of a consolidated account, such record will show the control ledger balance as the sum of all sub-ledger balances;

“electronic payment” means the payment of dividends or disbursements from an estate trust fund to another party by means of an approved system as described in paragraph 17 of this Directive;

“estate” means a bankruptcy, a proposal filed under Division I or Division II of Part III of the Act, a notice of intention, or an interim receivership under section 46 or section 47.1 of the Act;

“estate trust funds” means funds received by a trustee that belong to an estate, including any moneys advanced in payment of fees for services not yet rendered or money advanced in payment of disbursements to be made that are not subject to a third-party agreement;

“OSB” means the Office of the Superintendent of Bankruptcy;

“Rules” means the *Bankruptcy and Insolvency General Rules* made pursuant to subsection 209(1) of the Act;

“sub-ledger balance” means the balance of funds for each estate that comprises a consolidated bank account;

“Superintendent” means the Superintendent of Bankruptcy or such persons as he may assign or direct;

“transaction posting report” means an accounting record maintained by the trustee showing all banking transactions (credits and debits) posted to an estate account during a specific time period, and the account balance;

« compte consolidé en fiducie » Le compte bancaire administré conformément à l’alinéa 155g) ou au paragraphe 66.26(2) de la Loi. Dans le but de simplifier la lecture de la présente instruction, l’expression « compte consolidé en fiducie » désigne également le compte consolidé en fidéicommiss;

« compte en fiducie » Le compte bancaire dans lequel les fonds de l’actif sont déposés et détenus en fiducie par un syndic. Dans le but de simplifier la lecture de la présente instruction, l’expression « compte en fiducie » désigne également le compte en fidéicommiss;

« compte en fiducie de transit » Le compte bancaire dans lequel les fonds de l’actif sont déposés de façon temporaire et détenus en fiducie par un syndic dans le but d’être transférés sans délai dans le compte en fiducie de l’actif ou dans le compte consolidé en fiducie. Dans le but de simplifier la lecture de la présente instruction, l’expression « compte en fiducie de transit » désigne également le compte en fidéicommiss de transit;

« fonds en fiducie de l’actif » Les fonds reçus par un syndic qui font partie de l’actif, y compris les avances d’honoraires pour services non encore rendus ou les avances relatives aux débours qui devront être faits et qui ne sont pas l’objet d’une entente avec une tierce personne. Dans le but de simplifier la lecture de la présente instruction, l’expression « fonds en fiducie de l’actif » désigne également les fonds en fidéicommiss de l’actif;

« Loi » La *Loi sur la faillite et l’insolvabilité* (LFI);

« paiement électronique » Le paiement de dividendes ou de débours tiré d’un compte en fiducie à une autre partie au moyen d’un système approuvé aux termes de l’article 17 de la présente instruction;

“trust account” means an account with a bank into which estate funds are deposited and held in trust by a trustee; and

“trust transfer account” means an account with a bank into which estate funds are temporarily deposited and held in trust by a trustee for the purpose of being transferred without delay into the appropriate estate trust account or consolidated trust account.

« rapport d’enregistrement des transactions » Un document comptable tenu par le syndic, dans lequel celui-ci indique toutes les transactions bancaires (crédits et débits) enregistrées à un actif pendant une période spécifique ainsi que le solde du compte;

« registre de contrôle » Le registre que le syndic tient sur le solde des fonds détenus dans le compte en fiducie de l’actif. Dans le cas d’un compte consolidé, le solde figurant au registre de contrôle correspond au total des soldes de tous les livres auxiliaires;

« Règles » Les *Règles générales sur la faillite et l’insolvabilité* établies en vertu du paragraphe 209(1) de la Loi;

« solde des livres auxiliaires » Le solde des fonds pour chaque actif faisant partie d’un compte bancaire consolidé;

« surintendant » Surintendant des faillites ou toute personne qu’il peut mandater ou désigner.

(2) The coming into force date for that part of the definition of “estate” in paragraph 1(1) that refers to a “proposal filed under Division I” and a “notice of intention” shall be held in abeyance until further notice.

(2) La date d’entrée en vigueur de la définition du terme « actif » au paragraphe 1(1) faisant référence à la « proposition déposée aux termes de la section I » et à « l’avis d’intention » est reportée jusqu’à nouvel ordre.

### **Purpose**

2. This Directive, issued pursuant to paragraphs 5(4)(b) and (c) of the Act, imposes upon a trustee the minimum standards for the accounting for and the proper custody of estate trust funds. The main applicable sections of the Act are subsections 6(2), (3) and (4), sections 25, 26, 27 and 66.26, paragraphs 155(g) and 14.01(1)(f), and sections 65, 67, 101, 103, 128 and 129 of the Rules.

### **Objet**

2. La présente instruction est émise en vertu des alinéas 5(4)b) et c) de la Loi et elle impose au syndic des normes minimales pour la comptabilité et la protection adéquate des fonds en fiducie de l’actif. Les principales dispositions de la Loi qui s’appliquent sont les paragraphes 6(2), (3) et (4), les articles 25, 26, 27 et 66.26, les alinéas 155g) et 14.01(1)c) et les articles 65, 67, 101, 103, 128 et 129 des Règles.

## Sending of Documents

3. Pursuant to section 2.2 of the Act, any notification, documents or other information that is required by this Directive to be given, forwarded, mailed or sent or otherwise provided to the Superintendent (*or the OSB*) shall be given, forwarded, sent or otherwise provided to the Superintendent (*or the OSB*) at the local OSB division office.

## Principles

4. Section 25 of the Act imposes a duty on a trustee to deposit without delay in a trust account all moneys received for an estate. The trust account shall be held at a bank, provided that federal or provincial law guarantees deposits of that institution, and that such law protects depositors from the loss of money on deposits with that institution.<sup>1</sup>

Subsection 25(1.3) of the Act also dictates that, except for paying dividends and charges incidental to administering the estate, a trustee shall not withdraw any funds from the trust account of an estate without the permission, in writing, of the inspectors or, on application, the Court.

When withdrawing funds from the trust account of an estate, the trustee must comply with the rules governing fees and disbursements drawn in summary administration bankruptcies and consumer proposals.

<sup>1</sup> To be eligible for deposit insurance protection, deposits must be payable in Canada, in Canadian currency. If estate funds are situated abroad, a trustee, with the Superintendent's permission, may deposit such funds in a financial institution similar to a bank in that country, as per subsection 25(1.2) of the Act.

## Envoi de documents

3. Conformément à l'article 2.2 de la Loi, les notifications et envois de documents ou de renseignements à effectuer au titre de la présente instruction auprès du surintendant (*ou du BSF*) le sont au bureau de division du BSF le plus proche.

## Principes

4. En vertu de l'article 25 de la Loi, un syndic est tenu de déposer sans délai dans un compte en fiducie tous les fonds reçus pour un actif. Le compte en fiducie est ouvert dans une banque, pourvu qu'une loi fédérale ou provinciale garantisse les dépôts effectués dans cette institution et protège les déposants contre la perte de leurs dépôts dans cette institution<sup>1</sup>.

Le paragraphe 25(1.3) de la Loi prescrit également qu'un syndic ne peut effectuer aucun retrait sur le compte en fiducie de l'actif sans la permission écrite des inspecteurs ou, sur demande, du tribunal, sauf en cas de paiement de dividendes ou de frais se rapportant à l'administration de l'actif.

En effectuant un retrait sur le compte en fiducie de l'actif, le syndic doit se conformer aux règles régissant les honoraires et débours perçus dans les faillites d'administration sommaire ou les propositions de consommateur.

<sup>1</sup> Pour être couverts par l'assurance-dépôts, les dépôts doivent être payables au Canada en fonds canadiens. Si les fonds de l'actif se trouvent à l'étranger, un syndic, sur autorisation du surintendant, peut, en vertu du paragraphe 25(1.2) de la Loi, déposer de tels fonds dans une institution semblable à une banque dans ce pays.

Trust account funds are to be kept intact and not commingled with non-estate funds and in the case of consolidated trust accounts, not commingled with estates of administration types other than that type for which the account was approved.

Les fonds de compte en fiducie doivent être conservés de façon distincte et ne doivent pas être confondus avec des fonds qui ne sont pas des fonds de l'actif. Dans le cas d'un compte consolidé en fiducie, ils ne doivent pas être confondus avec des fonds de l'actif faisant l'objet d'un autre genre d'administration que celui pour lequel le compte a été approuvé.

### **Banking and Accounting Records**

### **Registres bancaires et comptables**

5. (1) A trustee has a fiduciary relationship with an estate under his or her administration. As such, a trustee has a duty to control and account for the funds under his or her administration in accordance with the Act.

5. (1) Une relation de fiduciaire existe entre un syndic et un actif sous son administration. Ainsi, un syndic a le devoir de contrôler les fonds sous son administration et d'en rendre compte conformément à la Loi.

(2) For each estate trust account under a trustee's administration, the trustee shall maintain, at a minimum, up-to-date books and records, including the control ledger, of estate funds showing:

(2) Pour chaque compte en fiducie de l'actif qu'il administre, un syndic conserve, au minimum, des livres et des registres à jour, y compris un registre de contrôle des fonds de l'actif indiquant ou comprenant :

(a) all receipts and disbursements of estate trust funds, including the name of the payer or payee, the date, the nature of the payment and the amount;

a) toutes les recettes et tous les débours de fonds en fiducie de l'actif, y compris le nom du payeur ou du bénéficiaire, la date, la nature du paiement et le montant;

(b) duplicate deposit slips, duplicate receipts for cash deposits, cancelled cheques, bank statements, passbooks, and all other documents of deposit; and

b) des copies des bordereaux de dépôt, des copies des reçus des dépôts en espèces, les chèques payés, les relevés bancaires, les livres bancaires et tout autre document relatif aux dépôts;

(c) for consolidated trust accounts, a calculation of the balance within the consolidated account, which we refer to as the control ledger, produced on the same day as the bank statement.

c) pour les comptes consolidés en fiducie, le calcul du solde du compte bancaire consolidé, aussi appelé registre de contrôle, en date du même jour que le relevé bancaire.

(3) Every month, within forty-five (45) days of the bank statement date, the trustee shall reconcile all trust accounts.

(3) Chaque mois, dans les quarante-cinq (45) jours de la date du relevé bancaire, le syndic doit concilier tous les comptes en fiducie.

(4) The trustee approving the bank

(4) Le syndic qui approuve la conciliation

reconciliation shall **sign** and **date**:

(a) the bank reconciliation for **each consolidated trust account**; and

(b) either,

(i) the bank reconciliation for **each estate trust account**; or

(ii) a **single attestation**, as set out in Schedule 4 of this Directive, providing, at a minimum, the estate name, estate number and account number of each reconciled estate trust account, and stating that the trustee has reviewed and verified the reconciliation for all listed accounts and that he or she accepts full accountability.

(5) The trustee shall advise the OSB, in writing, of all outstanding errors that have not been corrected within seventy-five (75) days of the bank statement date.

(6) Each monthly trust account reconciliation must be supported by:

(a) an original detailed monthly bank statement for each trust account, supported by cancelled cheques and deposit receipts;

(b) the trustee's transaction posting report for the month;

(c) a complete listing of all outstanding cheques, including the cheque number, payee, amount and date of issue, an explanation regarding any cheques outstanding for longer than six (6) months and a complete listing of outstanding deposits;

bancaire doit **signer** et **dater** :

a) la conciliation bancaire de **chaque compte consolidé en fiducie**;

b) soit,

(i) la conciliation bancaire de **chaque compte en fiducie de l'actif**; ou

(ii) une **attestation unique**, qui figure à l'annexe 4 de la présente instruction, indiquant, au minimum, le nom de l'actif, le numéro de dossier de l'actif et le numéro de tous les comptes en fiducie de l'actif qui ont été conciliés, et attestant que le syndic a examiné et vérifié toutes les conciliations des comptes énumérés et qu'il en accepte l'entière responsabilité.

(5) Le syndic doit aviser le BSF, par écrit, de toute erreur qui n'a pas été corrigée dans les soixante-quinze (75) jours de la date du relevé bancaire.

