

ALBERT  GELMAN

**IN THE MATTER OF THE PROPOSAL OF
RICCI FINE JEWELLERY LIMITED**

TRUSTEE'S REPORT TO CREDITORS

DATED DECEMBER 2, 2014

Table of Contents

1. Overview	3
2. History and Background.....	3
3. Summary of the Proposal	4
4. Evaluation of Assets and Liabilities	4
4.1. Assets - Inventory and Equipment	4
4.2. Creditors	5
5. Conduct of the Company.....	5
5.1. Bankruptcy Offences, Transactions at Undervalue and Preferential Payments	5
6. Proposal Trustee's Recommendation	5
7. Procedure for Voting on the Proposal	5

1. Overview

On October 27, 2014 Ricci Fine Jewellery Limited (“RFJL” or the “Company”) filed a Notice of Intention to make a Proposal pursuant to the *Bankruptcy and Insolvency Act* (“NOI”). On November 26, 2014 RFJL filed a Proposal with the Official Receiver (the “Proposal”).

Mr. Nathan Ricci is the President and sole Director of RFJL.

A meeting of creditors is schedule to be held at 9:30 AM on December 16, 2014 at the offices of Albert Gelman Inc. located at 100 Simcoe Street, Suite 125, Toronto, ON (the “Creditors Meeting”).

The purpose of the Creditors Meeting will be to consider the Proposal that RFJL has made to its creditors having claims outstanding as at the date of filing of the NOI on October 27, 2014.

Albert Gelman Inc. (“AGI” or the “Proposal Trustee”) has consented to act as Trustee under the Proposal.

Included with this report are the following documents:

1. Form 92 - Notice of Proposal to Creditors (“Notice of Proposal”);
2. the Proposal;
3. Statement of affairs sworn by Nathan Ricci on November 26, 2014 (the “Statement of Affairs”); and,
4. Voting letter, Proof of Claim and General Proxy form.

The creditors of RFJL may resolve to accept or reject the Proposal at the upcoming Creditors Meeting. The Proposal will be deemed accepted by the creditors if a majority in number, representing at least two-thirds in value of the unsecured creditors, vote in favour.

Creditors who are unable to attend the Creditors Meeting in person may vote in advance by Voting Letter, or they may appoint a Proxy to vote on their behalf at the Creditors Meeting.

If the creditors refuse the Proposal, RFJL will be deemed to have made an assignment in bankruptcy.

2. History and Background

RFJL was incorporated pursuant to the laws of Ontario on July 31, 2009 and operates as a retail jewellery store which conducts business from a leased premises located at 309 York Mills Rd., North York, ON (“Premises”).

We are advised by Mr. Ricci that the Company’s financial trouble relates to decreasing revenues and high fixed costs, including rent of approximately \$20,000 per month which the Company cannot afford to pay. Subsequent to the filing of the NOI RFJL entered into a letter agreement with it landlord such that its current lease for the Premises would expire effective January 31,

2015. Mr. Ricci has advised that he is in the process of locating a new premises to operate from which fits within the Company's future operating budget.

3. Summary of the Proposal

As part of the Proposal, RFJL is offering to pay its unremitted payroll source deductions in full within 18 of Final Approval (defined in the Proposal) of the Proposal. This payment will be funded by Mr. Ricci personally.

The Proposal also provides for RFJL to pay the Proposal Trustee an amount of \$50,000 (the "Proposal Fund") over a 50 month period of time which will be used to pay for the Trustee's fees and disbursements and the balance will be distributed to preferred and unsecured creditors in accordance with the terms of the Proposal.

4. Evaluation of Assets and Liabilities

Enclosed with the Notice of Proposal is RFJL's Statement of Affairs, which details its assets and liabilities, along with a listing of RFJL's creditors.

In order to assist creditors in assessing RFJL's Proposal, we have summarized below the Proposal Trustee's estimate of the realizable value of RFJL's assets in the event of a bankruptcy, along with an evaluation of the claims of the various classes of creditors.

