

District of Ontario  
Division No. 09-Toronto  
Estate No.: 31-1925567  
Court No.: 31-1925567

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(In Bankruptcy and Insolvency)**

IN THE MATTER OF THE PROPOSAL OF

**RICCI FINE JEWELLERY LIMITED**

A company duly incorporated under the laws  
of the Province of Ontario and having its head office in the  
city of Toronto in the Province of Ontario

**AMENDED PROPOSAL**

(Dated February 26, 2015)

**Ricci Fine Jewellery Limited**, the above named Debtor, hereby submits the following Proposal under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. (1985), c.B-3, as amended (the "**BIA**"):

**1. DEFINITIONS**

In this Proposal, the following terms have the meaning herein set out:

- (a) **Claim.** Any right of any person against the Debtor in connection with any indebtedness, liability or obligation of the Debtor of any kind which was in existence at the NOI Date, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, surety or otherwise, and whether or not such a right is executory in nature, including, without limitation, any claim referred to in this Proposal in respect of the termination or disclaimer by the Debtor of a lease, any product warranty liability and the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause of action or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which existed prior to or on the NOI Date;
- (b) **Debtor.** Ricci Fine Jewellery Limited;
- (c) **Final Approval.** Approval of the Proposal by the Creditors and the Court and any appeal period with respect to the Court Approval having expired;



- (d) **NOI Date.** Date of the filing of the Notice of Intention to make a Proposal with the Official Receiver being October 27, 2014;
- (e) **Ordinary Creditors.** Unsecured Creditors, excluding the Preferred Creditors;
- (f) **Preferred Creditors.** Creditors with proven claims for which the BIA prescribes payment in priority to claims of Ordinary Creditors;
- (g) **Proposal.** This Proposal, as it may be amended from time to time;
- (h) **Proposal Date.** Date of the filing of the Proposal with the Official Receiver;
- (i) **Proven Claim.** Any claim which was the subject of a proof of claim in accordance with the BIA, filed with the Trustee and considered admissible by it;
- (j) **Secured Creditors.** The Debtor does not have any secured creditors;
- (k) **Trustee.** Albert Gelman Inc., as Trustee of the Proposal of the Debtor;
- (l) **Unsecured Creditors.** Collectively, the Preferred Creditors and the Ordinary Creditors;

## 2. SECURED CREDITORS

- (a) This Proposal is not made to Secured Creditors. Payment of the claims of Secured Creditors shall be made in the usual manner or as may be agreed between the Debtor and the Secured Creditors.

## 3. DEBTS OWED TO THE CROWN

- (a) Proven claims of Her Majesty in right of Canada of or a province of all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the Income Tax Act or under any substantially similar provision of provincial legislation that were outstanding at the NOI Date shall be paid in full within six (6) months of Court Approval of this Proposal. The Canada Revenue Agency (the "CRA") has advised that this amount is \$86,310.23 pursuant to its letter addressed to the Trustee dated February 25, 2015. The amount payable pursuant to this section will be paid directly by the Debtor to the CRA. The Trustee will not be responsible to monitor payment of this provision of the Proposal.

## 4. PREFERRED CREDITORS

- (a) Proven Claims of Preferred Creditors, without interest, shall be paid in full in priority to all Unsecured Creditors;

- (b) Claims of employees and former employees of amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the BIA as well as wages, salaries, commissions or compensation for services rendered after the NOI Date and before Final Approval of this Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the bankrupt's business during the same period shall be paid immediately after Final Approval of this Proposal.

## 5. UNSECURED CREDITORS

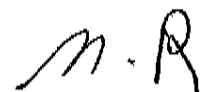
- (a) The Debtor shall remit to the Trustee the total sum of \$50,000 ("Proposal Fund"), to be remitted in 50 consecutive monthly payment of \$1,000 each, commencing in the month following Final Approval.
- (b) The Trustee will distribute the Proposal Fund in the order set out below:
- i. Those amounts set out under paragraphs 6(a) and 6(b);
  - ii. Those amounts required to be made under paragraph 4(a);
  - iii. To Unsecured Creditors with Proven Claims under the Proposal on a *pro rata pari passu* basis.

Creditors shall accept these payments as full, final and complete satisfaction of their claims.

The Debtor shall have the right to prepay the balance due under the Proposal prior to the expiration of the scheduled payment terms.

## 6. GENERAL PROVISIONS

- (a) All (i) proper fees of the Trustee (calculated on an hourly rate basis at the Trustee's prevailing rates) commencing from the NOI Date plus all expenses and disbursements of the Trustee incurred prior to or subsequent to the NOI Date, incidental to the proceedings arising out of the Proposal, including, without limitation, accounting fees and consulting fees and the fees and disbursements of its legal counsel in connection with the preparation and facilitation of this Proposal and any amendments thereto, including advice to the Debtor in connection therewith and fees incurred by the Trustee in administering the Proposal shall be paid from the Proposal Fund in priority to all Claims. The Trustee shall be at liberty to withdraw and pay its fees and expenses from time to time, subject to final approval by the Master in Bankruptcy upon completion of the Proposal.
- (b) From the Proposal Fund, and prior to any distribution to any Unsecured Creditors in the administration, an amount of \$15,000 shall be held separately, in trust, by the Trustee ("Proposal Default Fund"). The sole purpose of the Proposal Default Fund will be to contribute to the fees and disbursements of the Trustee in Bankruptcy ("Bankruptcy Trustee") in the event that the



Debtor becomes bankrupt and Albert Gelman Inc. (or its affiliates) is the Bankruptcy Trustee.