(6) Chaque conciliation mensuelle d'un compte en fiducie doit être appuyée par :

a) l'original d'un relevé bancaire mensuel détaillé pour chaque compte en fiducie accompagné des chèques payés et des reçus de dépôts;

b) le rapport d'enregistrement des transactions du syndic pour le mois;

c) une liste de tous les chèques en circulation, y compris le numéro du chèque, le bénéficiaire, le montant et la date d'émission, une explication si des chèques sont en circulation depuis plus de six (6) mois et une liste complète des dépôts en transit;

(d) a complete and detailed listing of all other reconciling items; and

d) une liste détaillée de toutes les autres questions dont il est fait état dans la conciliation;

(e) the name and signature of the individual preparing the bank reconciliation.

e) le nom et la signature de la personne qui a préparé la conciliation bancaire.

(7) In addition to the supporting evidence listed in paragraphs 5(6)(a) to (e) of this Directive, reconciliation of all consolidated trust accounts must include the control ledger, which in turn is comprised of a listing of the component sub-ledger balances. Outstanding cheques or deposits that are reconciling items in a consolidated account must be identified by sub-ledger to ensure sub-ledger balances are accurate.

(7) En plus des pièces justificatives visées aux paragraphes 5(6)a) à e) de la présente instruction, la conciliation des comptes consolidés en fiducie doit comprendre un registre de contrôle renfermant la liste des soldes de chaque livre auxiliaire du compte consolidé. Les chèques en circulation et les dépôts en transit dont il est fait état dans la conciliation d'un compte consolidé doivent être identifiés dans le livre auxiliaire afin d'assurer l'exactitude du solde de chaque livre auxiliaire.

(8) The monthly trust account reconciliation must be accompanied by a report of any estate trust funds invested pursuant to paragraph 7(2) of this Directive. The report will indicate the trust account to which the investment belongs and the monetary value of the investment.

(8) La conciliation mensuelle du compte en fiducie doit être accompagnée d'un rapport sur les fonds en fiducie de l'actif investis conformément au paragraphe 7(2) de la présente instruction. Le rapport devra indiquer à quel compte en fiducie appartient l'investissement ainsi que la valeur monétaire de l'investissement.

#### **Electronic Banking and Accounting Records**

#### **Registres bancaires et comptables électroniques**

6. (1) A trustee may keep banking and accounting records in electronic media format subject to paragraph 6(2) of this Directive.

6. (1) Sous réserve du paragraphe 6(2) de la présente instruction, un syndic peut tenir des registres bancaires et comptables électroniques.

#### ***Computer Records for Books of Original Entry***

#### ***Livres de données initiales sous forme de registres informatisés***

(2) A trustee who maintains banking and accounting records for trust accounts in an electronic format shall ensure that the system used:

(2) Un syndic qui tient des registres bancaires sous forme électronique pour des comptes en fiducie doit s'assurer que le système utilisé :



(a) is capable of producing on demand a hard copy of the records of original entry at any given date;

(b) shows, at a minimum, details required by paragraph 5(6) of this Directive; and

(c) provides a complete audit trail of transactions.

(3) The period of retention for electronic banking and accounting records shall be the same as required for “hard copy” records.

#### ***Computer Bank Reconciliation***

(4) A trustee who keeps trust records in an electronic format shall produce and keep a printed copy of the bank reconciliations referred to in paragraphs 5(2), (4), (6) and (7) of this Directive.

#### ***Backup Copy***

(5) A trustee who keeps trust records in an electronic format shall maintain a backup copy of the electronic records that shall be updated each business day, and stored in a secure manner at an off-site location on a weekly basis.

#### **Handling Estate Trust Money**

7. (1) A trustee shall:

(a) protect estate trust funds from loss, misappropriation or defalcation by establishing adequate security arrangements and internal controls;

(b) immediately advise the OSB, in

a) est capable de produire, sur demande, un imprimé des enregistrements d’écritures initiales à une date donnée;

b) indique, au minimum, les détails requis par le paragraphe 5(6) de la présente instruction;

c) offre une piste de vérification complète des transactions.

(3) La période de conservation des registres bancaires et comptables électroniques est la même que celle prescrite pour les registres sur support papier.

#### ***Conciliation bancaire informatisée***

(4) Un syndic qui tient des registres de comptes en fiducie sous forme électronique doit imprimer les conciliations bancaires visées aux paragraphes 5(2), (4), (6) et (7) de la présente instruction et conserver les documents.

#### ***Copie de sauvegarde***

(5) Un syndic qui tient des registres de comptes en fiducie sous forme électronique doit faire une copie de sauvegarde des registres électroniques, laquelle doit être mise à jour chaque jour ouvrable et rangée en lieu sûr, ailleurs qu’au bureau du syndic, chaque semaine.

#### **Traitement des fonds en fiducie**

7. (1) Un syndic :

a) doit protéger les fonds en fiducie de l’actif contre la perte et les détournements en instaurant des mesures de sécurité et des contrôles internes adéquats;

b) doit immédiatement aviser le BSF, par

writing, of any defalcation or misappropriation of estate trust funds;

(c) deposit estate funds without undue delay in a bank, in a trust account in the name of the estate or that of the trustee in the trustee's capacity as trustee of the estate (for example, the estate of John Doe or Joan Smith, trustee to the estate of John Doe);

(d) periodically review and evaluate the internal control system to ensure that it functions adequately with the appropriate safeguards;

(e) ensure that all cheques issued from a trust account are consecutively numbered or, in the case of electronic payments, use consecutive trace numbers;

(f) ensure that cheques drawn on a trust account are not made payable to "cash," "bearer" or other such non-specific recipient;

(g) ensure that all cheques drawn on a trust account are signed by at least one authorized trustee;

(h) not pay any of his or her personal or general office expenses from a trust account;

(i) make reasonable efforts to obtain a competitive rate of interest on all trust accounts;

(j) ensure that all interest earned on

écrit, de toute perte ou de tout détournement de fonds en fiducie de l'actif;

c) doit déposer les fonds de l'actif sans délai indu dans une banque, dans un compte en fiducie au nom de l'actif ou au nom du syndic en sa qualité de syndic de l'actif (par exemple, l'actif de Jean Dupont ou de Jeanne Tremblay, syndic de l'actif de Jean Dupont);

d) doit périodiquement examiner et évaluer ce système de contrôle interne pour s'assurer qu'il fonctionne adéquatement et qu'il comporte les mesures de protection appropriées;

e) doit s'assurer que les chèques émis d'un compte en fiducie sont numérotés consécutivement ou, dans le cas des paiements électroniques, en utilisant des numéros repères consécutifs;

f) doit s'assurer qu'aucun chèque tiré sur un compte en fiducie n'est payable à la « caisse », au « porteur » ou à un autre bénéficiaire non identifié;

g) doit s'assurer que tous les chèques tirés sur un compte en fiducie sont signés par au moins un syndic autorisé;

h) ne doit pas se servir d'un compte en fiducie pour payer ses dépenses personnelles ou les dépenses générales de bureau;

i) doit déployer des efforts raisonnables pour obtenir un taux d'intérêt concurrentiel sur tous les comptes en fiducie;

j) doit s'assurer que tous les intérêts

summary administration estate funds, whether held in a trust account or other investment certificate referred to in paragraph 7(2) of this Directive, which has not been offset by reasonable bank service charges, forms part of the assets of the estate, and is allocated monthly;

(k) not permit an estate trust account to be overdrawn, and immediately correct any transactions that inadvertently place the account into an overdraft position;

(l) disclose on the statement of receipts and disbursements the total amount of interest earned for each estate;

(m) in the event that the trustee's general account is charged a transaction fee by the bank for a non-sufficient fund cheque, be permitted to recover this transaction fee from the person responsible and deposit it to the estate trust account, in which circumstance the trustee is permitted to reimburse the general account from the consolidated bank account for the amount of the transaction fee;

(n) inform the OSB promptly of any change to the type of banking or accounting system used for trust accounts;

(o) inform the OSB, within five (5) business days, of any change in the name and address of a bank where estate trust funds are held;

(p) be permitted to offset reasonable bank fees (other than non-sufficient fund charges) against interest earned by a

généérés sur les fonds de l'actif d'une administration sommaire – que les fonds soient déposés dans un compte en fiducie ou dans un certificat d'investissement visé au paragraphe 7(2) de la présente instruction – qui n'ont pas été annulés par des frais de service bancaire raisonnables, font partie des biens de l'actif et sont accordés mensuellement;

k) doit s'assurer que le compte en fiducie de l'actif n'est pas à découvert, et corriger immédiatement toute transaction qui met par inadvertance un compte à découvert;

l) doit indiquer sur l'état des recettes et des débours le montant total d'intérêts générés pour chaque actif;

m) peut, si des frais de transaction bancaire pour un chèque sans provision sont débités du compte général du syndic, recouvrer les frais de transaction de l'auteur du chèque et les déposer dans le compte en fiducie de l'actif. Dans un tel cas, le syndic peut rembourser le montant des frais de transaction du compte consolidé au compte général;

n) doit informer sans délai le BSF de toute modification du type de système bancaire ou comptable utilisé pour les comptes en fiducie;

o) doit informer le BSF de toute modification du nom et de l'adresse de la banque où les fonds en fiducie de l'actif sont déposés, dans les cinq (5) jours ouvrables de la modification;

p) est autorisé à déduire des frais de services bancaires raisonnables (autres que les frais de chèques sans provision)

summary administration or a Division II Proposal trust account, provided the amounts are clearly disclosed on the monthly bank reconciliation, and be permitted to offset bank fees related to investment certificates against interest earned on those certificates, provided this is also clearly disclosed;

des intérêts générés sur le compte en fiducie d'une administration sommaire ou d'une proposition déposée aux termes de la section II, pourvu que les montants soient clairement indiqués dans la conciliation bancaire mensuelle, et peut déduire les frais de services bancaires liés aux certificats d'investissement des intérêts générés par ces certificats, pourvu que cette information soit elle aussi clairement indiquée;

(q) not be permitted to offset bank fees described in paragraph 7(1)(p) of this Directive beyond the generated interest.

q) ne doit pas déduire les frais de services bancaires décrits au paragraphe 7(1)p) de la présente instruction au-delà des intérêts générés.

(2) A trustee may invest estate moneys in appropriate investment certificates where such funds are not immediately needed for distribution of dividends to creditors, or for the day-to-day administration of the estate. Such investment certificates must be guaranteed against losses and should not be used in cases where service charges and related costs exceed the interest that would accrue had the funds remained in an estate trust account. Investment certificates are to be held at the same branch of the financial institution where the related trust account is held and must bear the name of the trust account to which they belong.

(2) Un syndic peut investir les fonds de l'actif dans des certificats d'investissement appropriés lorsque les fonds ne sont pas requis immédiatement pour une distribution de dividendes ou l'administration courante de l'actif. De tels certificats doivent être garantis contre les pertes et ne doivent pas être utilisés dans les cas où les frais de service et les coûts afférents excèdent les intérêts qui auraient été générés si les fonds étaient restés dans le compte en fiducie de l'actif. Les certificats d'investissement doivent être émis par la succursale de l'établissement financier où les comptes en fiducie de l'actif sont administrés et doivent porter le nom du compte en fiducie auquel ils appartiennent.

(3) Pre-filing deposits from debtors are not considered to be estate trust funds until a bankruptcy has been accepted or a proposal or notice of intention has been filed. Such deposits are to be held separately by the trustee in a trust account, clearly identified for that purpose only or in a separate trust account containing the aggregate of all these funds held, provided the accounting records in respect of the account fully document deposits and withdrawals. Such deposits are not to be

(3) Les fonds déposés par le débiteur avant l'institution de procédures ne sont pas considérés comme des fonds en fiducie de l'actif jusqu'à ce qu'une faillite soit acceptée ou qu'une proposition ou un avis d'intention soit déposé. Le syndic dépose ces fonds dans un compte en fiducie distinct clairement identifié à ces fins seulement ou dans un compte en fiducie distinct comprenant l'ensemble de ces fonds, pourvu que le système comptable pour ce compte documente tous les dépôts et retraits.

held in a consolidated estate trust account or individual estate trust account until a proceeding under the Act has been registered.