	Estimated realizable value as at Oct 26/14
Inventory - liquidation basis	\$ 5,000
Display cases, equipment and other furniture	7,380
Less: selling costs	
Advertising	(500)
Commissions (15%)	(1,857)
Net Realizable Value	<u>10,023</u>
Less: Estimated Deemed Trust claim of the CRA	(86,000)
Estimated deficiency to the CRA	<u>\$ (75,977)</u>
Estimated distribution to preferred and unsecured creditors	<u>\$ 0</u>

Set out below is the Proposal Trustee's analysis and evaluation of the assets and liabilities of RFJL.

4.1. Assets - Inventory and Equipment

The assets of the Company are comprised of jewellery inventory as well as furniture and equipment. Based on a liquidation value appraisal prepared for the Company dated November 6,

2014, the estimated realizable value of the inventory, display cases, equipment and furniture is \$12,380. In the event of a bankruptcy of the Company, these assets will be sold.

4.2. Creditors

As set out above, the CRA is owed approximately \$86,000 in respect of unpaid source deductions. Pursuant to the *Bankruptcy and Insolvency Act* (the "BIA"), the CRA has a deemed trust claim in respect of the amounts owing for unpaid source deductions which ranks in priority to all other creditors.

In the event that the creditors or the Court refuse to approve the Proposal and RFJL is deemed bankrupt, the Proposal Trustee anticipates that the CRA will suffer a substantial shortfall on its deemed trust claim, and the Trustee does not anticipate any distribution to the Company's preferred or unsecured creditors.

5. Conduct of the Company

5.1. Bankruptcy Offences, Transactions at Undervalue and Preferential Payments

The Proposal Trustee is not aware of any offense committed by the Company pursuant to the BIA.

The Proposal Trustee is in the process of conducting its review of the Company's financial activities to ascertain whether there have been any transactions at undervalue or preferential payments. The Proposal Trustee will advise of its results at the first meeting of creditors.

6. Proposal Trustee's Recommendation

Based on the terms of the Proposal, the claim of the Canada Revenue Agency for unpaid payroll source deductions will be paid in full and there will be a Proposal Fund available for distribution to the preferred and unsecured creditors after payment of the Trustee's fees and disbursements.

As part of the Proposal, Nathan Ricci has agreed not to file a claim as an unsecured creditor for amounts owing to him by the Company.

As set out earlier in this report, in the event of a bankruptcy of RFJL, the Proposal Trustee anticipates that no monies will be available for preferred and unsecured creditors.

For this reason, the Proposal Trustee recommends acceptance of the Proposal by the creditors.

7. Procedure for Voting on the Proposal

The primary purpose of the Creditors Meeting is to permit creditors to consider and to accept or reject the Company's Proposal.

To be eligible to vote, creditors must have filed with the Proposal Trustee, before the commencement of the Creditors Meeting, a Proof of Claim and either attend the meeting in person or by proxy, or complete and submit the attached Voting Letter prior to the Creditors Meeting.

The Proposal Trustee prefers that Proofs of Claim, Proxies and Voting Letters be submitted in advance of the meeting by fax at 416-504-1655 or by email at proofofclaim@albertgelman.com.

Documents sent via mail or courier must be received by the Proposal Trustee prior to the commencement of the Creditors Meeting to be considered for voting purposes.

Corporate creditors who will be sending a representative to vote at the meeting must complete the proxy in favour of the representative in attendance, in order to evidence that this person has the authority to vote on behalf of the corporation.

If the Proposal is not accepted by the requisite majority of creditors, RFJL will be deemed bankrupt. If the Proposal is accepted by the requisite majority of creditors, the Proposal Trustee will then make an application to the Court for approval of the Proposal. Upon the Court approving the Proposal, the Proposal will be binding upon all creditors with provable claims.

DATED at Toronto, Ontario, this 2nd day of December, 2014.

**ALBERT GELMAN INC., solely in its
capacity as Trustee in the Proposal of Ricci Fine Jewellery Limited
and not in its personal capacity**

Per:



Bryan A. Gelman, CIRP, Trustee in Bankruptcy

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

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

In the matter of the proposal of
Ricci Fine Jewellery Limited
of the city of North York, in the Province of Ontario

Take notice that Ricci Fine Jewellery Limited of the city of North York in the Province of Ontario has lodged with us a proposal under the Bankruptcy and Insolvency Act.