- (c) The Trustee is acting in its capacity as trustee under this Proposal and shall not be responsible or liable for any obligations of the Debtor. The Trustee shall have the powers granted to it by the Proposal, by the Act, and by any order of the Court. The Trustee will be exempt from all personal liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal or generally in carrying out the terms of this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default. Sections 95 to 101 of the Act (with the exception of Section 97(3)) shall not apply in connection with this Proposal or any dealing by the Debtor prior to the NOI Date, and the Trustee shall have no responsibility, liability or authority whatsoever in connection therewith. The Trustee shall not monitor or in any way manage the Debtor's business.
- (d) The Trustee under this Proposal is acting solely as Trustee and not in its personal capacity and shall not be responsible or liable for any obligations of the Debtor.
- (e) All monies payable under the terms of this Proposal, with the exception of the amounts to be paid pursuant to paragraphs 3(a) and 4(b), shall be paid over to the Trustee who shall make all payments in accordance with the terms of this Proposal.
- (f) Upon making all payments in accordance with the terms of this Proposal, the Trustee shall be entitled to be discharged.
- (g) The Creditors, at the meeting of creditors to consider this Proposal, may appoint up to five Inspectors who will have, in addition to any powers of Inspectors under the BIA, the power to:
  - i. receive any notice of default in the performance of the Proposal and waive any such default;
  - ii. advise the Trustee in respect of such matters as may be referred to the Inspectors by the Trustee;
  - iii. approve any amendment to the Proposal without calling a meeting of creditors, where the amendment would alter the schedule for and the amounts of payments to be made by the Debtor, but would not change the total amount to be paid; and
  - iv. extend the time for any payment due under this Proposal.
- (h) Upon the completion of the Proposal, each and every present and former director of the Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, options, liens and other recoveries on account of any liability, obligation,

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demand or cause of action of whatever nature which any Creditor may be entitled to assert, against any such director, including, without limitation, any and all Claims in respect of the potential statutory liabilities of the present or former directors of the Debtor and any and all Claims relating to the obligations of the Debtor, where the present or former directors are or may be by law liable in their capacity as directors for payment of such obligations. A provision for the compromise of Claims against directors may not include Claims that:

- a. Relate to contractual right of one or more of the Ordinary Creditors arising from contract with one or more of the directors; or
  - b. Are based on allegations of misrepresentation made by the directors to the Ordinary Creditors or of wrongful or oppressive conduct by the directors.
- (i) All proper claims against the Debtor arising with respect to goods supplied, services rendered, or other consideration given or provided after the NOI Date, up to the date of approval of this Proposal by the Superior Court of Justice in Bankruptcy, and not otherwise dealt with pursuant to this Proposal, shall be paid in full by the Debtor in the ordinary course, in priority to the claims of all other Creditors.
  - (j) The provisions of this Proposal will be binding on the creditors with Claims and the Debtor, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Final Approval.
  - (k) In the event that any date on which any action is required to be taken herewith is not a business day, such action will be required to be taken on the next succeeding day that is a business day.
  - (l) The Debtor may propose amendments to this Proposal at any time prior to the conclusion of the meeting of creditors called to vote on the Proposal, provided that any such amendment does not reduce the rights and benefits given to the Creditors pursuant to this Proposal before such amendment and any or all such amendments shall be deemed to be a part of and incorporated into this Proposal.
  - (m) The payment, compromise or other satisfaction of any Claim under this Proposal will be binding upon such creditor, its heirs, executors, administrators, successors and assigns, for all purposes and will also be effective to relieve any third party directly or indirectly liable for such indebtedness, whether as guarantor, indemnitor, tenant, director, joint covenantor, principal or otherwise.

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(n) The following creditor has agreed not to file a Claim in this Proposal and will not participate in distributions to Unsecured Creditors under this Proposal:

- Nathan Ricci

(o) Any notices or communication to be made or given in this Proposal 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, by telecopier or by e-mail.

i. if addressed to the Debtor use the following address:

Ricci Fine Jewellery Limited  
309 York Mills Rd  
North York, ON M2L 1L3

Attention: Nathan Ricci

ii. if to an Unsecured Creditor, to the 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 or telecopier number at which the notifying party may reasonably believe that the Unsecured Creditor may be contacted; and

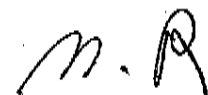
iii. if addressed to the Trustee use the following address:

Albert Gelman Inc.  
100 Simcoe Street, Suite 125  
Toronto, ON M5H 3G2  
Attention: Tom McElroy

Telecopier: 416.504.1655  
E-mail: [tmcelroy@albertgelman.com](mailto:tmcelroy@albertgelman.com)

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 by telecopier or e-mail.

(p) 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 NOI Date.



Dated at Toronto Ontario this 26th day of February, 2014.

**RICCI FINE JEWELLERY LIMITED**

Per: *N. Ricci*  
Name: Nathan Ricci  
Title: President

*I have authority to bind the corporation.*

Pursuant to this Proposal, the following creditor hereby confirms that it will not file a Claim in this Proposal and will not participate in any distributions to Unsecured Creditors under this Proposal.

Nathan Ricci

*N. Ricci*

*N. R*