Les fonds déposés ne doivent pas être détenus dans un compte consolidé en fiducie ou dans un compte en fiducie de l'actif individuel avant qu'une procédure en vertu de la Loi ne soit inscrite.

(4) The coming into force date for that part of paragraph 7(3) of this Directive that alludes to a "proposal filed under Division I" and a "notice of intention" shall be held in abeyance until further notice.

(4) La date d'entrée en vigueur du passage du paragraphe 7(3) de la présente instruction faisant référence à la « proposition déposée aux termes de la section I » et à « l'avis d'intention » est reportée jusqu'à nouvel ordre.

(5) (a) Filing fees may be paid either from an estate trust account or from the trustee's corporate account, provided that all accounting records fully document deposits and withdrawals (i.e., all filing fees, whether drawn from an estate trust account or from the trustee's corporate account, are to be included in the Statement of Receipts and Disbursements).

(5) a) Les frais de dépôt peuvent être payés soit à partir d'un compte en fiducie de l'actif ou du compte de société du syndic, à condition que tous les registres comptables documentent en entier les dépôts et retraits (c'est-à-dire que tous les frais de dépôt, qu'ils soient payés à partir d'un compte en fiducie de l'actif ou du compte de société du syndic, doivent être inscrits dans l'état des recettes et des débours).

(b) Where filing fees are paid from the trustee's corporate account and once funds are available in the estate trust account, the trustee shall reimburse the corporate account from the estate trust account for the filing fees paid.

b) Lorsque les frais de dépôt sont payés à partir du compte de société du syndic et dès que des fonds sont disponibles dans le compte en fiducie de l'actif, le syndic doit rembourser le compte de société à partir du compte en fiducie de l'actif pour les frais de dépôt qu'il a versés.

### *Electronic Banking*

### *Transactions bancaires par voie électronique*

(6) (a) A trustee may move funds (such as fees) electronically from an estate trust account to another of the trustee's accounts (such as a general account).<sup>2</sup>

(6) a) Un syndic peut transférer des fonds (tels des honoraires) par voie électronique d'un compte en fiducie de l'actif à un autre de ses comptes (tel un compte général)<sup>2</sup>.

<sup>2</sup> For greater clarity, electronic fund transfers of dividends and disbursements to another party are subject to the provisions of paragraph 17 of this Directive.

<sup>2</sup> Il est entendu que les transferts par voie électronique de dividendes et de débours à une tierce personne sont régis par les dispositions de l'article 17 de la présente instruction.

(b) No transfer of funds as described in

b) Aucun transfert de fonds, tel que décrit

paragraph 6(a) shall be permitted unless the electronic transfer system used by the trustee produces a confirmation from the financial institution that shall contain:

- (i) the number of the trust account from which the money is drawn;
- (ii) the name, branch and address of the financial institution from which the money is drawn;
- (iii) the number of the account to which the money is transferred;
- (iv) the name, branch and address of the financial institution to which the money is transferred; and
- (v) the time, date and details of the transfer.

#### **Consolidated Trust Account**

8. (1) An individual trustee may, with the approval of the Superintendent, operate only one consolidated trust account for summary administrations, pursuant to paragraph 155(g) of the Act, and only one consolidated trust account for consumer proposals, pursuant to subsection 66.26(2) of the Act, provided that the trustee:

- (a) submits a request in writing with the information required in paragraph 9 of this Directive and obtains prior written approval of the Superintendent; and

au paragraphe 6a), ne sera autorisé à moins que le système de virements électroniques utilisé par le syndic ne produise une confirmation de l'établissement financier qui doit contenir :

- (i) le numéro du compte en fiducie duquel les fonds ont été tirés;
- (ii) le nom, la succursale et l'adresse de l'établissement financier duquel les fonds ont été tirés;
- (iii) le numéro du compte dans lequel les fonds ont été virés;
- (iv) le nom, la succursale et l'adresse de l'établissement financier dans lequel les fonds ont été virés;
- (v) l'heure, la date et les détails du virement.

#### **Compte consolidé en fiducie**

8. (1) Un syndic particulier peut, sur autorisation du surintendant, gérer un seul compte consolidé en fiducie pour les administrations sommaires, conformément à l'alinéa 155g) de la Loi, et un seul compte consolidé en fiducie pour les propositions de consommateur, conformément au paragraphe 66.26(2) de la Loi, pourvu que le syndic :

- a) soumette une demande écrite contenant les renseignements requis au paragraphe 9 de la présente instruction et obtienne au préalable l'approbation écrite du surintendant;

(b) maintains in good order a bank account and accounting system providing for, and disclosing, equitable monthly distribution to each of the individual estate accounts of all the interest earned by the consolidated trust account.

b) tient en bon ordre un compte bancaire et un système comptable prévoyant une répartition mensuelle équitable, pour chacun des comptes de l'actif, de tous les intérêts générés sur le compte consolidé en fiducie.

(2) Consolidated trust accounts are to be used exclusively for their intended purpose. Sub-accounts or separate accounts, including clearing accounts, dividend accounts, expense accounts, etc., are not permitted.

(2) Les comptes consolidés en fiducie doivent être utilisés exclusivement aux fins pour lesquelles ils ont été créés. Les comptes auxiliaires et les comptes individuels, tels les comptes de compensation, les comptes de dividendes et les comptes de dépenses, ne sont pas permis.

(3) Where the trustee does not comply with the requirements of this Directive, the Superintendent may revoke approval to operate a consolidated trust account.

(3) Lorsque le syndic ne se conforme pas aux exigences de la présente instruction, le surintendant peut révoquer l'autorisation de gérer un compte consolidé en fiducie.

(4) A trustee may reapply to the Superintendent for approval to operate a consolidated trust account after a revocation under paragraph 8(3) of this Directive has occurred.

(4) Un syndic dont l'autorisation de gérer un compte consolidé en fiducie a été révoquée en vertu du paragraphe 8(3) de la présente instruction peut présenter une autre demande d'autorisation au surintendant.

#### **Operating a Consolidated Trust Account**

#### **Gestion d'un compte consolidé en fiducie**

9. (1) An individual trustee shall submit the following along with the written request to the Superintendent to operate a consolidated trust account:

9. (1) À la demande écrite d'autorisation de gérer un compte consolidé en fiducie qu'il adresse au surintendant, le syndic particulier doit joindre :

(a) a complete description of the accounting and banking systems and procedures, whether manual or electronic;

a) une description détaillée des systèmes et des procédures comptables et bancaires, qu'ils soient manuels ou électroniques;

(b) a complete description of the backup procedures, manual or electronic, to allow for the recovery of accounting records in the event of destruction of same;

b) une description détaillée des procédures de sauvegarde pour le système électronique et du système alternatif de soutien pour le système manuel qui permettent de récupérer les registres comptables en cas de destruction;

(c) the name and address of the branch of the bank where the consolidated trust account will operate;

(d) a description of the type of bank accounts to be operated;

(e) a copy of the current banking agreement;

(f) a description of the method by which the bank calculates the rate of interest payable on a consolidated trust account;

(g) a description of the method by which interest is to be calculated and attributed monthly to individual estate accounts; and

(h) the details of bank charges applicable to the consolidated trust account and the method by which said charges will be disposed of.

c) le nom et l'adresse de la succursale bancaire où le compte consolidé en fiducie sera ouvert;

d) la description du genre de compte bancaire qui sera utilisé;

e) une copie de la convention bancaire en vigueur;

f) une description de la méthode selon laquelle la banque détermine les intérêts payables sur le compte consolidé en fiducie;

g) une description de la méthode selon laquelle les intérêts sont calculés et attribués mensuellement à chaque compte de l'actif;

h) les détails des frais applicables au compte consolidé en fiducie et la méthode selon laquelle ces frais seront acquittés.

(2) A trustee shall keep a copy of the original approval for a consolidated account and copies of any subsequent revisions or approvals.

(2) Le syndic doit conserver une copie de l'autorisation originale de gérer un compte consolidé ainsi que des copies de toutes les révisions et autorisations subséquentes.

#### **Corporate Trustee**

#### **Personne morale agissant en qualité de syndic**

10. (1) For corporate trustees, paragraphs 8 and 9 of this Directive shall apply to each individual trustee, except in those cases where a corporate trustee operates a consolidated account as described in paragraph 10(2) of this Directive.

10. (1) Dans le cas d'une personne morale agissant en qualité de syndic, les paragraphes 8 et 9 de la présente instruction doivent s'appliquer à chaque syndic individuellement, sauf dans les cas où une personne morale agissant en qualité de syndic gère un compte consolidé de la façon décrite au paragraphe 10(2) de la présente instruction.

(2) A corporate trustee may, upon written request and with the written permission of the

(2) Une personne morale agissant en qualité de syndic peut, sur demande écrite suivie de



Superintendent, operate one consolidated bank account for summary estates, and/or one consolidated bank account for consumer proposals, for all or some of its trustees. In any such arrangement, however, individual trustees will be linked to the said account as being responsible for specific estates contained therein. A named trustee will be designated by the corporate trustee as the principal contact for the purposes of banking questions. This in no way relieves a corporate trustee of its responsibilities.

l'autorisation écrite du surintendant, gérer un compte consolidé pour les administrations sommaires ou un compte consolidé pour les propositions de consommateur, pour tous ses syndics ou certains d'entre eux. Lorsque de telles dispositions sont prises, les syndics particuliers sont liés aux comptes comme étant les syndics responsables des actifs dont les fonds sont déposés dans les comptes bancaires consolidés. La personne morale agissant en qualité de syndic désignera le syndic qui sera la personne-ressource responsable des questions bancaires. Ceci ne libère en aucune façon la personne morale agissant en qualité de syndic de ses obligations.

(3) Where a corporate trustee operates an approved consolidated account as described in paragraph 10(2) of this Directive, paragraphs 8, 9 and 11 of this Directive apply to the corporate trustee.

(3) Les paragraphes 8, 9 et 11 de la présente instruction s'appliquent à la personne morale agissant en qualité de syndic qui gère un compte consolidé ayant été autorisé de la façon visée au paragraphe 10(2) de la présente instruction.

(4) For greater clarity, an individual trustee who is linked to a multi-user corporate account as described in paragraph 10(2) of this Directive shall not be permitted to also operate consolidated accounts pursuant to paragraph 8(1) of this Directive.

(4) Il est entendu qu'un syndic particulier qui est lié à un compte bancaire à utilisateurs multiples tel que décrit au paragraphe 10(2) de la présente instruction n'est pas autorisé à gérer simultanément un compte consolidé conformément au paragraphe 8(1) de la présente instruction.

### **Annual Banking Report**

### **Rapport bancaire annuel**

11. (1) A trustee must complete and deliver to the OSB **on or before May 31 of each year** a report that shall contain:

11. (1) **Chaque année, au plus tard le 31 mai**, le syndic doit préparer et remettre au BSF un rapport qui doit contenir :

(a) for the benefit of each bank holding trust accounts as at April 30 of that year, a signed request for a bank confirmation as set out in Schedule 1 of this Directive;

a) au bénéfice de chaque institution bancaire détenant des comptes en fiducie au 30 avril précédent, un formulaire signé de demande de confirmation bancaire, qui figure à l'annexe 1 de la présente instruction;

(b) a master control list of all trust accounts open as at April 30 of that year showing the account number, the name and address of the banking institution, the name and the Superintendent's estate number of each estate, and balances on deposit as at April 30; and

b) une liste de contrôle maîtresse de tous les comptes en fiducie ouverts au 30 avril précédent; cette liste doit renfermer le numéro de compte, le nom et l'adresse de l'institution bancaire, le nom de chacun des actifs, le numéro que le surintendant lui a donné et les soldes des montants déposés en date du 30 avril;

(c) the information required pursuant to paragraph 11(1)(b) of this Directive presented in conformity with the form found in Schedule 2 of this Directive.

c) les renseignements requis en vertu du paragraphe 11(1)b) de la présente instruction, lesquels doivent être présentés conformément au formulaire qui se trouve à l'annexe 2 de la présente instruction.