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

A general meeting of the creditors will be held at 100 Simcoe Street, Suite 125, Toronto, ON on the 16th day of December 2014 at 9:30 AM.

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

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

Dated at the city of Toronto in the Province of Ontario, this 2nd day of December 2014.

Albert Gelman Inc. - Trustee



100 Simcoe Street, Suite 125
Toronto ON M5H 3G2
Phone: (416) 504-1650 Fax: (416) 504-1655

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
7265409 Lotus Canada	C P 1015 Lac Beauport QC G3B 2J8		2,830.89
Astor Wong	24 Versaille Crt Richmond Hill ON L4C 8V5		11,500.00
AVS Group	1001 Petrofia Road Toronto ON M3J 2X7		3,164.00
Bell Canada F-88 - Business Insolvency Department	1 Carrefour Alexandre-Graham-Bell, Aile E3 Verdun QC H3E 3B3	8455200600145881	364.29
Belpearl - Toronto Inc.	55 Queen Street East, Suite 307 Toronto ON M5C 1R6		9,978.10
Canadian Springs Water Company	6560 Mcmillan Way Richmond BC V6W 1L2	110067866	255.91
Chubb Edwards - Headquarters - Missi ssauga Tina Tackore	5201 Explorer Drive Mississauga ON L4W 4H1		2,500.00
D&A Collection Corporation Accounts Receivable	142 - 75 Watline Ave Mississauga ON L4Z 3E5		1,100.00
Dynamic Gems Group Inc.	27 Queen Street East, #806 Toronto ON M5C 2M6		5,600.00
Emtwo Properties Inc. Partick Gordon	c/o Blake, Cassels & Graydon LLP 199 Bay Street, Suite 4000, Commerce Court West Toronto ON M5L 1A9		35,000.00
Glamour Watchmakers	2 Mary Gapper Cres #15 Richmond Hill ON L4C 0J4		5,300.00
Groupe Courchesne	300 - 9880 Clarke Montréal QC H3L 2R3		2,579.64
Hicks Morley Hamilton Stewart Storie LLP	77 King St W 9th Floor, Box 371, TD Centre Toronto ON M5K 1K8		17,000.00
Jewelers Mutual Insurance Company	54 Jewelers Park Drive PO BOX 468 Neenah WI 549 57-0468 USA		2,513.98
Jewello Design Ltd. Juttin	Block A, Focal Industrial Centre, 21 Man Lok Street, Unit 07, 8/F, Hung Hom Kowloon Hong Kong		1,200.00

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Leviev Ltd.	66 Chantilly Cres Richmond Hill ON L4C 0K1		45,000.00
Martin Ross Group Inc.	250 Canarctic Drive Toronto ON M3J 2P4		4,145.23
Noble Gift Packaging Inc. Morris Herzog	5623 Casgrain Montreal QC H2T 1Y1		10,300.00
Paragems	40 Wynford Dr #309 Toronto ON M3C 1J5		3,168.51
Ritone (Canada) Ltd.	3601 Highway 7 East, Suite 706 Markham ON L3R 0M3		12,434.12
Robert D. Munro	6 Lansing Square, Suite 141 Willowdale ON M2J 1T5		45,000.00
S. Gellis Jewellery Import Ltd.	1450 Lodestar Road, #2 Downsview ON M3J 3C1		50,000.00
Servcon	13-25 West Beaver Creek Road Richmond Hill ON L4B 1K2		2,350.00
TD Canada Trust Natalie Bertucci, Credit Administration Services (CAS)	4720 Tahoe Boulevard, 3rd Floor Mississauga ON L4W 5P2		10,000.00
Toronto Hydro-Electric Systems Limited Josephine Pernarell / Mary Degroot	5800 Yonge St North York ON M2M 3T3	4212500000	1,944.97
Tresor Paris Canada	151 Yonge Street, 11th Floor Toronto ON M5C 2W7		6,200.00
Workplace Safety and Insurance Board c/o Collection Services	200 Front St W Toronto ON M5V 3J1	5259009	329.11
Total			291,758.75

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

PROPOSAL

(Dated November 26, 2014)

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 or of 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 thirty six (18) months of Court Approval of this Proposal. The Debtor estimates that this amount is approximately \$86,000. The amount payable pursuant to this section will be paid directly by the Debtor to the Canada Revenue Agency ("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,

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.