(2) A trustee shall include, along with the first annual banking report submitted pursuant to this Directive, a description of the software programs (either commercially available or proprietary) used to administer estate trust funds. Thereafter, the trustee shall promptly inform the OSB of any changes to the type of software used for this purpose as required by paragraph 7(1)(n) of this Directive.

(2) Avec le premier rapport bancaire annuel qui doit être soumis en vertu de la présente instruction, le syndic doit inclure une description des logiciels (de marque déposée ou personnelle) utilisés pour administrer les fonds en fiducie de l'actif. Par la suite, il doit informer dans les plus brefs délais le BSF de toute modification au type de logiciel utilisé à cette fin, et ce, comme prévu au paragraphe 7(1)n) de la présente instruction.

#### **Maintaining a Trust Transfer Account**

#### **Gestion d'un compte en fiducie de transit**

12. (1) Notwithstanding paragraph 7(1)(c) of this Directive, certain circumstances may arise where a trustee must use a trust transfer account to temporarily hold trust funds. These circumstances may include, but are not limited to:

12. (1) Nonobstant le paragraphe 7(1)c) de la présente instruction, il peut exister des circonstances faisant qu'un syndic doit utiliser un compte en fiducie de transit afin de détenir temporairement les fonds en fiducie. Par exemple :

(a) where a trustee has an establishment in a town that does not have a branch of his or her bank;

a) lorsqu'un syndic a un bureau dans une ville qui ne compte aucune succursale de sa banque;

(b) where a trustee uses a debit machine to receive payments from debtors; or,

b) lorsqu'un syndic utilise un terminal de débit pour percevoir les paiements des débiteurs;

- (c) where a trustee receives electronic payments from debtors or the OSB.      c) lorsqu'un syndic perçoit des paiements électroniques des débiteurs ou du BSF.
- (2) A trustee may operate a trust transfer account subject to the following:      (2) Un syndic peut gérer un compte en fiducie de transit, sous réserve des conditions suivantes :
- (a) The costs of operating debit machines and bank fees associated with the trust transfer account are not borne by the debtor and do not come out of the trust transfer account, the estate trust accounts or the consolidated trust accounts;      a) les frais d'exploitation des terminaux de débit et les frais bancaires associés au compte en fiducie de transit ne sont pas payés par le débiteur, ni prélevés sur le compte en fiducie de transit, les comptes en fiducie de l'actif ou les comptes consolidés en fiducie;
- (b) No interest is to be earned on the trust transfer account;      b) le compte en fiducie de transit ne génère aucun intérêt;
- (c) All funds are transferred without delay from the trust transfer account to the appropriate estate trust account or the consolidated trust account;      c) tous les fonds sont transférés sans délai du compte en fiducie de transit au compte en fiducie de l'actif applicable ou au compte consolidé en fiducie;
- (d) No payments shall be drawn on the trust transfer account;      d) aucun paiement n'est tiré sur le compte en fiducie de transit;
- (e) Trust transfer account funds are not commingled with non-estate funds and are not used for any other purpose;      e) les fonds du compte en fiducie de transit ne sont pas confondus avec des fonds autres que des fonds de l'actif et ne sont pas utilisés à d'autres fins;
- (f) The trustee shall keep a complete audit trail of all the deposits received into the trust transfer account; and      f) le syndic conserve une piste de vérification complète de tous les dépôts reçus dans le compte en fiducie de transit;
- (g) The OSB shall be granted the necessary access to all information relating to the trust transfer account, including the audit trail.      g) le BSF a l'accès nécessaire à tous les renseignements relatifs au compte en fiducie de transit, y compris la piste de vérification.
- (3) Upon request from the OSB, an individual trustee or a corporate trustee shall identify no more than one destination account for payments to be received from the OSB. Where      (3) À la demande du BSF, un syndic particulier ou une personne morale agissant en qualité de syndic ne doit désigner qu'un seul compte de destination aux fins des paiements à recevoir du

payments consist of trust money, this single destination account shall be a trust transfer account or, should the trustee operate only one consolidated trust account and no other estate trust account, a consolidated trust account.

(4) Trust transfer accounts are subject to the same record retention and reconciliation process as consolidated trust accounts as provided for in paragraphs 5(2) to (6) of this Directive.

#### **Undistributed Interest**

13. (1) Any amount of monthly interest earned on a consolidated trust account that is too small to be rateably apportioned to the individual estates may be carried forward to the following month, where it will form part of the next month's interest allocation. Such amounts of unallocatable interest shall be clearly identified on the monthly reconciliation.

(2) Any amount of interest earned on a non-consolidated trust account that cannot be allocated to that account shall be remitted to the Superintendent as undistributed funds as provided for in Directive No. 18, *Unclaimed Dividends and Undistributed Funds*.

#### **Deposit Insurance**

14. A trustee shall take necessary steps to ensure that estate funds are insured under the *Canada Deposit Insurance Corporation Act* or equivalent provincial deposit insurance legislation.

BSF. Si les paiements consistent en une somme en fiducie, ce compte de destination unique doit être un compte en fiducie de transit ou, si le syndic ne gère qu'un compte en fiducie consolidé et aucun autre compte en fiducie de l'actif, un compte en fiducie consolidé.

(4) Les comptes en fiducie de transit sont assujettis au même processus de conservation et de conciliation des dossiers que les comptes consolidés en fiducie, comme prévu aux paragraphes 5(2) à (6) de la présente instruction.

#### **Intérêts non distribués**

13. (1) Si le montant des intérêts générés sur un compte consolidé en fiducie durant une période d'un mois est infime et ne peut être distribué au prorata dans les actifs individuels, le montant en question peut être reporté au mois suivant, où il fera partie de l'allocation d'intérêts du mois en question. Le montant des intérêts non alloués doit être clairement indiqué dans les conciliations mensuelles.

(2) Le montant des intérêts générés sur un compte non consolidé en fiducie et qui ne peut être attribué à ce compte doit être remis au surintendant à titre de fonds non distribués, comme prévu dans l'instruction n° 18, *Dividendes non réclamés et fonds non distribués*.

#### **Assurance-dépôts**

14. Un syndic doit prendre les mesures nécessaires pour que les fonds de l'actif soient assurés en vertu de la *Loi sur la Société d'assurance-dépôts du Canada* ou d'une loi provinciale équivalente sur l'assurance-dépôts.

**Change of Status of Estate from Summary to Ordinary Administration**

15. Where an estate is converted from a summary to an ordinary administration and the estate funds therein were previously held in a consolidated trust account, a trustee shall immediately open a separate trust account into which he or she shall transfer all of the estate funds.

**Foreign Moneys**

16. Subject to subsection 25(1.2) of the Act, the provisions of this Directive also apply to moneys in foreign countries, with such modifications as the circumstances require.

**Electronic Payments and Related Records**

17. (1) A trustee may make application, in writing, for approval to make payments electronically from a trust account rather than by signed printed cheque. Such application shall:

(a) be made to the Superintendent;

(b) include an acknowledgement of the Superintendent's power to receive bank confirmations or other pertinent bank information regarding electronic transactions upon request;

(c) describe, to a degree of detail acceptable to the OSB, how the proposed electronic payment system and internal controls meet or exceed the requirements specified in this Directive; and

(d) include a contingency plan outlining how the trustee will deal with payment

**Modification du statut d'administration sommaire à ordinaire**

15. Lorsqu'un actif passe d'une administration sommaire à une administration ordinaire et que les fonds de l'actif sont détenus dans un compte consolidé en fiducie, le syndic doit immédiatement ouvrir un compte en fiducie distinct et y effectuer le virement et le dépôt de tous les fonds de l'actif.

**Fonds à l'étranger**

16. Sous réserve du paragraphe 25(1.2) de la Loi, les dispositions de la présente instruction s'appliquent aussi aux fonds détenus à l'étranger, avec les adaptations nécessaires.

**Paiements électroniques et registres afférents**

17. (1) Un syndic peut demander par écrit d'être autorisé à faire des paiements électroniques d'un compte en fiducie plutôt que de signer des chèques imprimés. Une telle demande :

a) doit être présentée au surintendant;

b) doit comporter une reconnaissance du pouvoir du surintendant de recevoir, sur demande, des confirmations de la banque ou d'autres renseignements bancaires pertinents sur les transactions électroniques;

c) doit décrire, avec un degré de précision acceptable pour le BSF, comment le système de paiements électroniques proposé et les contrôles internes satisferont aux exigences précisées dans la présente instruction ou les excéderont;

d) doit comprendre un plan de contingence énonçant de quelle manière

system service interruptions or malfunctions so as to continue to make required payments and maintain proper books and records.

le syndic fera face à des interruptions de service ou à des défaillances du système de paiements, afin de pouvoir continuer à faire les paiements requis et à tenir les registres et les livres appropriés.

- (2) (a) Where the Superintendent approves a trustee's application to utilize electronic payments, that approval shall be in writing.
- (b) Where the trustee does not comply with the requirements of this Directive, the Superintendent may revoke approval to utilize an electronic payment system.
- (3) The trustee is well advised to retain on file a copy of the application referred to in paragraph 17(1) of this Directive and the written approval referred to in paragraph 17(2) of this Directive while the electronic payment system is being used.
- (4) For the purposes of making electronic payments, a trustee must utilize the services of a bank as defined under section 2 of the Act.
- (5) An acceptable electronic payment system shall, as a minimum:
- (a) provide remittance information sufficient to allow the creditor/recipient to reconcile this information with the payment. The remittance information must include the estate name and estate number to which the payment relates, the account number from which the payment was drawn and a description of the nature of the payment;
- (b) simultaneously transmit the payment information and the remittance information
- (2) a) Lorsque le surintendant approuve la demande du syndic d'utiliser les paiements électroniques, il le fait par écrit.
- b) Lorsque le syndic ne se conforme pas aux exigences de la présente instruction, le surintendant peut révoquer l'autorisation d'utiliser un système de paiements électroniques.
- (3) Tant que le système de paiements électroniques est utilisé, il est fortement conseillé au syndic de conserver au dossier une copie de la demande visée au paragraphe 17(1) de la présente instruction et de l'autorisation écrite visée au paragraphe 17(2) de la présente instruction.
- (4) Aux fins des paiements électroniques, le syndic doit utiliser les services d'une banque telle que définie à l'article 2 de la Loi.
- (5) Un système de paiements électroniques acceptable doit, au minimum :
- a) fournir des renseignements suffisants sur l'envoi de fonds pour permettre au créancier ou au bénéficiaire de concilier ces renseignements avec le paiement. Les renseignements sur l'envoi de fonds doivent inclure le nom de l'actif, le numéro de l'actif auquel se rapporte le paiement, le numéro du compte duquel le paiement a été tiré et une description de la nature du paiement;
- b) transmettre en même temps les renseignements sur le paiement et les

from the trustee to the bank, with the bank confirming payment details directly to the creditor/recipient. The payment system may send the remittance details by email, facsimile or other electronic format;

(c) use consecutively numbered payment trace numbers as generated by the trustee's accounting system to clearly identify each payment as to amount, payee, estate name and number, date of payment and nature of payment (i.e., dividend, other type of disbursement);

(d) provide for secure transmission of payment and remittance information;

(e) satisfy the requirements set out in paragraph 5(2) of this Directive relating to proper books and records, with such allowances for electronic equivalents of paper-based records as are reasonable;

(f) ensure that the account reconciliation requirements set out in paragraphs 5(4), (6) and (7) of this Directive can be satisfied;

(g) ensure that requirements for handling trust moneys as set out in paragraph 7(1) of this Directive can be satisfied. In particular, trustees must indicate how they intend to ensure that payments made via the electronic payment system can only be approved by a licensed trustee in accordance with the requirements of

renseignements sur l'envoi de fonds du syndic à la banque, laquelle doit par la suite confirmer les détails du paiement directement au créancier ou au bénéficiaire. Le système de paiements électroniques peut envoyer les détails de l'envoi de fonds par courriel, par télécopieur ou sous une autre forme électronique;

c) utiliser les numéros repères de paiement consécutifs produits par le système comptable du syndic pour identifier clairement chaque paiement ainsi que son montant et son bénéficiaire, le nom et le numéro de l'actif, la date et la nature du paiement (c'est-à-dire dividende ou autre genre de débours);

d) transmettre en toute sécurité les renseignements sur le paiement et les renseignements sur l'envoi de fonds;

e) satisfaire aux exigences du paragraphe 5(2) de la présente instruction en ce qui concerne les livres et les registres appropriés, des registres électroniques pouvant, dans la mesure du raisonnable, remplacer les registres sur support papier;

f) faire en sorte de satisfaire aux exigences relatives à la conciliation des comptes énoncées aux paragraphes 5(4), (6) et (7) de la présente instruction;

g) faire en sorte de satisfaire aux exigences relatives à la gestion des fonds en fiducie énoncées au paragraphe 7(1) de la présente instruction. En particulier, les syndics doivent indiquer comment ils ont l'intention de s'assurer que les paiements effectués par l'intermédiaire du système de paiements électroniques

paragraph 7(d) of Directive No. 4R, *Delegation of Tasks*;

peuvent être approuvés exclusivement par un syndic autorisé, conformément aux exigences du paragraphe 7d) de l'instruction n° 4R, *Délégation des tâches*;

(h) not compromise the trustee's ability to comply with any other requirement of the Act, Rules or directives;

h) ne pas compromettre la capacité du syndic à respecter les autres exigences de la Loi, des Règles ou des instructions;

(i) not permit the alteration of information relating to statements or reports of transactions (i.e., not permit banking records to be overwritten);

i) ne pas permettre la modification des renseignements relatifs aux relevés ou aux rapports de transactions (c'est-à-dire ne pas permettre que les registres bancaires soient réécrits);

(j) allow printing of electronic statements or reports regarding payment transactions;

j) permettre l'impression de relevés électroniques ou de rapports concernant les transactions de paiement;

(k) provide the trustee with prompt notification of unsuccessfully completed electronic payments;

k) aviser promptement le syndic dans les cas où les paiements électroniques ne sont pas complétés;

(l) use unique identifiers for each individual with access to the electronic payment system; and

l) utiliser un identificateur unique pour chaque personne ayant accès au système de paiements électroniques;

(m) keep records showing which trustee(s) initiated each electronic payment.

m) tenir des registres indiquant quel syndic a effectué quel paiement électronique.

(6) Where the trustee receives notification of an unsuccessfully completed electronic payment, measures shall be taken within five (5) business days to deal with the problem.

(6) Dans les cinq (5) jours ouvrables suivant celui où il est avisé qu'un paiement électronique n'a pas été complété, le syndic doit prendre les mesures adéquates pour corriger le problème.

(7) The trustee shall obtain the consent of a creditor/recipient to receive payments electronically;

(7) Le syndic doit obtenir le consentement d'un créancier ou d'un bénéficiaire à recevoir des paiements électroniques;

(a) such consent shall be provided to the trustee in the form set out in Schedule 3 of this Directive;

a) un tel consentement doit être fourni au syndic par l'intermédiaire du formulaire présenté à l'annexe 3 de la présente



instruction;

(b) the trustee shall keep all consent documents in a separate file designated for this purpose for the period of time prescribed by the Rules for retention of estate documents or for the duration of the consent period, whichever is longer;

(c) the trustee shall take steps to ensure that consent documents are kept in a safe and secure manner; and

(d) a creditor may revoke consent to receive electronic payments by sending written notification to the trustee.

b) le syndic doit conserver tous les formulaires de consentement dans un dossier distinct prévu à cette fin durant la période prescrite par les Règles pour la conservation des documents de l'actif ou pour la durée du consentement, la période la plus longue étant retenue;

c) le syndic doit prendre des mesures pour s'assurer que les formulaires de consentement sont conservés dans un endroit sûr et sécuritaire;

d) un créancier peut révoquer son consentement à recevoir des paiements électroniques en envoyant un avis écrit au syndic.

#### **Coming into Force**

18. This Directive comes into force on the date that it is issued.

#### **Enquiries**

19. For any questions pertaining to this Directive, please contact your local OSB office.

#### **Entrée en vigueur**

18. La présente instruction entre en vigueur à la date de son émission.

#### **Demandes de renseignements**

19. Pour toute question se rapportant à la présente instruction, veuillez communiquer avec le bureau du BSF le plus proche.



William R. James  
Superintendent of Bankruptcy / Surintendant des faillites



<b>Part 1 — Acknowledgement:</b> To be completed by trustee				
I, the undersigned, do hereby submit this request in accordance with the Superintendent of Bankruptcy's Directive No. 5R5, <i>Estate Funds and Banking</i> . Paragraph 11(1)(a) of that Directive requires that trustees annually complete and deliver such a request to the Office of the Superintendent of Bankruptcy (OSB) for each bank branch holding trust accounts administered by the trustee as at April 30 of that year.				
I understand that a representative of the Superintendent of Bankruptcy may present this request to the bank at any time during the year where it is determined that a bank confirmation is required. Costs associated with processing such a request are to be borne by the undersigned.				
TRUSTEE (legal name)		Signature of trustee (authorized signing officer)		Date: mm/dd/yyyy
<b>Part 2 — Financial Institution Identification:</b> To be completed by trustee				
(Name, branch, and full mailing address)				
This Request for Bank Confirmation pertains to the following FINANCIAL INSTITUTION:				
<b>Part 3 — Notice to Financial Institution:</b> To be completed by a representative of the Superintendent of Bankruptcy				
The aforementioned trustee has reported that, as at April 30, trust accounts were held in your institution.				
The Superintendent of Bankruptcy has a duty under the <i>Bankruptcy and Insolvency Act</i> to "from time to time, make or cause to be made any enquiry or investigation of estates or other matters to which this Act applies, including the conduct of a trustee or a trustee acting as a receiver [...] or as an interim receiver, that the Superintendent considers appropriate [...]" [Par. 5(3)(e)]				
Pursuant to subsection 6(2) of the <i>Bankruptcy and Insolvency Act</i> , the "Superintendent, or any one duly authorized by him in writing on his behalf, is entitled to have access to and to examine and make copies of the banking accounts of a trustee in which estate funds may have been deposited, and, when required, all deposit slips, cancelled cheques or other documents relating thereto in the custody of the bank or the trustee shall be produced for examination."				
I, as a duly authorized representative of the Superintendent, do hereby require confirmation of the bank accounts of the aforementioned trustee which are open as at:				Date: mm/dd/yyyy
Details regarding the information requested are found in Part 4 of this document.			Address:	
Please provide this information to the undersigned at the following address:			Innovation, Science and Economic Development Canada Office of the Superintendent of Bankruptcy	
Name of OSB representative:				
Email address:				
Telephone:				
Fax:				
Signature of Representative				
<b>Part 4 — Information Requested from Financial Institution:</b> To be completed by financial institution				
<b>1. Specific Bank Accounts</b>				
<b>Name of Account</b>	<b>Account Number</b>	<b>Amount of Related Term Deposits (if applicable)</b>	<b>Terms and Conditions of Related Term Deposits (if applicable)</b>	<b>Account Balance (in parentheses if overdrawn)</b>
A. Are all of the above-listed accounts designated as "Trust Accounts"?				<input type="checkbox"/> Yes <input type="checkbox"/> No
B. Have any of the above-listed accounts been pledged as collateral for loans or other credit instruments?				<input type="checkbox"/> Yes <input type="checkbox"/> No
C. For the above-listed accounts, is the withdrawal or transfer of funds allowed by cheque only?				<input type="checkbox"/> Yes <input type="checkbox"/> No
D. Are there any arrangements in place allowing the trustee to overdraw the trust accounts? If yes, please provide details.				<input type="checkbox"/> Yes <input type="checkbox"/> No
E. Are you aware of any other trust accounts in the name of this trustee? If yes, please provide details as above.				<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>2. Comments</b> Please provide on a separate sheet any comments or additional information, if applicable.				
<b>3. Trust Account Agreement</b> Please provide a copy of the most recent Trust Account Agreement between the trustee and the financial institution.				
<b>4. Signing Authority</b> Please provide below, or on a separate sheet, a list of individuals with signing authority on all trust accounts.				
<b>Statement of Procedures Performed by Financial Institution</b>				
The above information was completed in accordance with our records.				
Authorized Signing Officer — Financial Institution			BRANCH CONTACT — Name and telephone number	



Industrie Canada

Industry Canada

Bureau du surintendant  
des faillites CanadaOffice of the Superintendent  
of Bankruptcy CanadaAnnexe 1 – Rapport bancaire annuel –  
Demande de confirmation bancaire

<b>Partie 1 – Attestation</b> : Cette partie doit être remplie par le syndic.				
Je, soussigné(e), soumetts la présente demande en conformité avec l'instruction n° 5R5, <i>Les fonds de l'actif et procédures bancaires</i> du surintendant des faillites. Aux termes du paragraphe 11(1)a) de ladite instruction, chaque année, les syndics doivent remplir et remettre une telle demande au Bureau du surintendant des faillites (BSF) pour chaque succursale bancaire détenant des comptes en fiducie qu'il administrerait au 30 avril précédent.				
Il est entendu qu'un représentant du surintendant des faillites peut présenter cette demande à la banque à tout moment au cours de l'année s'il se trouve qu'une confirmation de la banque est requise. Le coût du traitement d'une telle demande est à la charge de la personne soussignée.				
SYNDIC (dénomination sociale)		Signature du syndic (signataire autorisé)		Date : jj/mm/aaaa
<b>Partie 2 – Institution financière visée</b> : Cette partie doit être remplie par le syndic.				
La présente demande de confirmation bancaire vise l'INSTITUTION FINANCIÈRE suivante :		(Dénomination sociale, succursale et adresse postale complète)		
<b>Partie 3 – Notification de l'institution financière</b> : Cette partie doit être remplie par un représentant du surintendant des faillites.				
Selon le syndic susmentionné, votre institution détenait des comptes en fiducie en date du 30 avril.				
En vertu de l'alinéa 5(3)e) de la <i>Loi sur la faillite et l'insolvabilité</i> , le surintendant des faillites « effectue ou fait effectuer, au sujet de tout actif ou toute affaire régie par la présente loi, et notamment la conduite des syndics ou des syndics agissant comme séquestres au sens du paragraphe 243(2) ou séquestres intérimaires, les investigations ou les enquêtes qu'il peut juger opportunes [...] ».				
En outre, le paragraphe 6(2) de ladite loi stipule que le « surintendant, ou toute personne qu'il a dûment autorisée par écrit à agir en son nom, a droit d'accès aux comptes de banque d'un syndic où les fonds de l'actif ont été déposés, de les examiner et d'en prendre copie, et, lorsque la chose est requise, tous les bordereaux de dépôt, chèques annulés ou autres documents s'y rattachant, placés sous la garde de la banque ou du syndic, doivent être produits pour examen ».				
En qualité de représentant dûment autorisé du surintendant, je vous demande par la présente de confirmer l'existence des comptes de banque du syndic susmentionné qui sont ouverts en date du :				Date : jj/mm/aaaa
Le détail des renseignements demandés figure à la partie 4 de la présente.		Adresse :		
Veuillez faire parvenir les renseignements demandés à la personne soussignée à l'adresse suivante :		Innovation, Sciences et Développement économique Canada Bureau du surintendant des faillites		
Nom du représentant du BSF :				
Adresse de courriel :				
Téléphone :				
Télécopieur :				
Signature du représentant				
<b>Partie 4 – Renseignements demandés à l'institution financière</b> : Cette partie doit être remplie par l'institution financière.				
<b>1. Comptes bancaires particuliers</b>				
<b>Nom du compte</b>	<b>Numéro du compte</b>	<b>Montant des dépôts à terme connexes (s'il y a lieu)</b>	<b>Conditions des dépôts à terme connexes (s'il y a lieu)</b>	<b>Solde (entre parenthèses dans le cas d'un découvert)</b>
A. Les comptes susmentionnés sont-ils désignés comme étant « en fiducie »?				<input type="checkbox"/> Oui <input type="checkbox"/> Non
B. Les comptes susmentionnés ont-ils été donnés en garantie comme dépôts collatéraux pour des prêts ou autres instruments de crédit?				<input type="checkbox"/> Oui <input type="checkbox"/> Non
C. Pour les comptes susmentionnés, est-il possible d'effectuer des retraits ou des transferts de fonds par chèque seulement?				<input type="checkbox"/> Oui <input type="checkbox"/> Non
D. Existe-t-il des arrangements permettant au syndic de mettre à découvert les comptes en fiducie? Si oui, veuillez en fournir les détails.				<input type="checkbox"/> Oui <input type="checkbox"/> Non
E. Savez-vous si le syndic possède d'autres comptes en fiducie à son nom? Si oui, veuillez en fournir les détails.				<input type="checkbox"/> Oui <input type="checkbox"/> Non
<b>2. Commentaires</b> Veuillez nous fournir sur une page distincte vos commentaires ou toute information additionnelle, s'il y a lieu.				
<b>3. Convention bancaire</b> Veuillez nous fournir une copie de la plus récente convention de compte en fiducie signée entre le syndic et l'institution financière.				
<b>4. Signataires autorisés</b> Veuillez nous fournir la liste des signataires autorisés sur les comptes en fiducie.				
<b>Déclaration concernant les procédés mis en œuvre par l'institution financière</b> Les renseignements ci-dessus ont été établis en conformité avec nos registres.				
Signataire autorisé de l'institution financière		PERSONNE À CONTACTER À LA SUCCURSALE (nom et numéro de téléphone)		