(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

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 November, 2014.

RICCI FINE JEWELLERY LIMITED

Per: 
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



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

Original Amended

-- Form 78 --

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


To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 27th day of October 2014. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	ASSETS (as stated and estimated by the officer)
1. Unsecured creditors as per list "A"	1. Inventory
291,844.61	5,000.00
Balance of secured claims as per list "B"	2. Trade fixtures, etc.
0.00	0.00
Total unsecured creditors	3. Accounts receivable and other receivables, as per list "E"
291,844.61	Good
2. Secured creditors as per list "B"	0.00
0.00	Doubtful
3. Preferred creditors as per list "C"	0.00
0.00	Bad
4. Contingent, trust claims or other liabilities as per list "D"	0.00
estimated to be reclaimable for	Estimated to produce
00,000.00	0.00
Total liabilities	4. Bills of exchange, promissory note, etc., as per list "F" ...
380,844.61	0.00
Surplus	5. Deposits in financial institutions
NIL	0.00
	6. Cash
	0.00
	7. Livestock
	0.00
	8. Machinery, equipment and plant
	7,380.00
	9. Real property or immovable as per list "G"
	0.00
	10. Furniture
	0.00
	11. RRSPs, RRIFs, life insurance, etc.
	0.00
	12. Securities (shares, bonds, debentures, etc.)
	0.00
	13. Interests under wills
	0.00
	14. Vehicles
	0.00
	15. Other property, as per list "H"
	0.00
	If debtor is a corporation, add:
	Amount of subscribed capital
	0.00
	Amount paid on capital
	0.00
	Balance subscribed and unpaid
	0.00
	Estimated to produce
	0.00
	Total assets
	12,380.00
	Deficiency
	368,464.61

I, Nathan Ricci, of the city of Toronto in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 26th day of November 2014 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
 before me at the city of Toronto in the Province of Ontario, on this 26th day of November 2014.



 Bryan Gelman, Commissioner of Oaths
 For the Province of Ontario
 Expires Feb. 17, 2017



 Nathan Ricci

**Bryan Adam Gelman, a Commissioner, etc.,
 Province of Ontario, for Albert Gelman Inc.,
 Trustee in Bankruptcy. Expires February 17, 2017.**

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

FORM 78 -- Continued

List "A"
 Unsecured Creditors

Ricci Fine Jewellery Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	7265409 Lotus Canada	C.P. 1015 Lac Beauport QC G3B 2J8	2,830.89	0.00	2,830.89
2	Astor Wong	24 Versaille Crt Richmond Hill ON L4C 8V5	11,500.00	0.00	11,500.00
3	AVS Group	1001 Pictoula Road Toronto ON M3J 2X7	3,164.00	0.00	3,164.00
4	Dell Canada F-80 - Business Attn: Insolvency Department 8455200600145001	1 Carrefour Alexandre-Graham-Bell, Aile E3 Verdun QC H3E 3B3	364.29	0.00	364.29
5	Delpaari - Toronto Inc.	55 Queen Street East, Suite 307 Toronto ON M5C 1R6	9,978.10	0.00	9,978.10
6	Canada Revenue Agency Attn: Ana Luvic 8538 10450 RP0001	166 Frederick Street Kitchener ON N2H 0A9	1.00	0.00	1.00
7	Canadian Springs Water Company 110067866	6560 Manilan Way Richmond BC V6W 1L2	255.91	0.00	255.91
8	Chubb Edwards - Headquarters - Mississauga Attn: Tina Tackore	5201 Explorer Drive Mississauga ON L4W 4H1	2,500.00	0.00	2,500.00
9	CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insul 8538 10450 RP0001	461 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	1.00	0.00	1.00
10	CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insul 8538 10450 RP0001	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	1.00	0.00	1.00
11	D&A Collection Corporation Attn: Accounts Receivable	142 - 75 Watline Ave Mississauga ON L4Z 3E5	1,100.00	0.00	1,100.00
12	Dynamic Gems Group Inc.	27 Queen Street East, #806 Toronto ON M5C 2M6	5,600.00	0.00	5,600.00
13	Embwo Properties Inc. Attn: Patrick Gordon	c/o Blake, Cassels & Graydon LLP 199 Bay Street, Suite 4000, Commerce Court West Toronto ON M5L 1A9	35,000.00	0.00	35,000.00
14	Enbridge Gas Distribution - Ontario Attn: Back Office Collections Department 91 00 05 37708 2	PO Box 650 Scarborough ON M1K 5E3	80.86	0.00	80.86
15	Glamour Watchmakers	2 Mary Gapper Cres. #15 Richmond Hill ON L4C 0J4	5,300.00	0.00	5,300.00
16	Groupa Couchesna	300 - 8880 Clarke Montreal QC H3L 2R3	2,579.64	0.00	2,579.64
17	Hicks Morley Hamilton Stewart Storia LLP	77 King St W., 9th Floor, Box 371, TD Centre Toronto ON M5K 1K8	17,000.00	0.00	17,000.00
18	Jewelers Mutual Insurance Company	54 Jewelers Park Drive PO BOX 468 Neenah WI 549 57-0468 USA	2,513.98	0.00	2,513.98
19	Jewello Design Ltd Attn: Juffin	Block A, Focal Industrial Centre, 21 Man Lok Street, Unit 07, #/F, Hung Hom Kowloon Hong Kong	1,200.00	0.00	1,200.00
20	Levioc Ltd.	66 Chantilly Cres Richmond Hill ON L4C 0K1	45,000.00	0.00	45,000.00