Canada

Protéger l'intégrité  
du système  
d'insolvabilitéProtecting the  
integrity of the  
Insolvency System





**Part 6 – Consolidated Bank Account – Detailed Estate Master List Information**

**Other Trust Account Information** (for use with consolidated bank accounts identified under Part 3 as "Other")

List Attached

Superintendent's Estate No. (if applicable)	Estate Name or Depositor's Name	Deposit Type <input type="checkbox"/> Summary <input type="checkbox"/> Ordinary <input type="checkbox"/> Division I Proposal <input type="checkbox"/> Division II Proposal <input type="checkbox"/> Receivership <input type="checkbox"/> Other (provide details):	Bank Account No.	Trust Account Balance as at April 30
		<input type="checkbox"/> Summary <input type="checkbox"/> Ordinary <input type="checkbox"/> Division I Proposal <input type="checkbox"/> Division II Proposal <input type="checkbox"/> Receivership <input type="checkbox"/> Other (provide details):		
		<input type="checkbox"/> Summary <input type="checkbox"/> Ordinary <input type="checkbox"/> Division I Proposal <input type="checkbox"/> Division II Proposal <input type="checkbox"/> Receivership <input type="checkbox"/> Other (provide details):		
		<input type="checkbox"/> Summary <input type="checkbox"/> Ordinary <input type="checkbox"/> Division I Proposal <input type="checkbox"/> Division II Proposal <input type="checkbox"/> Receivership <input type="checkbox"/> Other (provide details):		

**Part 7 – Individual Estate Bank Account Detailed Information**

(A copy of the sub-ledger report, e.g., Summary of Estate Balances, may be attached)

List Attached

Superintendent's Estate No.	Estate Name	Deposit Type	Bank Institution No.	Bank Branch Address	Bank Branch Transit No.	Bank Account No.	Bank Account Balance as at April 30	Term Deposit Certificate No.	Term Deposit Balance as at April 30	Bank and Branch Where Term Deposit is Located
		<input type="checkbox"/> Summary <input type="checkbox"/> Ordinary <input type="checkbox"/> Division I <input type="checkbox"/> Proposal <input type="checkbox"/> Division II <input type="checkbox"/> Proposal <input type="checkbox"/> Receivership <input type="checkbox"/> Other (provide details):								
		<input type="checkbox"/> Summary <input type="checkbox"/> Ordinary <input type="checkbox"/> Division I <input type="checkbox"/> Proposal <input type="checkbox"/> Division II <input type="checkbox"/> Proposal <input type="checkbox"/> Receivership <input type="checkbox"/> Other (provide details):								
		<input type="checkbox"/> Summary <input type="checkbox"/> Ordinary <input type="checkbox"/> Division I <input type="checkbox"/> Proposal <input type="checkbox"/> Division II <input type="checkbox"/> Proposal <input type="checkbox"/> Receivership <input type="checkbox"/> Other (provide details):								

**Part 8 – Trust Transfer Account Detailed Information**

Bank Institution No.	Bank Branch Transit No.	Transit Bank Account No.	Transit Bank Account Balance as at April 30	Receiving Bank Institution No.	Receiving Bank Branch Transit No.	Receiving Bank Account No(s).







**Partie 6 – Compte bancaire consolidé – Renseignements détaillés sur la liste de contrôle maîtresse des dossiers**  
**Autres renseignements concernant les comptes en fiducie** (pour les comptes bancaires consolidés de la catégorie « Autre » à la partie 3)

Liste jointe

N° de dossier du surintendant (s'il y a lieu)	Nom du dossier ou nom du déposant	Type de dépôt	N° du compte bancaire	Solde du compte en fiducie au 30 avril
		<input type="checkbox"/> Administration sommaire <input type="checkbox"/> Administration ordinaire <input type="checkbox"/> Proposition – section I <input type="checkbox"/> Proposition – section II <input type="checkbox"/> Mise sous séquestre <input type="checkbox"/> Autre (préciser)		
		<input type="checkbox"/> Administration sommaire <input type="checkbox"/> Administration ordinaire <input type="checkbox"/> Proposition – section I <input type="checkbox"/> Proposition – section II <input type="checkbox"/> Mise sous séquestre <input type="checkbox"/> Autre (préciser)		
		<input type="checkbox"/> Administration sommaire <input type="checkbox"/> Administration ordinaire <input type="checkbox"/> Proposition – section I <input type="checkbox"/> Proposition – section II <input type="checkbox"/> Mise sous séquestre <input type="checkbox"/> Autre (préciser)		

**Partie 7 – Renseignements détaillés sur les comptes bancaires des dossiers d'actifs individuels**

(On peut joindre une copie du rapport sur les livres auxiliaires, par exemple un résumé du solde des comptes.)

Liste jointe

N° de dossier du surintendant	Nom du dossier	Type de dépôt	N° de l'institution bancaire	Adresse de la succursale bancaire	N° de transit de la succursale	N° du compte bancaire	Solde du compte bancaire au 30 avril	N° du certificat de dépôt à terme	Solde du dépôt à terme au 30 avril	Banque et succursale où le certificat de dépôt à terme a été émis
		<input type="checkbox"/> Administration sommaire <input type="checkbox"/> Administration ordinaire <input type="checkbox"/> Proposition – section I <input type="checkbox"/> Proposition – section II <input type="checkbox"/> Mise sous séquestre <input type="checkbox"/> Autre (préciser)								
		<input type="checkbox"/> Administration sommaire <input type="checkbox"/> Administration ordinaire <input type="checkbox"/> Proposition – section I <input type="checkbox"/> Proposition – section II <input type="checkbox"/> Mise sous séquestre <input type="checkbox"/> Autre (préciser)								
		<input type="checkbox"/> Administration sommaire <input type="checkbox"/> Administration ordinaire <input type="checkbox"/> Proposition – section I <input type="checkbox"/> Proposition – section II <input type="checkbox"/> Mise sous séquestre <input type="checkbox"/> Autre (préciser)								

**Partie 8 – Renseignements détaillés sur les comptes en fiducie de transit**

N° de l'institution bancaire	N° de transit de la succursale	N° du compte bancaire de transit	Solde du compte bancaire de transit au 30 avril	N° de l'institution bancaire destinataire	N° de transit de la succursale destinataire	N° de compte à l'institution bancaire destinataire

**Schedule 3 — ELECTRONIC FUND TRANSFER — AUTHORIZATION AGREEMENT**

**Part 1: TO BE COMPLETED BY TRUSTEE**

NAME AND ADDRESS OF TRUSTEE:  
 \_\_\_\_\_

**Part 2: IDENTIFICATION OF ELECTRONIC PAYMENT RECIPIENT (PRINT OR TYPE)**

LAST NAME _____ or BUSINESS NAME _____	FIRST NAME _____
MAILING ADDRESS	
PHONE NUMBER (____) _____ - _____	
DESIGNATED CONTACT PERSON	PHONE NUMBER (____) _____ - _____

**Part 3: ACCOUNT INFORMATION FOR ELECTRONIC PAYMENT**

The undersigned confirms the following account information for the purposes of receiving payments by electronic transfer of funds. Any existing account previously set up by the creditor with the trustee is to be replaced by this account information.

BANK NAME

BANK ADDRESS

TRANSIT NUMBER	INSTITUTION NUMBER	ACCOUNT NUMBER
----------------	--------------------	----------------

TYPE OF ACCOUNT  
 Chequing Savings Other (Explain): \_\_\_\_\_

PLEASE ATTACH A COPY OF A VOIDED CHEQUE OR DEPOSIT SLIP FOR VALIDATION OF INFORMATION.

**Part 4: DECLARATION CONSENT AND AUTHORIZATION**

The undersigned hereby certifies that the foregoing information delivered to the trustee is true in all material respects and consents to receive all payments electronically. The undersigned hereby authorizes the trustee to initiate credit entries, electronically, to his or her account. The undersigned further acknowledges that it is his or her responsibility to ensure that the account stays current and available for electronic payments of dividends payable as those dividends become due. The undersigned may revoke or cancel this agreement at any time by delivering a notice of such revocation or cancellation to the trustee. The undersigned agrees to retain the signed original of this document for the duration of this agreement if sending a facsimile copy to the trustee.

_____ (Signature of authorized signatory)	_____ (Print name of signatory)	_____ Date (mm/dd/yyyy)
Direct phone number (____) _____ - _____	_____ (Title)	

**Annexe 3 – TRANSFERT ÉLECTRONIQUE DE FONDS – CONVENTION D'AUTORISATION****Partie 1 : CETTE PARTIE DOIT ÊTRE REMPLIE PAR LE SYNDIC.**

NOM ET ADRESSE DU SYNDIC :

**Partie 2 : RENSEIGNEMENTS SUR LE BÉNÉFICIAIRE DES PAIEMENTS ÉLECTRONIQUES (ÉCRIRE EN CARACTÈRES D'IMPRIMERIE OU À LA MACHINE)**NOM DE FAMILLE : \_\_\_\_\_ PRÉNOM : \_\_\_\_\_  
ou  
RAISON SOCIALE : \_\_\_\_\_

ADRESSE POSTALE

NUMÉRO DE TÉLÉPHONE  
(\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

PERSONNE-RESSOURCE DÉSIGNÉE

NUMÉRO DE TÉLÉPHONE  
(\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_**Partie 3 : RENSEIGNEMENTS SUR LE COMPTE DE DÉPÔT DES PAIEMENTS ÉLECTRONIQUES**

La personne soussignée confirme l'exactitude des renseignements suivants sur le compte aux fins de la réception de paiements par voie de transfert électronique de fonds. Tout autre compte établi antérieurement par le créancier avec le syndic doit être remplacé par le compte ci-dessous.

NOM DE L'INSTITUTION FINANCIÈRE

ADRESSE DE L'INSTITUTION FINANCIÈRE

NUMÉRO DE TRANSIT

NUMÉRO DE L'INSTITUTION

NUMÉRO DE COMPTE

TYPE DE COMPTE

Chèques Épargne Autre (préciser) : \_\_\_\_\_

ANNEXER UN CHÈQUE PORTANT LA MENTION « ANNULÉ » OU UN BORDEREAU DE DÉPÔT AUX FINS DE LA VÉRIFICATION DES RENSEIGNEMENTS

**Partie 4 : DÉCLARATION DE CONSENTEMENT ET AUTORISATION**

Par la présente, la personne soussignée confirme que les renseignements ci-dessus fournis au syndic sont exacts à tous égards importants et consent à recevoir tous les paiements par voie électronique. Elle autorise en outre le syndic à comptabiliser, par voie électronique, des écritures de crédit dans ce compte. La personne soussignée reconnaît également qu'il lui incombe de veiller à la bonne marche et à la disponibilité du compte pour le versement électronique des dividendes à payer au moment où ils sont exigibles. Elle peut révoquer ou annuler la présente convention en tout temps en envoyant un avis à cet effet au syndic. La personne soussignée accepte de conserver l'original signé du présent document pour toute la durée de la convention s'il a été transmis au syndic par télécopieur.

(Signature du signataire autorisé)

(Nom du signataire en  
caractères d'imprimerie)

Date (jj/mm/aaaa)

Numéro de téléphone direct

(\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

(Titre)

**SINGLE ATTESTATION FOR MONTHLY ESTATE TRUST ACCOUNT RECONCILIATIONS**

<input type="checkbox"/> I hereby acknowledge and confirm that I have reviewed and verified the reconciliations for the estate trust accounts listed below (or listed in the attached document) for the month of [month] [year].
<input type="checkbox"/> I hereby accept full accountability in regards to the reconciliation of all listed trust accounts.

List (or attach document listing) estate names, estate numbers and bank account numbers of all reconciled estate trust accounts:

Estate Name	Estate Number	Account Number

\_\_\_\_\_  
[Trustee Signature]  
[Print Trustee Name]  
[Trustee Licence Number]

\_\_\_\_\_  
[Bank Reconciliation Approval Date]

**ATTESTATION UNIQUE POUR LA CONCILIATION MENSUELLE DES COMPTES EN  
FIDUCIE DES ACTIFS**

- Je reconnais et confirme par les présentes avoir examiné et vérifié la conciliation des comptes en fiducie des actifs énumérés ci-dessous (ou énumérés dans le document ci-joint) pour le mois de [mois] [année].
- J'accepte par les présentes la pleine responsabilité de la conciliation de tous les comptes en fiducie énumérés.

Liste (ou document ci-joint comprenant la liste) des noms de l'actif, des numéros de dossier de l'actif et des numéros de compte bancaire de tous les comptes en fiducie de l'actif qui ont été conciliés :

Nom de l'actif	Numéro de dossier de l'actif	Numéro du compte

\_\_\_\_\_  
[Signature du syndic]  
[Nom du syndic en caractères d'imprimerie]  
[Numéro de licence du syndic]

\_\_\_\_\_  
[Date d'approbation de la conciliation  
bancaire]

## Appendix "E"



# Electronic Funds Transfer (EFT) Standard Service

## General Service Description

	Price Per Unit	
Set Up Fee – Initial fee to set up and test each Originator ID	\$ 250.00	<i>one time fee</i> <sup>1</sup> (waived)
Monthly Service Fee – Monthly fee per Originator ID	\$ 50.00	<i>per month</i>
Files Submitted	\$ 10.00	<i>per file</i>
Items Accepted	\$ 0.10	<i>per item</i> <sup>2</sup>
Returned Item – Items that have been returned by the receiving Financial Institution (ie. NSF)	\$ 2.50	<i>per item</i>
Notice of Change – Notification of changes to payee/payor banking information	\$ 0.25	<i>per item</i>
Electronic or Fax Report Delivery – Reports are electronically delivered to your mailbox	\$ 0.25	<i>per page</i>

## Other Services

	Price Per Unit	
Delete or Reverse entire file	\$ 50.00	<i>per file</i>
Delete or Reverse individual item	\$ 15.00	<i>per item</i>
Trace Request – Request to follow up on the posting of a transaction	\$ 30.00	<i>per item</i>
Re-Presentation (Debits only) – NSF and Funds Not Cleared Returns are automatically reprocessed	\$ 1.00	<i>per item</i>
Authentication/Security Device	\$ 50.00	<i>per device</i> *
	\$ 35.00	<i>per additional device ordered (same order)*</i>

**Our goal is to help you achieve yours. For more information, contact your TD Commercial Banking Representative or visit [www.tdcommercialbanking.com](http://www.tdcommercialbanking.com)**

<sup>1</sup> Additional charges may be levied for certain communication protocols.

<sup>2</sup> Fixed item pricing will not change as volumes fluctuate.

\* Plus applicable taxes.

<sup>®/</sup> The TD logo and other trade-marks are the property of The Toronto-Dominion Bank or a wholly-owned subsidiary, in Canada and/or other countries.

All Electronic Funds Transfer (EFT) Fees are in addition to account Service Charges. This fee schedule applies to Canadian and U.S. \$ Domestic Services. Fees are billed in the currency of the service.



## Appendix “F”

# TD Commercial Convenience Checking Pricing List

Account	Minimum to Open	Earnings Credit Rate Tier <sup>1</sup>	Monthly Maintenance Fee	Minimum Average Balance to Waive Monthly Maintenance Fee	Account Analysis Billing	Earnings Credit <sup>3</sup>	Fee for Each Item Paid or Other Debits (Including ACH Debits)	Fee for Each Deposited Item and Other Credits (Including ACH Credits)	Fee for Each Deposit Ticket
<b>First Account</b>	\$200.00	\$0 – \$99,999.99 \$100,000.00+	Waived for the first two statement cycles, then \$60.00	\$100,000.00 in combined TD Commercial Convenience Checking account deposits <sup>2</sup>	Yes	Yes	\$0.35 for each paid and/or deposited item in excess of the first 1,000 items per statement cycle for the relationship <sup>2</sup> . Does not include ACH Credits/Debits originated, charged \$0.25 per item.		N/A
<b>Second or Third Account</b>	\$200.00		\$0.00						
<b>Fourth or Fifth Account</b>	\$200.00		\$25.00	N/A					

## Online Account Services

TD eTreasury Online Banking (Includes Transfer Module)	\$40.00
Book Transfers	\$0.50
Stop Payments (per item)	\$20.00
Security Tokens	
First two tokens	\$0.00
Each additional token (per month)	\$10.00
Custom TD eTreasury Training (per hour)	\$50.00
TD eTreasury Online Banking Escrow	\$50.00

## Online Funds Transfer – ACH

<b>Online ACH Module</b> (Provides access to ACH Addenda Recorded, Transaction Initiated, Batch Reversal, Transaction Reversal and Import, per month)	\$10.00
<b>ACH Originated</b> (Debits & Credits, per item)	\$0.25
ACH Returned Item	\$5.50
Notification of Change	\$4.00
Corporate Payment Notification/EDI (per account)	\$12.50
Unauthorized ACH Returns Surcharge	\$6.00
ACH Returns Surcharge US Mail	\$3.00
ACH NOC Surcharge US Mail	\$3.00
Bank Assisted NOC Correction	\$2.00
<b>ACH Same Day Originated Surcharge</b>	\$1.75
ACH Addenda Record Initiated	\$0.05

## Online Funds Transfers – Wires

Online Wire Module (per month)	\$10.00
Outgoing Wire (Domestic, per item)	\$12.00
Outgoing Wire (International, per item) USD	\$30.00
Outgoing Wire (International, per item) FX	\$12.00

## Fraud Protection Services

ACH Positive Pay (per account, per month)	\$16.00
ACH Debit Block	\$1.00
ACH Filter	\$1.00
Positive Pay Returned Item	\$15.00
Check Positive Pay (per account, per month)	\$40.00
Issued File Transmission (per file)	\$10.00
Manual Issue (per issue)	\$0.25
Per Transaction Cost	\$0.00
Check Block Positive Pay	\$25.00

## Other Account Service Fees

Direct Deposit of Payroll through a Service Provider <sup>4</sup>	
Monthly Maintenance Fee	\$40.00
Wire Email Advices (per item)	\$2.00
Wire Paper Advices (per item)	\$3.00
Cashed or Deposited Item Returned (per item)	\$20.00
Cash Deposited Fee (per statement cycle)	\$0.20 per \$100 deposited over \$10,000
Stop Payments (In-Store or by phone, per item)	\$30.00
Monthly Analysis Paper Statement	\$4.00
Balance Premium Assessment (per \$1,000)	\$0.125
Express Transfers - Northbound or Southbound (per transfer)	\$5.00

## Other Funds Transfers – TD Digital Express

Single-Feed Scanner with 2 Year Contract	\$0.00
Per location set up fee	\$0.00
Monthly fee per scanner workstation	\$50.00
Multi-Feed Scanner with 2 Year Contract	\$0.00
Per location set up fee	\$0.00
Monthly fee per scanner workstation	\$85.00
Early Termination Penalty <sup>5</sup>	\$300.00
Expert Service Set up & Phone Support	\$0.00
Additional Workstation(s)	\$25.00

## Other Funds Transfers – Wires

Transactions Initiated In-Person at any TD Store Location	
Outgoing Wire – Domestic	\$35.00
Outgoing Wire – International USD	\$40.00
Outgoing Wire – International FX	\$35.00
Reverse Wire Drawdown	\$32.00
Research Request - Wire Detail	\$40.00
Wire-In Domestic	\$14.00
Wire-In Foreign	\$15.00
Wire-In Domestic Exception	\$19.00
Wire Out Auto Standing Transfer	\$32.00
EFT-Auto Standing Wire Transfer	\$100.00

## Overdraft<sup>6</sup>

Overdraft-Return (NSF) / Overdraft-Paid (per item) <sup>7</sup>	\$35.00
Drawn Against Uncollected Funds Fees <sup>8</sup>	Prime+4.00% APY

<sup>1</sup> See Commercial Money-In Rate Sheet

<sup>2</sup> A relationship is defined as a lead TD Commercial Convenience Checking account and a linked account of the same type. All balances within the relationship can be used to meet the minimum monthly average balance requirement of \$100,000 to waive the \$60 monthly maintenance fee applicable to the lead account and two linked accounts. The first 1,000 items per statement cycle is also provided on a per relationship basis, not on a per account basis.

<sup>3</sup> To understand how ECR is calculated please refer to your Business Deposit Account Agreement.

<sup>4</sup> ACH Originated per item fees apply. Limited to pre-approved TD Bank service providers.

<sup>5</sup> An early termination fee will be charged to Customers who cancel service within the initial 2 year contract period; Customers can cancel without penalty at any time after the contract period.

<sup>6</sup> Business Accounts on Account Analysis Billing are not eligible for Savings Overdraft Protection or Small Business Overdraft Protection.

<sup>7</sup> This fee applies to a maximum of five (5) items per day per account. For Business Checking accounts, additional overdrafts are billed through Account Analysis. For Business Customers on Account Analysis Billing, an Overdraft-Return (NSF) / Overdraft-Paid (per item) due to lack of Funds Availability may be noted as an Uncollected Funds Fee (UNC) on the Account Analysis Statement. Overdraft-Return and Overdraft-Paid fees are not eligible for earnings credit offset. Please refer to your Business Deposit Account Agreement for more information.

<sup>8</sup> Prime rate is based on the Wall Street Journal Prime.



America's Most Convenient Bank®

## **Appendix “G”**

PERSONAL BUSINESS SEND REQUEST HELP FR

Log In

Sign Up

## Low, flat-rate merchant services fees.

Last Updated August 9, 2018



# PayPal Payments Standard, Express Checkout & Online Invoicing

These fees apply when you sell goods or services (including using PayPal Payments Standard and Express Checkout) and the buyer pays using his/her PayPal account.

- No startup costs, no termination fee, no monthly fees
- Accept PayPal payments and all major credit cards with PayPal Payments Standard
- Accept PayPal payments with Express Checkout
- Allows customers to pay you directly from invoices
- Create online invoices with our free built-in templates

**If the funds you are receiving are coming from a PayPal account:**

**then you pay:**

In Canada

a fee of 2.9% of the transaction amount plus \$0.30 CAD.

In the U.S.

a fee of 3.7% of the transaction amount plus \$0.30 USD.

Outside Canada and the U.S.

a fee of 3.9 % of the transaction amount plus a **fixed fee** based on the currency

## Charitable Organizations

We offer discount rates to charities registered with the Canada Revenue Agency (CRA).

Discount is not applicable to transactions received via PayPal Payments Pro and Virtual Terminal Payments

**If you qualify for and receive this discount, and the funds you are receiving are coming from a PayPal account:**

**then you pay:**

In Canada and U.S.

a fee of 1.6% of the transaction amount plus a **fixed fee** based on the currency.