26-Nov-2014

Date


 Nathan Ricci

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

FORM 78 -- Continued

List "A"
Unsecured Creditors

Ricci Fine Jewellery Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
21	Martin Ross Group Inc.	250 Canarctic Drive Toronto ON M3J 2P4	4,145.23	0.00	4,145.23
22	Ministry of Finance - ON PST, EHT & Other Taxes Attn: Mrs. Asta Albery	Ministry of Revenue 33 King Street West 6th Floor Oshawa ON L1H 8H5	1.00	0.00	1.00
23	Nathan Ricci	123 Eglinton Ave. East, Suite 1110 Toronto ON M4P 1J2	1.00	0.00	1.00
24	Noble Gift Packaging Inc. Attn: Morris Herzog	5623 Casgrain Montreal QC H2T 1Y1	10,300.00	0.00	10,300.00
25	Paragems	40 Wynford Dr. #309 Toronto ON M3C 1J5	3,168.51	0.00	3,168.51
26	Ritone (Canada) Ltd.	3601 Highway 7 East, Suite 706 Markham ON L3R 0M3	12,434.12	0.00	12,434.12
27	Robert D. Munro	6 Lansing Square, Suite 141 Willowdale ON M2J 1T5	45,000.00	0.00	45,000.00
28	S. Gellis Jewellery Import Ltd.	1450 Lodestar Road, #2 Downsview ON M3J 3C1	50,000.00	0.00	50,000.00
29	Servcon	13-25 West Beaver Creek Road Richmond Hill ON L4B 1K2	2,350.00	0.00	2,350.00
30	TD Canada Trust Attn: Natalie Bertucci, Credit Administration Services (CAS)	4720 Tahoe Boulevard, 3rd Floor Mississauga ON L4W 5P2	10,000.00	0.00	10,000.00
31	Toronto Hydro-Electric Systems Limited Attn: Josephine Femarell / Mary Degroot 421250000	5800 Yonge St North York ON M2M 3T3	1,944.97	0.00	1,944.97
32	Tresor Paris Canada	151 Yonge Street, 11th Floor Toronto ON M5C 2W7	6,200.00	0.00	6,200.00
33	Workplace Safety and Insurance Board Attn: c/o Collection Services 5259000	200 Front Street West Toronto ON M5V 3J1	329.11	0.00	329.11
Total:			291,844.61	0.00	291,844.61

26-Nov-2014

Date



Nathan Ricci

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

FORM 78 - Continued

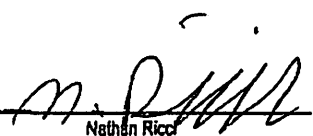
List "B"
Secured Creditors

Ricci Fine Jewellery Limited

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
			Total: 0.00			0.00	0.00	0.00