To apply for the discount, you first must be registered as a charity with the CRA and you'll need to email the following to [compliance@paypal.com](mailto:compliance@paypal.com):

1. Confirmation of Registration from the CRA
2. A scanned copy of a blank and/or void cheque showing the bank account number and organization name
3. Your contact information, including the email address you used to set up your business account
4. Your business URL

Outside Canada and U.S.

a fee of 2.6% of the transaction amount plus a **fixed fee** based on the currency.

### Fixed fees for PayPal Payments Standard, Express Checkout and Online Invoicing

The fixed fee that applies is based on the currency of the payment.

Currency	Fixed Fee	Currency	Fixed Fee
Australian Dollar	\$0.30 AUD	New Zealand Dollar:	\$0.45 NZD
Brazilian Real	0.60 BRL	Norwegian Krone:	2.80 NOK
Canadian Dollar:	\$0.30 CAD	Philippine Peso:	15.00 PHP
Czech Koruna:	10.00 CZK	Polish Zlotych:	1.35 PLN
Danish Krone:	2.60 DKK	Russian Ruble:	10 RUB
Euro:	€0.35 EUR	Singapore Dollar:	\$0.50 SGD
Hong Kong Dollar:	\$2.35 HKD	Swedish Krona:	3.25 SEK
Hungarian Forint:	90 HUF	Swiss Franc:	0.55 CHF
Israeli Shekel:	1.20 ILS	Taiwan New Dollar:	10.00 TWD
Japanese Yen:	¥40 JPY	Thai Baht:	11.00 THB
Malaysian Ringgit:	2.00 MYR	U.K. Pounds Sterling:	£0.20 GBP
Mexican Peso:	\$4.00 MXN	U.S. Dollar:	\$0.30 USD

## PayPal Payments Pro

- No startup costs, no termination fee

2.9% \* + \$0.30 CAD per Domestic transaction

- \$35 monthly fee + applicable GST/HST
- Enables you to provide customers with a fully customized checkout experience on your site
- Includes Virtual Terminal to allow you to accept payments over the phone

3.7% \* + \$0.30 USD per US transaction

3.9% \* + **Fixed fee** per International transaction

3.5% for American Express per Domestic, US or International transaction

## Virtual Terminal

- \$35 monthly fee + applicable GST/HST
- Accept payments over the phone

3.1% \* + \$0.30 CAD per domestic transaction

3.9% \* + \$0.30 USD per US transaction

4.1% \* + **Fixed fee** per International transaction

3.5% for American Express per Domestic, US or International transaction

### Fixed fees for PayPal Payments Pro and Virtual Terminal

The fixed fee that applies is based on the currency of the payment.

Currency	Fixed Fee	Currency	Fixed Fee
Australian Dollar:	\$0.30 AUD	New Zealand Dollar:	\$0.45 NZD
Brazilian Real	0.60 BRL	Norwegian Krone:	2.80 NOK
Canadian Dollar:	\$0.30 CAD	Philippine Peso:	15.00 PHP
Czech Koruna:	10.00 CZK	Polish Zlotych:	1.35 PLN
Danish Koruna:	2.60 DKK	Russian Ruble:	10 RUB
Euro:	€0.35 EUR	Singapore Dollar:	\$0.50 SGD
Hong Kong Dollar:	\$2.35 HKD	Swedish Krona:	3.25 SEK
Hungarian Forint:	90 HUF	Swiss Franc:	0.55 CHF
Israeli Shekel:	1.20 ILS	Taiwan New Dollar:	10.00 TWD
Japanese Yen:	¥40 JPY	Thai Baht:	11.00 THB
Malaysian Ringgit:	2.00 MYR	U.K. Pounds Sterling:	£0.20 GBP

Mexican Peso:	\$4.00 MXN	U.S. Dollar:	\$0.30 USD
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## Payment Gateway

Start accepting credit cards using your existing merchant account. Payflow Pro gives you the flexibility to design a checkout page that matches your site's branding, and Payflow Link comes with a pre-built checkout template you embed right into your checkout page. With either, your customers can pay by credit card without leaving your site.

Payflow Link <a href="#">Learn more</a>	\$0 monthly No set-up fee	\$0.10 per transaction
Payflow Pro <a href="#">Learn more</a>	\$25 Monthly Fee + applicable GST/HST \$99 setup	\$0.10 per transaction
Add-on services		
Recurring Billing	\$0 monthly fee	Standard transaction fees apply
Advanced Fraud Protection Service	\$10 monthly fee + applicable GST/HST	\$0.05 per transaction

## Micropayments

If your transaction size averages less than \$12, you may be eligible to save money with our micropayment processing fees. Micropayments commonly include selling digital goods from within a game, ebook, article or other digital experience.

Sign up for a [PayPal Business account online](#) then call us for Micropayments.

If you qualify for micropayments pricing and the funds you are receiving come from a PayPal account: **then you pay:**

In Canada or the U.S. a fee of 5.0% + **Fixed Fee** based on the currency.

Outside Canada or the U.S. a fee of 6.0% + **Fixed Fee** based on the currency

### Fixed fees for Micropayments

The fixed fee that applies is based on the currency of the payment.

Currency	Fixed Fee	Currency	Fixed Fee
Australian Dollar	\$0.05 AUD	New Zealand Dollar:	\$0.08 NZD
Brazilian Real	0.10 BRL	Norwegian Krone:	0.47 NOK
Canadian Dollar:	\$0.05 CAD	Philippine Peso:	2.5 PHP
	1.67 CZK		0.23 PLN



Czech Koruna:		Polish Zlotych:	
Danish Koruna:	0.43 DKK	Russian Ruble:	2 RUB
Euro:	€0.05 EUR	Singapore Dollar:	\$0.08 SGD
Hong Kong Dollar:	\$0.39 HKD	Swedish Krona:	0.54 SEK
Hungarian Forint:	15 HUF	Swiss Franc:	0.09 CHF
Israeli Shekel:	0.20 ILS	Taiwan New Dollar:	2.00 TWD
Japanese Yen:	¥7 JPY	Thai Baht:	1.80 THB
Malaysian Ringgit:	0.20 MYR	U.K. Pounds Sterling:	£0.05 GBP
Mexican Peso:	\$0.55 MXN	U.S. Dollar:	\$0.05 USD

## Mass Payment

For payments sent to Canada or the US, you will be charged a 2% (up to a maximum of \$1.25 CAD) transaction fee or the amount [in the table below](#) for the applicable foreign currency per individual. No setup fee. No monthly fee.

If you send Mass Payments using the Payouts API within Canada or the U.S., your fee is a flat fee of \$0.32 CAD per recipient, or the amount [in the table below](#) for the applicable foreign currency.

For payments sent to countries outside Canada and the US, you will be charged a 2% (up to a maximum of \$24 CAD) transaction fee or the amount [in the table below](#) for the applicable foreign currency per individual. No setup fee. No monthly fee. The recipient pays nothing to receive your payment, so they always get the full amount.

### Mass Payment fees

The fee that applies is based on the currency of the payment.

Currency	Domestic and US Mass Payment fees	Domestic and US Mass Payment fees using Payouts API	International Mass Payment fees
Australian Dollar:	\$1.25 AUD	\$0.32 AUD	\$24.00 AUD
Brazilian Real:	2.00 BRL	0.50 BRL	40.00 BRL
	\$1.25 CAD	\$0.32 CAD	\$24.00 CAD

Canadian Dollar:			
Czech Koruna:	24.00 CZK	6.00 CZK	400.00 CZK
Danish Koruna:	6.00 DKK	1.50 DKK	120.00 DKK
Euro:	€0.85 EUR	€0.22 EUR	€16.00 EUR
Hong Kong Dollar:	\$7.00 HKD	\$1.75 HKD	\$160.00 HKD
Hungarian Forint:	210 HUF	53 HUF	6000 HUF
Israeli Shekel:	4.00 ILS	1.00 ILS	80.00 ILS
Japanese Yen:	¥120 JPY	¥30 JPY	¥2,000 JPY
Malaysian Ringgit:	4 MYR	NA	80 MYR
Mexican Peso:	\$11.00 MXN	\$2.75 MXN	\$300.00 MXN
New Zealand Dollar:	\$1.50 NZD	\$0.38 NZD	\$30.00 NZD
Norwegian Krone:	6.75 NOK	1.70 NOK	120.00 NOK
Philippine Peso:	50.00 PHP	12.50 PHP	1,000.00 PHP
Polish Zlotych:	3.00 PLN	0.75 PLN	60.00 PLN
Russian Ruble:	30 RUB	60 RUB	600 RUB
Singapore Dollar:	\$1.60 SGD	\$0.40 SGD	\$32.00 SGD
Swedish Krona:	9.00 SEK	2.25 SEK	160.00 SEK
Swiss Franc:	1.30 CHF	0.33 CHF	20.00 CHF
Taiwan New Dollar:	33.00 TWD	8 TWD	800.00 TWD
Thai Baht:	36.00 THB	9.00 THB	800.00 THB
U.K. Pounds Sterling:	£0.65 GBP	£0.17 GBP	£14.00 GBP

U.S. Dollar:      \$1.00 USD      \$0.25 USD      \$20.00 USD

## Additional fees

### Chargeback Fee

The Chargeback fee applies when a transaction is charged back to your Account for a payment you received which is not eligible for PayPal Seller protection. The fee that applies is based on the currency of the payment. [See chargeback table](#)

### Refund Fee:

Fixed fee portion of the original transaction fee (for example, the refund fee is \$0.30 for domestic payments)

### Withdrawal Conversion Fees for Qualified Merchants:

The Merchant Currency Conversion fee applies to the conversion of a U.S. Dollar Balance to Canadian Dollars before you withdraw to your bank account if you qualify for Merchant rates. [See Withdrawal Conversion Fees for Qualified Merchants Table](#)

### Chargeback Fee Table

The fee that applies when a transaction is charged back to your Account.

Currency	Chargeback Fee	Currency	Chargeback Fee
Australian Dollar:	\$22.00 AUD	New Zealand Dollar:	\$28.00 NZD
Brazilian Real:	35.00 BRL	Norwegian Krone:	125.00 NOK
Canadian Dollar:	\$20.00 CAD	Philippine Peso:	900.00 PHP
Czech Koruna:	400.00 CZK	Polish Zlotych:	65.00 PLN
Danish Krone:	120.00 DKK	Russian Ruble:	640 RUB
Euro:	€16.00 EUR	Singapore Dollar:	\$28.00 SGD
Hong Kong Dollar:	\$155.00 HKD	Swedish Krona:	150.00 SEK
Hungarian Forint:	4325.00 HUF	Swiss Franc:	22.00 CHF
Israeli Shekel:	75.00 ILS	Taiwan New Dollar:	625.00 TWD
Japanese Yen:	¥1,875.00 JPY	Thai Baht:	650.00 THB
Malaysian Ringgit:	65 MRY	U.K. Pounds Sterling:	£14.00 GBP

Mexican Peso:	250.00 MXN	U.S. Dollar:	\$20.00 USD
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\* Discounts are available for qualified merchants. Charitable organization discounts do not apply. For more information, please refer to the PayPal [Website Payment Pro and Virtual Terminal Agreement](#).

### Withdrawal Conversion Fees for Qualified Merchant

The fee that applies to the conversion of a U.S. Dollar Balance to Canadian Dollars before you withdraw it to your bank account, if you have applied and qualify for Merchant rates.

Merchant rates are applied at PayPal's discretion, and will be applied only once your account is approved.

Monthly Sales Volume	Currency Conversion Fee
\$0.01 - \$3,000.00 CAD	2.50%
\$3,000.01 - \$12,000.00 CAD	1.50%
\$12,000.01 - \$125,000.00 CAD	1.50%
Over \$125,000.00 CAD	1%

## Merchant Services and Business Products

### Web Payments

PayPal Payments Standard  
PayPal Payments Pro  
Compare Solutions  
Fees

### Online Invoicing

PayPal Invoicing  
  
**Resources**  
Setup Center  
Small Business Hub  
Business Resource Center

### Other Products

Add PayPal Checkout to your site  
Virtual Terminal  
PayPal.Me for Business  
Accept Donations  
Payment Gateway  
Digital Goods  
Mass Payments

### Industry Solutions

All Industries  
Travel  
Charities  
Education  
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