26-Nov-2014

Date


Nathan Ricci

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

FORM 78 - Continued

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

Ricci Fine Jewellery Limited

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

26-Nov-2014

Date



Nathan Ricci

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

FORM 78 - Continued

List "D"
 Contingent or Other Liabilities

Ricci Fine Jewellery Limited

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
1	CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Inscr 8538 18458 RP0001	451 Talbot St., 3rd Floor, PO Box 5540 London ON N6A 4R3	89,000.00	0.00		Deemed Trust Claim
Total:			89,000.00	0.00		

26-Nov-2014

Date


 Nathan Ricci

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

FORM 78 - Continued

List "E"
 Debts Due to the Debtor

Ricci Fine Jewellery Limited

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
			Total	0.00 0.00 0.00			0.00	

26-Nov-2014

Date


 Nathan Ricci

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

FORM 78 - Continued

List "F"

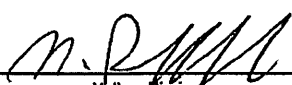
Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

Ricci Fine Jewellery Limited

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

26-Nov-2014

Date


Nathan Ricci

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

FORM 70 -- Continued

List "G"
Real Property or Immovables Owned by Debtor

Ricci Fine Jewellery Limited

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

28-Nov-2014

Date


Nathan Ricci

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

FORM78 – Concluded

List "H"
 Property

Ricci Fine Jewellery Limited
 FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade		Inventory	0.00	5,000.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant		Equipment and display units	0.00	7,380.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other			0.00	0.00
			Total:	12,380.00

26-Nov-2014

Date


 Nathan Ricci

Court No. 31-1925567

File No. 31-1925567

Form 78 (Bill C-12)
Statement of affairs (Business bankruptcy)

Albert Gelman Inc. - Trustee

100 Simcoe Street, Suite 125
Toronto ON M5H 3G2
Phone: (416) 504-1650 Fax: (416) 504-1655

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

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

In the matter of the proposal of
Ricci Fine Jewellery Limited
of the city of North York, in the Province of Ontario

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

In the matter of the proposal of Ricci Fine Jewellery Limited of the city of North York in the Province of Ontario and the claim of _____, creditor.

I, _____ (name of creditor or representative of the creditor), of the city of _____ in the province of _____, do hereby certify:

1. That I am a creditor of the above named debtor (or I am _____ (position/title) of _____, creditor).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of the filing of the notice of intention to make a proposal, namely the 27th day of October 2014, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)
4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____

(other than as a customer contemplated by Section 262 of the Act)

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

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

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

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

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ _____

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

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

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

E. CLAIM BY WAGE EARNER OF \$ _____

That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____.

That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____.

F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____

That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____.

That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____.

G. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

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

H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:

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

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

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

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

Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.

I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at _____, this _____ day of _____.

Witness

Creditor

Phone Number: _____

Fax Number : _____

E-mail Address : _____

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

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

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

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

- FORM 37 -

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

In the matter of the proposal of
Ricci Fine Jewellery Limited
of the city of North York, in the Province of Ontario

I, _____, creditor (or I, _____, representative of
_____, creditor), of _____, a creditor in the above matter for the
sum of \$ _____, hereby request the trustee acting with respect to the proposal of Ricci Fine Jewellery
Limited, to record my vote _____ (for or against) the acceptance of the proposal as made on the 26th
day of November 2014.

Dated at _____, this _____ day of _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:
Albert Gelman Inc. - Trustee
Per:

Bryan Gelman
100 Simcoe Street, Suite 125
Toronto ON M5H 3G2
Phone: (416) 504-1650 Fax: (416) 504-1655
E-mail: proofofclaim@albertgelman.com

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

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

In the matter of the proposal of
Ricci Fine Jewellery Limited
of the city of North York, in the Province of Ontario

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

Dated at _____, this _____ day of _____, _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

Albert Gelman Inc. - Trustee

100 Simcoe Street, Suite 125
Toronto ON M5H 3G2
Phone: (416) 504-1650 Fax: (416) 504-1655
E-mail: proofofclaim@albertgelman.com